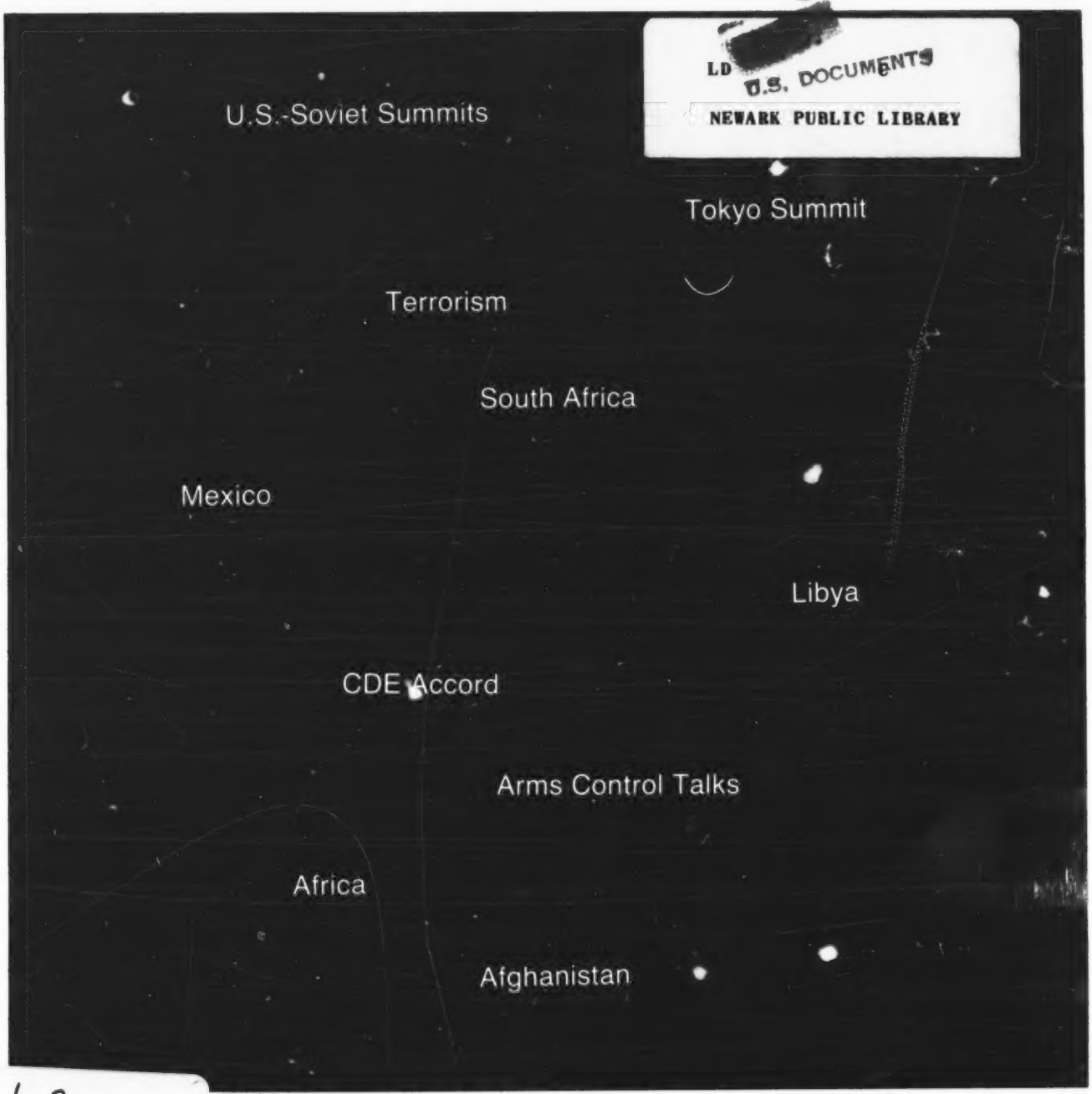
86/2106-2117/ind.

Department of State bulletin

The Official Monthly Record of United States Foreign Policy / Vol. 86 / Nos. 2106–2117

NEWARK PUBLIC LIBRARY
AUG 3 1987

Index 1986



LD
U.S. DOCUMENTS
NEWARK PUBLIC LIBRARY

S1.3:

Department of State bulletin

Vol. 86 / Nos. 2106–2117

THE DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

BERNARD KALB
Assistant Secretary
for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

SHARON R. LOTZ
Assistant Editor

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through September 30, 1987.

DEPARTMENT OF STATE BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street, NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Most of the contents of this publication are in the public domain and not copyrighted. Those items may be reprinted; citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. Permission to reproduce all copyrighted material (including photographs) must be obtained from the original source. The BULLETIN is indexed in the Readers' Guide to Periodical Literature and in the PAIS (Public Affairs Information Service, Inc.) Bulletin.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

INDEX: Vol. 86, Nos. 2106–2117

A

Abrams, Elliott, Jan. 75, Mar. 66, 69, Apr. 83, 84, 89, June 86, July 86, Aug. 83, Oct. 66
  Biography, Mar. 67
Adelman, Kenneth L., Jan. 35, 39, Mar. 28, Aug. 47, Oct. 7
Advisory Committee on Historical Diplomatic Documentation, notice of meetings, PR 201, 10/6
Afghanistan (*see also under* Refugees): Apr. 81; Karp, Feb. 13
  Soviet occupation and need for withdrawal: Oct. 55, Feb. 16; Adelman, Aug. 48; Armacost, June 64, 65, Dec. 59, 60, PR 218, 10/16; Karp, Feb. 4; NAC, Feb. 37; Poindexter, Aug. 66; Reagan, Feb. 22, 87, Apr. 28, May 34, 35, Nov. 4; Shultz, Jan. 19, 22, 25, Feb. 26, Apr. 49, July 25, Dec. 4, PR 52, 3/20, PR 209, 10/8, PR 213, 10/15; Whitehead, Feb. 1
    Chronology, Feb. 18
    General Assembly resolution 40/12: Walters, Feb. 20; text, Feb. 21
  Soviet soldier at U.S. Embassy, Kabul (Karp), Feb. 11
  Treaties, agreements, etc., Feb. 93, Mar. 72, June 90, Dec. 85
  U.S. humanitarian relief: Armacost, June 66; Karp, Feb. 18; Peck, July 81, 84
  Violations of Pakistani border (Karp), Feb. 16
  Youth, Sovietization of (Trottier), Mar. 46
Afghanistan Day, 1986 (Reagan), May 79
Africa (*see also names of individual countries*):
  Economic problems: Apr. 11; Reagan, Apr. 28; Shultz, Aug. 32; Tokyo summit, July 10; Whitehead, Jan. 33
    U.N. Special Session on the Critical Economic Situation (Shultz), Sept. 11, 32, 88, PR 120A, 5/29, PR 120B, 5/29, PR 127, 6/11
    Background, Sept. 90
  Horn of Africa: May 4; Crocker, Jan. 29
  Southern Africa, regional security: May 6; Armacost, Apr. 53; Reagan, May 35; Shultz, Feb. 51, Mar. 15, 25, PR 37, 3/4, PR 41, 3/13
  Soviet and Cuban presence: May 2, 4; Armacost, Apr. 53; Crocker, Jan. 29; Reagan, May 35; Shultz, Feb. 26, 51, Mar. 15, 26, Dec. 6
  Sub-Saharan: Apr. 1, May 1; Crocker, July 30; Schneider, Aug. 79
    Profile, Apr. 2
  U.S. assistance: May 12; McPherson, Aug. 63; Murphy, July 76; Schneider, Aug. 78; Shultz, Apr. 50, Sept. 88
  U.S. Trade and Investment Conference, announcement, PR 73, 418
African Development Bank, bilateral cooperation agreement (1986), Aug. 91
Agriculture (*see also* Wheat): McPherson, Aug. 61
Agriculture (Cont'd)
  Agricultural commodities, sale of, bilateral agreements with: Bangladesh, Nov. 88; Bolivia, July 92; Costa Rica, Feb. 94, Mar. 73; Dominican Republic, Nov. 89; Ecuador, Sept. 93; Egypt, Jan. 81; El Salvador, May 90, Oct. 76; Ghana, Guatemala, Oct. 76; Guinea, Mar. 73; Guyana, Nov. 89; Haiti, Sept. 93; Honduras, June 91, Dec. 86; Indonesia, Sept. 93, Dec. 87; Jamaica, Apr. 94, Nov. 89; Kenya, Oct. 76; Liberia, July 92; Madagascar, Jan. 81, Nov. 89; Maldives, Nov. 89; Morocco, Sept. 93, Nov. 89; Mozambique, July 93, Oct. 76, Dec. 87; Pakistan, Sept. 93; Peru, Nov. 89; Philippines, Sept. 94; Sierra Leone, Aug. 93, Oct. 76; Sri Lanka, Jan. 81, Apr. 94, Nov. 89; Sudan, Apr. 94; Tunisia, Dec. 87; Yemen, Nov. 90; Zaire, Feb. 95; Zambia, Sept. 94
    Under food for progress, agreements with: Guinea, Dec. 86; Madagascar, Dec. 87
  Agricultural overproduction: Reagan, July 10; Shultz, July 19, Sept. 29, 30, 32, Oct. 43, 45; Tokyo economic summit, July 10; Yeutter, Nov. 44, 46
  Cooperation, bilateral agreements with: Venezuela, Mar. 74; Zimbabwe, Apr. 94
  International Fund for Agricultural Development, agreement (1976): Antigua and Barbuda, St. Christopher and Nevis, June 90
  International plant protection convention (1951): Algeria, Mar. 72; Grenada, Apr. 92; Togo, July 91
  Tropical timber, international agreement (1983): Austria, May 89; Belgium, May 89; Cameroon, Mar. 73; Canada, Aug. 91; China, Sept. 92; Egypt, June 90; Germany, Federal Republic of, June 90; India, Luxembourg, May 89; Papua New Guinea, Mar. 73; Spain, Aug. 91; Trinidad and Tobago, July 92
  Tropical timber resources (Negroponte), Sept. 53
Albania, international telecommunications convention (1982), accession, Mar. 72
Alexander, Michael, Feb. 61
Algeria (Murphy), July 80
  Treaties, agreements, etc., Mar. 72, June 90
Ambiguous warfare. *See* Low-intensity warfare
American ideals: Reagan, Jan. 2, 4, Apr. 26, Dec. 7, 19; Shultz, Feb. 24, 29, June 35, Nov. 11, 12
Angola: Armacost, Apr. 53, June 64, Dec. 59; Crocker, Apr. 59; Reagan, Apr. 28, May 34, June 27, Sept. 2, Nov. 2; Security Council, Jan. 74; Shultz, Jan. 20, Feb. 51, Mar. 15, 26, Apr. 50, Sept. 7; Walters, Jan. 73; White House, May 45
  Profile, Apr. 54
  Treaties, agreements, etc., Apr. 92, Dec. 86
Antarctic Treaty (1959):
  Principles and objectives, recommendations relating to furtherance (1961), (1962), (1966), (1968), (1970), (1972), (1975), (1977): China, Feb. 93
Antarctic Treaty (1959) (Cont'd)
  Principles and objectives, recommendations re furtherance (1981), (1983): South Africa, July 91; Soviet Union, May 89
  Principles and objectives, recommendations re furtherance (1985), acceptance, South Africa, Dec. 84
Antigua and Barbuda:
  Treaties, agreements, etc., Mar. 72, Apr. 93, June 90, 91, Oct. 76
  U.S. defense facilities in Antigua, bilateral agreement, June 91
ANZUS (Australia, New Zealand, U.S.): Oct. 48; Cleveland, June 74; Department, Sept. 87; Hawke, Aug. 75; Reagan, Aug. 74; Shultz, Feb. 39, Sept. 27, 36, Oct. 43, 46, PR 161, 8/15; Segur, July 45, Dec. 77
Aquino, Corazon C., Dec. 55, 56
Arab-Israeli conflict (*see also names of individual countries*): Shultz, Jan. 25, Feb. 26, Dec. 32, PR 37, 3/4, PR 41, 3/13, PR 67, 4/1
  Palestinian issues: Bush, Nov. 10; Murphy, Dec. 70; Reagan, Mar. 12, July 13; Shultz, Mar. 24
  Peace process: Bush, Nov. 9; Dizdarevic, Feb. 49; McPherson, Aug. 59; Murphy, Mar. 39, June 70, 73, Dec. 70; Reagan, Apr. 29, Sept. 80, Dec. 73; Schneider, Aug. 77; Shultz, Jan. 20, Feb. 38, 49, 50, 51, 52, 53, Mar. 21, 24, 25, Apr. 46, PR 127, 6/11, PR 150, 7/25
  Taba issue: Reagan, Dec. 73; Shultz, Aug. 56
Arbitration:
  Inter-American convention on international commercial arbitration (1975): Guatemala, Nov. 88; U.S., Dec. 84
  Recognition and enforcement of foreign arbitral awards (Verville), Sept. 74
  Convention (1958): Canada, July 91; Malaysia, Jan. 80; Singapore, Nov. 88
Argentina:
  Treaties, agreements, etc., Jan. 80, Aug. 91, Sept. 92, 93, Oct. 75, Dec. 85
  U.S. Ambassador (Gildred), swearing in, PR 229, 10/23
Armacost, Michael H., Feb. 73, Apr. 53, May 69, June 63, 67, Sept. 61, Oct. 20, Nov. 49, Dec. 52, 57, PR 140, 6/30, PR 218, 10/16
  David Jacobsen, former hostage, PR 246, 11/7
Armaments, U.S. (*see also* Defense and national security):
  Arms sales:
    Jordan: Murphy, Mar. 39; Reagan, Feb. 89
    Saudi Arabia, proposed: Department, May 77; Murphy, June 70; Reagan, Sept. 79; Shultz, July 26, PR 110, 5/14; White House, Aug. 71, Sept. 78, 79
  Binary chemical weapons program (White House), Oct. 37
  Stinger weapon system, bilateral agreement with Federal Republic of Germany re dual production and sale, July 92

Arms control and disarmament (*see also* Europe: Confidence- and Security-Building Measures and Disarmament Conference (CDE); Europe: Mutual and balanced force reduction talks; *and* Soviet Union: U.S. arms control negotiations):
Chemical weapons convention, proposed: Jan. 8; Adelman, Jan. 39, 41; General Assembly, Mar. 60; Holmes, Sept. 39; Lowitz, Mar. 60, Dec. 41; NAC, Feb. 36, Aug. 53; Nitze, Nov. 75; Reagan, Nov. 4, Dec. 22; Rowny, Nov. 31; Shultz, Jan. 22, Nov. 54; White House, Aug. 39
Elimination of all nuclear weapons, goal: Nitze, Nov. 74; Reagan, Jan. 5, Mar. 27, Apr. 64; Shultz, July 37, PR 11, 1/16, PR 12, 1/16; White House, Mar. 27
Asia (*see also names of individual countries*): Armacost, June 68; McPherson, Aug. 63; Reagan, Apr. 29; Sigur, July 42
East Asia-Pacific-U.S. relations (Sigur), Nov. 39
South Asian Association of Regional Cooperation (SAARC): Oct. 55; Peck, July 82; Shultz, PR 48, 3/18
Soviet interests: Armacost, Oct. 21; Monjo, July 54, 60; Shultz, July 17, Sept. 26, 35, 37, Oct. 46, PR 181, 9/16; Sigur, July 46, Dec. 76
U.S. trade and investment (Shultz), PR 26, 2/19
Asian Development Bank, articles of agreement, 1965: China, Spain, Oct. 75
Association of South East Asian Nations (ASEAN): Armacost, June 68; Monjo, July 59; Reagan, Apr. 28; Shultz, Apr. 48, Sept. 28, 30, PR 40, 3/13, PR 48, 3/18, PR 135, 6/24, PR 136, 6/25, PR 137, 6/25; Sigur, Nov. 40; Walters, Mar. 58
Economic issues (Shultz), Sept. 25, 30, 31, 36
Ministerial meeting, May 1: Reagan, July 15, Shultz, July 16
Australia (*see also* ANZUS): Shultz, Apr. 48
America's Cup (Shultz), PR 161, 8/15
Ministerial talks with U.S. officials, joint press conference, joint statement: Beasley, Oct. 45; Hayden, Oct. 44; Shultz, Oct. 43, 44; Weinberger, Oct. 45
Treaties, agreements, etc., Mar. 72, 73, Apr. 94, May 89, Sept. 91, 92, 93, Oct. 76, Dec. 85, 86
U.S. visit of Prime Minister Hawke: Hawke, Reagan, Aug. 74
Program, PR 78, 4/15
Austria:
Foreign Relations of the United States, 1952–1954, Volume VII, Germany and Austria, released, Dec. 90
Treaties, agreements, etc., Jan. 80, Apr. 93, 94, May 89, Sept. 93, Nov. 88, Dec. 85, 86
Aviation:
Air services, bilateral agreements with: Greece, July 92; South Africa (U.S. termination), Dec. 87; U.K., Jan. 81, Feb. 95
Air service transit agreement, international (1944), Guyana, July 91
Aviation (Cont'd)
Air transport, bilateral agreements with: Czechoslovakia, June 91; Dominican Republic, Nov. 89; Ecuador, Dec. 86; El Salvador, Feb. 94; Hungary, May 90; Indonesia, Aug. 92; Luxembourg, Nov. 89; Mexico, Feb. 95; Netherlands, Sept. 93; Soviet Union, Apr. 94
Air transport services, bilateral agreements with: Argentina, Jan. 80; Philippines, June 91; Venezuela, Jan. 81, Feb. 95, July 93
Civil aviation system, bilateral agreements with: Colombia, June 91; Ecuador, July 92
International civil aviation convention (1944), protocol on authentic quadrilingual text (1977), Philippines, Dec. 85
Northern Pacific air safety, Jan. 10
Offensive and certain other acts committed on board aircraft, convention (1963), Antigua and Barbuda, Mar. 72
Preinspection in Ireland of passengers and aircraft crew, bilateral agreement, Sept. 93
Recognition, international, of rights in aircraft, convention (1948): Grenada, Portugal, Uruguay, Mar. 72
Soviet air services: Jan. 10; Department, Jan. 58; Whitehead, PR 23, 2/14
Suppression of unlawful acts against safety of civil aviation, convention (1971): Brunei, July 91; Yemen Arab Republic, Dec. 85
Suppression of unlawful seizure of aircraft, convention (1970): Brunei, July 91; Yemen Arab Republic, Dec. 85
Swissair, deregulation, bilateral agreement with Switzerland, PR 155, 8/4
Technical aviation assistance and services, bilateral agreement with Oman, Feb. 95
Technical cooperation in civil aviation, bilateral agreement with China, June 91
Transborder services, bilateral agreement with Canada, June 91
United Airlines service, bilateral agreement with Japan, PR 16, 1/25
Azcona Hoyo, Jose Simon, Aug. 87

B

Bacon House dedication (Shultz), PR 117, 5/28
Bacteriological (Biological) and Toxin Weapons, Conference on Prohibition of (1972), review conference, Geneva (Lowitz), Dec. 40, 41
Final declaration, Dec. 41
U.S. background document and technical paper, Dec. 44
Bahamas, prevention and punishment of crimes against internationally protected persons, including diplomatic agents (1973), accession, Sept. 92
Bahrain:
Treaties, agreements, etc., Feb. 93, 94, Mar. 72, Apr. 93, June 90
Visit of Vice President Bush, June 29
Baker, James A., III, July 61
Balance of payments, U.S.: Baker, July 61; McMinn, Oct. 32; Sigur, Nov. 40; Yeutter, Nov. 45
Baldrige, Malcolm, Feb. 42, June 42
Baltic Freedom Day, 1986, proclamation (Reagan), Aug. 57
Bangladesh (Peck), July 81, 84
Treaties, agreements, etc., Mar. 92, May 89, June 91, Sept. 93, Nov. 88
Barbados, treaties, agreements, etc., Feb. 94, May 90, Sept. 92, Oct. 76
Barry, Robert L., Apr. 65, Nov. 25
Bartholomew, Reginald, swearing in as Ambassador to Spain, PR 164, 8/26
Beazley, Kim, Oct. 45
Belgium, treaties, agreements, etc., Apr. 94, May 89, Sept. 92, 93, Oct. 76, Dec. 85
Belize: Apr. 81; Thomas, Apr. 80
Treaties, agreements, etc., Jan. 80, Apr. 93, May 89, Dec. 85
Bell, Griffin B., Feb. 57
Benedick, Richard E., June 55, 58, Sept. 55
Benin, treaties, agreements, etc., Feb. 93, 94, Sept. 91, 92, Oct. 76, Dec. 86
Benton, Nelson, Nov. 73
Berlin: Department, Sept. 59; NAC, Feb. 37, Aug. 53; Reagan, Oct. 4; Ridgway, Sept. 60; Shultz, Feb. 29, 44, 46, July 25
Berlin Wall, 25th anniversary (Reagan), Oct. 35
Bieber, Owen F., Feb. 57
Bill of Rights Day, 1985, proclamation (Reagan), Feb. 88
Biya, Paul, May 49
Black History Month (Shultz), PR 21, 2/4
Blacken, John D., swearing in as Ambassador to Guinea-Bissau, PR 139, 6/30
Blackwill, Robert D., Feb. 62, 63
Bolivia: Apr. 81; Abrams, July 89; Thomas, Apr. 79; Wrobleski, Aug. 73
Treaties, agreements, etc., Mar. 72, 73, July 92, Sept. 93
Borg, Parker W., Aug. 8
Botswana (Crocker), July 33
Treaties, agreements, etc., Sept. 92, Nov. 88
Brazil (Wendt), June 53
Profile, Nov. 85
Treaties, agreements, etc., Feb. 94, Mar. 72, 73, Apr. 93, 94, May 89, June 90, July 92, Sept. 92, Nov. 88, Dec. 85, 86
U.S. Ambassador (Shlaudeman), swearing in, PR 171, 9/8
U.S. relations, Nov. 86
U.S. visit of President Sarney: Reagan, Sarney, Nov. 84
Program, PR 168, 9/8
Briggs, Everett Ellis, swearing in as Ambassador to Honduras, PR 230, 10/23
Brinkley, David, Jan. 20, Dec. 32
Brunei (Shultz), PR 136, 6/25; PR 137, 6/25
Treaties, agreements, etc., Mar. 72, July 91
Bulgaria: Reagan, Feb. 87; Schifter, Jan. 66
Treaties, agreements, etc., Sept. 92, Oct. 76, Dec. 85, 86
Burkina Faso, protection of ozone layer, convention (1985), signature, Apr. 93
Burma: Apr. 81; Monjo, July 59; Schneider, Aug. 79; Wrobleski, Aug. 73
Burundi, U.S. Ambassador (Phillips), swearing in, PR 241, 11/4

Bush, George, visits to:
Canada, Sept. 24
Guatemala and Honduras, Apr. 31
Middle East, Nov. 9
Persian Gulf, June 27
Portugal, June 32
Tunisia, June 32
Byelorussian Soviet Socialist Republic, treaties, agreements, etc., June 90, July 92, Dec. 85

C

Cambodia. *See* Kampuchea
Cameroon:
Treaties, agreements, etc., Mar. 73, Apr. 93, 94, Sept. 93, Dec. 86
U.S. visit of President Biya: Biya, May 49, Reagan, May 48
Program, PR 29, 2/24
Canada:
Acid rain. *See under* Environmental problems and control
Civil emergency planning and management, bilateral agreement, July 92
Naval ships and aircraft, exchange of fuel, bilateral agreement, Oct. 76
NORAD renewal, proposed: Clark, Jan. 45; Reagan, May 57
Radio broadcasting and equipment, notifications of termination of certain agreements with U.S., Jan. 80
St. Lawrence Seaway tolls, bilateral agreement amending and supplementing 1959 agreement, July 92, Sept. 93
Strait of Georgia torpedo test range and Jarvis Inlet advanced underwater acoustic measurement system, bilateral agreement, Aug. 92
Treaties, agreements, etc., Jan. 80, Mar. 72, 73, Apr. 93, May 89, 90, June 91, July 91, 92, Aug. 91, 92, Sept. 92, 93, Oct. 76, Nov. 88, 89, Dec. 85
U.S. trade negotiations: Clark, Jan. 43; McMinn, Oct. 33; Reagan, Mar. 10, Apr. 27; Shultz, Jan. 42, 43, Aug. 57, PR 49, 3/18, PR 92, 4/24, PR 127, 6/11
U.S. visit of Prime Minister Mulroney: Reagan, Mulroney, May 57
Program, PR 42, 3/14
Visit of Secretary Shultz, Jan. 42
Visit of Vice President Bush (Bush), Sept. 24
Cape Verde:
Protocol to amend international convention (1966) for conservation of Atlantic tunas, acceptance, July 91
U.S. Ambassador (Penner), swearing in, PR 138, 6/27
Lord Carrington, Jan. 14
Cary, Frank T., Feb. 57
Central African Republic (Crocker), July 33
Treaties, agreements, etc., Oct. 76, Dec. 85
U.S. Ambassador (Fields), swearing in, PR 234, 10/29
Chad: May 5; Crocker, July 33
International telecommunications convention (1982), accession, Mar. 72
U.S. assistance: Department, May 49; Schneider, Aug. 78
Chautauqua organization: Shultz, Nov. 51; Whitehead, Nov. 53
Chemical and antipersonnel weapons use: Adelman, Jan. 39; Karp, Feb, 5, 6; Shultz, Jan. 25; Walters, Feb. 20; Whitehead, Feb. 1
Chile: Abrams, Mar. 69, Oct. 66; Reagan, Feb. 87; Schifter, Oct. 62
Treaties, agreements, etc., Feb. 94, Apr. 93, May 89, 90, June 90, July 91, Dec, 85, 86
China, People's Republic of: Karp, Feb. 17; Shultz, Sept. 35, PR 127, 6/11
Foreign Relations of the United States, 1955–1957, Volume II, China, released, Oct. 78
Foreign Relations of the United States, 1955–1957, Volume III, China, released, Dec. 89
Nuclear cooperation, agreement with U.S. (Reagan), Feb. 75
Southeast Asia, role (Shultz), July 17
Taiwan: Lilley, Aug. 51; Yeutter, May 65
Treaties, agreements, etc., Jan. 80, Feb. 93, 94, Mar. 72, 73, Apr. 93, 94, May 90, June 91, Sept. 92, Oct. 75, Nov. 89, Dec. 85, 86
U.S. Ambassador (Lord), Sept. 48
U.S. military cooperation (Lilley), Aug. 50
U.S. relations (Lord), Sept. 48
Christmas tree lighting ceremony (Shultz), PR 262, 12/17
Clark, Joseph, Jan. 43, 44, 45, 46
Cleveland, Paul M., June 74
Biography, June 75
Coffee, international agreement (1983): Wallis, Apr. 73
Current actions, Zaire, Jan. 80
Coleman, William T., Jr., Feb. 57
Collective security (*see also* North Atlantic Treaty Organization): Poindexter, Aug. 64; Shultz, July 26
Colombia: Apr. 81; Abrams, Mar. 68, July 89; Shultz, Feb. 32, 43, 49; Thomas, Apr. 77; Wrobleski, Aug. 72
Treaties, agreements, etc., Mar. 72, 73, May 90, June 90, 91, July 92, Aug. 91, Oct. 76, Nov. 89, Dec. 86
Commodities and commodity trade (*see also names of commodities*): Shultz, Sept. 25; Wallis, Apr. 71
Common Fund agreement (1980): Angola, Apr. 92; Colombia, June 90; Djibouti, Mar. 72; Uruguay, May 89; Yemen (Aden), June 90; Yemen (Sanaa), Mar. 72
Comoros, treaties, agreements, etc., Apr. 93
Congo, treaties, agreements, etc., Feb. 94, Sept. 92
Congress, U.S.:
Executive-Congressional relations (*see also* Gramm-Rudman-Hollings): Adelman, Jan. 39; Armacost, PR 218, 10/16, Reagan, Nov. 8, Ridgway, Feb. 76; Shultz, Dec. 3; White House, Dec. 8
Joint Resolutions:
Compact of Free Association for Marshall Islands and Micronesia, PR 10, 1/14
Compact of Free Association for Palau: PR 10, 1/14; Reagan, June 78
Legislation:
China, nuclear cooperation agreement (Reagan), Feb. 75
Congress, U.S. (Cont'd)
Legislation (Cont'd)
Gramm-Rudman-Hollings: Armacost, Oct. 21, PR 140, 6/30; Keyes, Aug. 80; McMinn, Oct. 34; Purcell, Oct. 49, 51; Reagan, Apr. 28; Shultz, Feb. 41, 42, Apr. 41, 45, Nov. 16; Spiers, Sept. 44; Wallis, Mar. 35; Yeutter, May 68
Omnibus Diplomatic Security and Antiterrorism Act of 1986 (Reagan), Apr. 29, Oct. 58
Philippines, supplementary aid FY 86: Armacost, Dec. 54; Monjo, July 50, 54; Reagan, Dec. 56; Schneider, Aug. 78; Shultz, Apr. 48, July 20, 21, Aug. 29, Sept. 27, PR 37, 3/4, PR 41, 3/13, PR 108, 5/13, PR 110, 5/14; White House, July 50
South Africa, punitive sanctions (veto): Crocker, July 27; Reagan, Dec. 35, 36; Shultz, Nov. 13, 65
Textile trade (vetoed): Reagan, Oct. 6; Shultz, Feb. 42, Sept. 28
Legislation, proposed:
Angola, aid to freedom fighters (Shultz), Jan. 20
Antitrust reform (Reagan), Apr. 26
Arms Export Control Act amendments (Murphy), Dec. 72
Chile, loan review (Abrams), Oct. 69
Counter-terrorism: Oakley, Aug. 8; Reagan, Apr. 29
Defense budget. *See under* Defense and national security
Diplomatic security measures: Shultz, Apr. 42, 46; Spiers, Jan. 47
Farm program (Reagan), Apr. 27
Foreign assistance FY 1987: Abrams, July 86; Crocker, July 30; Keyes, Aug. 80; McPherson, Aug. 59; Monjo, July 54; Murphy, July 76; Peck, July 81; Schneider, Aug. 77; Shultz, Apr. 42, 45, July 30, Nov. 13, 16, PR 37, 3/4, PR 41, 3/13; Spiers, Dec. 47; Whitehead, Oct. 19; Wrobleski, Aug. 72
Foreign Sovereign Immunities Act, amendments (Verville), Sept. 73
Nicaragua, aid to Contras: Abrams, Apr. 83; Poindexter, Aug. 65; Reagan, Apr. 28, May 28, 81, 84, 87, June 24, Aug. 17, Oct. 2, Nov. 8; Shultz, Feb. 51, 52, Apr. 32, May 37, PR 48, 3/18, PR 50, 3/19, PR 77A, 4/16, PR 127, 6/11
Northern Ireland and Ireland Assistance Act of 1986 (Reagan), May 73
Nuclear testing limitations (Reagan), May 53, 54
Presidential Commission on POW/MIA Issue (Monjo), May 64
Saudi Arabia, arms sales to (vetoed): Department, May 77; Murphy, June 71; Reagan, Sept. 79; Shultz, July 26, PR 110, 5/14; White House, Aug. 71, Sept. 78, 79
Security assistance FY 1987 (Shultz), Apr. 42, 45, 46, PR 37, 3/4, PR 41, 3/13
Tax and investment incentives for Caribbean area (Reagan), Apr. 24

Congress, U.S. (Cont'd)
Legislation, proposed (Cont'd)
Trade bills: Armacost, PR 140, 6/30; Baker, July 64; McMinn, Oct. 32; Reagan, Apr. 27; Shultz, Jan. 44, 45; Sigur, Nov. 40
Senate advice and consent:
Bern convention for protection of literary and artistic works, 1986, as revised and amended, Sept. 91
Conservation of Atlantic tunas, protocol (1984) to international convention (1966), Oct. 75
Double taxation, bilateral agreements with: Barbados, Feb. 94; Italy, Feb. 95
Extradition treaty with U.N., supplementary treaty: Sept. 94; Reagan, Sept. 23
Genocide convention (1948), May 89
Investment, reciprocal encouragement and protection, bilateral treaties with: Bangladesh, Cameroon, Egypt, Grenada, Sept. 93
Labor conventions (#144) and (#147), June 90
Ozone layer protection convention (1985), ratification: Sept. 92; Benedick, June 58; Negroponte, June 59
Supplementary Extradition Treaty with U.K.: Poindexter, Aug. 67; Reagan, Apr. 29, Sept. 23
Telecommunications, international convention (1982), Mar. 72
Wetlands of international importance as waterfowl habitat, convention (1971) with 1982 protocol, Sept. 91
Conservation:
Antarctic fauna and flora, convention for conservation (1964), China, Feb. 93
Antarctic marine living resources, convention (1980): Brazil, Nov. 88; Korea, Republic of, Oct. 75; Spain, Sweden, Nov. 88
Endangered species of wild fauna and flora, international trade in, convention (1973): Keyes, Aug. 83
Current actions: Afghanistan, June 90; Belize, Dec. 85; Somalia, June 90; Spain, Sept. 91
1979 amendment: Australia, Sept. 91; Belize, Dec. 85; Brazil, June 90; Cyprus, Dec. 85
1983 amendment: Brazil, Chile, Italy, U.K., June 90
Wetlands of international importance especially as waterfowl habitat (1971), with protocol, U.S., Sept. 91, Dec. 85
Constable, Elinor G., swearing in as Ambassador to Kenya, PR 242, 11/5
Consular relations:
Netherlands, convention (1855) re consuls in colonies, termination, Aug. 92
Vienna convention (1967): Netherlands, Mar. 72; St. Lucia, Dec. 85; Yemen (Sanaa), July 91
Optional protocol, Netherlands, Mar. 72
Copyright, Bern convention for protection of literary and artistic works, 1986, as revised and amended, U.S., Sept. 91
Costa Rica: Abrams, July 89; McPherson, Aug. 60; Walters, Oct. 59
Treaties, agreements, etc., Feb. 94, Mar. 73, Apr. 94, June 90, Aug. 92, Sept. 91, 93, Dec. 85
U.S. visit of President Arias, program, PR 255, 12/2
Crocker, Chester A., Jan. 29, Feb. 54, Apr. 59, May 44, July 27, 30
Cuba: Reagan, Feb. 87; Skoug, Dec. 81
Political prisoners, release and arrival in U.S. (Department), Nov. 87
Soviet/Cuban military activities. *See under* Africa *and* Nicaragua
Treaties, agreements, etc., Feb. 94, June 90, Sept. 92, 93, Dec. 85
U.S. migration and embargo measures, changes in (Department), Nov. 86
Cultural relations:
Cultural property, means of prohibiting and preventing illicit import, export, and transfer of ownership, convention (1970): Portugal, Spain, May 89
Educational, cultural, scientific, technological fields, exchanges and cooperation, bilateral agreement with Soviet Union, Feb. 95
Educational, scientific, and cultural materials, importation, UNESCO agreement (1950), protocol (1976), France, Apr. 92
Transfer of certain works of art seized at the end of World War II, bilateral agreement with the Federal Republic of Germany, Mar. 73
Customs:
Containers, customs convention (1972), China, Apr. 93
Customs Cooperation Council, with annex (1950), Central African Republic, Dec. 85
Safe containers (CSC), international convention (1972): Benin, Honduras, Portugal, Feb. 93; U.K., extension to Bermuda, July 91
TIR carnets, international transport of goods under, customs convention (1975), Jordan, Mar. 72
Cyprus:
Treaties, agreements, etc., Feb. 94, Sept. 92, Nov. 88, Dec. 85
U.S. reports to Congress (Reagan), Feb, 78, June 66, Aug. 54, Oct. 35, Nov. 76
Czechoslovakia (Schifter), Jan. 66
Treaties, agreements, etc., Mar. 72, June 91, Nov. 89, Dec. 85

D

Debts, consolidation, and rescheduling:
Bilateral agreements: Argentina, Aug. 91; Central African Republic, Oct. 76; Chile, May 90; Costa Rica, Apr. 94; Dominican Republic, June 91; Ecuador, Ivory Coast, May 90; Jamaica, Madagascar, Jan. 81; Morocco, May 90; Niger, Aug. 92; Panama, Oct. 76; Poland, Nov. 80; Zaire, Mar. 74; Zambia, Nov. 90
Multiyear rescheduling, bilateral agreement with Yugoslavia (Shultz), Feb. 48
De Clercq, Jacques, Feb. 42
Defense and national security: Adelman, Jan. 38; Armacost, June 68; Nitze, Apr. 61; Reagan, Apr. 18; Shultz, Feb. 25, Dec. 25; Wallis, Mar. 34
Ascension Island facilities, construction costs, bilateral agreement with U.K., Jan. 81
Budget: Reagan, Apr. 20, 25, 27, Oct. 1, Nov. 8; Rowny, Nov. 31; Shultz, PR 131, 6/17
Classified information leaks: Adelman, Jan. 36; Shultz, Jan. 21, Aug. 35, PR 110, 5/14
Strategic Defense Initiative: Oct. 11; Adelman, Jan. 41, Mar. 29, Aug. 49, Oct. 8; Armacost, June 68; Holmes, Sept, 39; NATO, Jan. 61; Nitze, Feb. 59, Apr. 61, May 51, 55, Aug. 44, Nov. 75; Reagan, Jan. 2, 14, Feb. 23, Mar. 11, Apr. 20, 21, 28, Sept. 22, Oct. 1, Dec. 18, 20; Shultz, Jan. 12, 21, 28, 45, 58, Feb. 25, 39, Sept. 26, Dec. 2, 3, 9, 12, 13, 15, 22, 23, 33, PR 14, 1/17, PR 125, 6/5, PR 213, 10/15, PR 215, 10/16, PR 221, 10/20; White House, Aug. 43
Funding: Reagan, Apr. 21, Aug. 36, Nov. 8; Rowny, Nov. 31; White House, Sept. 81
U.S.-West Germany cooperation (Defense Department), May 78
Strategic modernization: Oct. 11; Adelman, Jan. 35; Holmes, Sept. 42; Reagan, Feb. 23, Apr. 19, Aug. 17, 18, 36, Oct. 10, Nov. 9; Ridgway, Sept. 58; Shultz, Aug. 32, Dec. 23; White House, Aug. 38, 41, 42, Sept. 81
Surface effect ship 200, cooperative study memorandum of understanding (1986): Canada, France, Federal Republic of Germany, Spain, U.K., U.S., May 89
De la Madrid Hurtado, Miguel, Oct. 65
Dellenback, John R., Feb. 57
Delors, Jacques, Feb. 40, 42, 43
Democracy and democratic principles: Abrams, Aug. 83; Reagan, May 33; Shultz, Feb. 27, 32, June 35, July 25, 26, Aug. 19, Nov. 12, 13, PR 37, 3/4, PR 41, 3/13, PR 48, 3/18, PR 127, 6/11, PR 131, 6/17; Sigur, July 44
National Endowment for Democracy (Reagan), Apr. 29
Denmark, treaties, agreements, etc., Mar. 72, July 92, Sept. 92, 93, Dec. 85
Derwinski, Edward J., Nov. 77
Developing countries (*see also* Foreign aid, U.S.; Trade: Free trade and antiprotectionism; *and names of individual countries*): Armacost, Dec. 56; Baker, July 61; Delors, Feb. 41; OECD, June 46; Reagan, July 10; Shultz, Feb. 27, 32, July 19, Nov. 12, PR 125, 6/5; Tokyo economic summit, July 4, 8, 10; Yeutter, Nov. 46
Debt problems: Abrams, July 86, 90; Armacost, PR 218, 10/16; Baker, July 61; Crocker, July 30; Poindexter, Aug. 66; Reagan, Apr. 27, July 11; Shultz, Apr. 51, July 2, Sept. 32; Tokyo economic summit, July 9; Wallis, July 66; Yeutter, May 68

Dickson, Bobby Joe (Whitehead), PR 97, 5/5
Diplomatic relations, Vienna convention (1961): St. Lucia, Dec. 85; Yemen (Sanaa), July 91
Dizdarevic, Raif, Feb. 47, 48, 49
Djibouti (Crocker), Jan. 29
  Common Fund for Commodities (1980), ratification, Mar. 72
Dominica, international convention against taking of hostages (1979), accession, Nov. 88
Dominican Republic: Abrams, July 90; Schneider, Aug. 78
  Inauguration of President Balaguer (Shultz), PR 163, 8/18
  Treaties, agreements, etc., Feb. 94, June 91, Oct. 76, Nov. 89
Donaldson, Sam, Jan. 20, Dec. 32
Double taxation, avoidance of:
  Bilateral agreements with: Barbados, Feb. 94, May 90, PR 34, 2/28; China, Dec. 86; Cyprus, Feb. 94; Germany, Federal Republic of, Sept. 93; Italy, Feb. 95; Jamaica, Aug. 92; South Africa (U.S. termination), Dec. 87; Tunisia, May 91
  Income and property taxes, bilateral agreement with France, Jan. 81
  Social security, bilateral agreement with Italy, Feb. 95
  U.S. contractors and subcontractors of Panama Canal Commission or U.S. Forces, bilateral agreement with Panama, Dec. 87
Dougan, Diana Lady (quoted), Nov. 86
Drugs, narcotic: Oct. 55; Abrams, July 91; Peck, July 83; Shultz, Sept. 36, PR 198, 10/3; Tokyo economic summit, July 4; Whitehead, Oct. 37
  Cayman Islands and narcotics activities, bilateral agreement with U.K., Feb. 95, Aug. 92
  Control of production and traffic, bilateral agreement with Mexico, Mar. 74, July 93, Dec. 87
  FY 1987 assistance requests (Wrobleski), Aug. 72
  International control cooperation, bilateral agreement with Dominican Republic, Feb. 94
  Latin America, control efforts: Shultz, Feb. 32, July 25, PR 158, 8/11; Thomas, Apr. 77; Whitehead, Oct. 37; Wrobleski, Aug. 72
  Psychotropic substances, convention (1971): Malaysia, Somalia, Dec. 85; U.K., July 91
  Single convention (1961), protocol (1972): Qatar, Dec. 85; Venezuela, Mar. 72
  Southwest Asia (Wrobleski), Sept. 82
  Strategy Report for 1985, Apr. 80
  Terrorism, link to: Abrams, Mar. 67, Apr. 89, July 86, 89, Aug. 84; Oakley, Aug. 3; Shultz, Sept. 30
  Turks and Caicos Islands and narcotics activities, agreement with U.K., Nov. 90, Dec. 87

E

Eagleburger, Lawrence S., Feb. 57
East-West relations: Armacost, May 69; Barry, Apr. 65; NAC, Feb. 36, Aug. 53; Reagan, Feb. 60; Shultz, Feb. 27, 29, 37, 44, 47, Aug. 56, Sept. 33
Economy, domestic: Reagan, Nov. 6; Shultz, Sept. 32, Nov. 11, Dec. 23, PR 127, 6/11; Wallis, Mar. 33, July 65
  Budget, Gramm-Rudman-Hollings legislation, effect: Nitze, Apr. 61; Shultz, Feb. 41, 42, 47, Apr. 41, 45, Sept. 33; Wallis, Mar. 35; Yeutter, May 68
  Tax reform: Baker, July 61; McMinn, Oct. 34; Reagan, July 13; Shultz, Sept. 33
  Trade deficit: Wallis, Mar. 33; Yeutter, May 67
Economy, world (*see also* Developing countries *and* Trade): Armacost, PR 218, 10/16; Baker, July 61; Delors, Feb. 40; OECD, June 44; Reagan, Apr. 27, Nov. 5; Shultz, Feb. 27, Apr. 40, 50, Nov. 12, PR 198, 10/3; Wallis, Jan. 54, June 48
  Exchange markets: Baker, July 61; Shultz, PR 91, 4/23, PR 92, 4/24
    Group of Five meeting: Delors, Feb. 41, 43; Shultz, Feb. 43
  Oil prices (Reagan), June 26
  Privatization, international conference (Shultz), PR 24, 2/18
  Tokyo summit meeting: Armacost, Sept. 62; Baker, July 62; Reagan, Apr. 27, July 10; Shultz, July 1, 5, Sept. 25, 32, PR 92, 4/24, PR 125, 6/5; Wallis, June 48, July 64
    Summit declaration and joint statements, texts, July 3, 4, 5, 8
Ecuador: Apr. 81; Abrams, July 89; Thomas, Apr. 79; Wendt, June 52
  Treaties, agreements, etc., Mar. 72, May 90, July 92, Sept. 92, 93, Dec. 85, 86
  U.S. visit of President Febres-Cordero: Febres-Cordero, Mar. 64; Reagan, Mar. 63
    Program, PR 3, 1/9
Educational, cultural, scientific, technological exchanges and cooperation, bilateral agreement with Soviet Union, Feb. 95
Egypt:
  Aswan High Dam Hydroelectric Power Station, bilateral agreement, amendment, July 92
  Cash transfer, bilateral agreement, July 92
  Economic programs: Murphy, Dec. 70; Shultz, Apr. 47, PR 37, 3/4, PR 41, 3/13, PR 67, 4/1
  Taba border dispute (Murphy), Mar. 40
  Treaties, agreements, etc., Jan. 81, Feb. 94, Mar. 72, Apr. 94, May 89, 90, June 90, July 92, Aug. 91, Sept. 92, 93, Nov. 88, Dec. 85
  U.S. economic and security assistance, appropriations requests: Murphy, July 76; Schneider, Aug. 78; Shultz, Apr. 47
  Visit of Vice President Bush (Bush), Nov. 3
El Salvador: Abrams, July 87; Reagan, Feb. 87, May 35, Sept. 20; Shultz, PR 48, 3/18; Walters, Oct. 58
  Treaties, agreements, etc., Feb. 94, Mar. 72, May 90, Oct. 76
Employment of dependents of official government employees, bilateral agreements with: Honduras, Feb. 94; Israel, Jan. 81
Energy resources and trade (*see also* Nuclear energy):
  Geothermal energy, bilateral agreement with Mexico, June 91
  Oil prices: Reagan, June 26; Shultz, Sept. 32; Tokyo economic summit, July 10; Wallis, Apr. 72, July 66; Wendt, June 51; Yeutter, May 68
  Research and development, cooperation, bilateral agreements: Finland, Italy, Mar. 73; Spain, Aug. 92
  Strategic petroleum reserve (White House), Oct. 34
  U.S. national policy (Wendt), June 51
Environmental problems and control (*see also* Oil pollution): Tokyo economic summit, July 10
  Acid rain: Benedick, Sept. 55; Mulroney, May 57; Reagan, May 57; White House, May 58
  Environmental affairs, cooperation in, bilateral agreement with U.K., Sept. 94
  Environmental protection, bilateral agreement with Nigeria, July 93
  Intervention on the high seas in cases of pollution by substances other than oil, protocol (1973): Finland, Dec. 85; France, Apr. 93
  Long-range transboundary air pollution, convention (1979), Netherlands, Jan. 80
    Protocol (1984): Bulgaria, Dec. 86; Canada, Apr. 93; Denmark, July 92; European Economic Community, Oct. 75; Finland, Sept. 92; Germany, Federal Republic of, Dec. 86; Turkey, Apr. 93
  Marine environment (Negroponte), Sept. 86
  Multilateral development banks project planning, integration (Negroponte), Sept. 53
  Ozone layer, protection, convention (1985): Burkina Faso, Apr. 93; Byelorussian S.S.R., Canada, Sept. 92; Finland, Dec. 85; Morocco, Apr. 93; New Zealand, June 90; Norway, Dec. 85; Ukrainian S.S.R., Sept. 92; U.S., Sept. 92, Oct. 75, Nov. 88
    U.S. ratification: Sept. 92; Benedick, June 58; Negroponte, June 59
  Prevention of marine pollution by dumping of wastes and other matter, convention (1972): China, Jan. 80; Costa Rica, Sept. 91
  Prevention of pollution from ships, international convention (1973): Benin, Feb. 93; Egypt, Nov. 88; U.K., extension to Isle of Man, July 91
    Protocol of 1978: India, Dec. 85; Poland, Sept. 92; Tuvalu, Feb. 93; U.K., extension to Isle of Man, July 91
  Prohibition of military or other environmental modification techniques, convention (1977): Afghanistan, Feb. 93; Benin, Sept. 91; Pakistan, May 89
  San Diego, California-Tijuana, Baja California border sanitation problem, IBWC minute 270, Dec. 87
  U.S. policy (Benedick), June 55
  U.S.-Soviet consultations, Jan. 10

Equatorial Guinea, treaties, agreements, etc., Apr. 93, Oct. 75, 76, Dec. 86
Espionage activity in U.S. (*see also* Soviet Union: Soviet espionage agents, expulsion): Reagan, Apr. 29, Aug. 19; Ridgway, Feb. 76; Shultz, Feb. 52, Mar. 18
Ethiopia: Crocker, Jan. 29, July 36; Keyes, June 81; Reagan, Feb. 87, Apr. 28, Nov. 4; Schifter, Oct. 62
Treaties, agreements, etc., Mar. 72, Apr. 93, 94
Europe (*see also names of individual countries*):
Confidence- and Security-Building Measures and Disarmament Conference (CDE): Jan. 9; Armacost, May 71; Barry, Apr. 65; Holmes, Sept. 39; NAC, Feb. 37; Reagan, Mar. 30; Western statement, Sept. 43; White House, June 40, Aug. 39, Sept. 39, Oct. 9
CDE accord, text and annexes: Nov. 20; Barry, Nov. 25; Dept. Nov. 72; Reagan, Nov. 25, 33; Zimmermann, Nov. 70, 71
Conventional defense initiative: Reagan, Apr. 29; Shultz, Aug. 25
CSCE: NAC, Aug. 53; Reagan, Nov. 4
Bern experts' meeting on human contacts: Novak, Sept. 65, 67, 69; Reagan, June 64; Ridgway, Sept. 68; Western draft concluding document, Sept. 71
Final Act of Helsinki (1975): Armacost, May 69; Zimmermann, Nov. 70
Cultural Forum meeting, Budapest: Feb. 80; Stoessel, Feb. 81, 82
Draft concluding document, Feb. 85
11th anniversary (Reagan), Oct. 36
Soviet violations. *See* Soviet Union, human rights
U.S. forums, announcements, PR 119, 5/30, PR 166, 8/29
Vienna review meeting: Armacost, May 69, 72; Barry, Apr. 67; Department, Nov. 72; Reagan (message), PR 245, 11/7; Shultz, PR 245, 11/7; Zimmermann, Nov. 70
U.S. delegate (Zimmermann): Department, Nov. 72
Eastern: Armacost, May 69; Reagan, Feb. 87; Schifter, Jan. 64; Shultz, Feb. 29, 47, 50
Foreign Relations of the United States, 1951, Volume IV, Europe, released, Jan. 82
Mutual and balanced force reduction talks: Jan. 8, Feb. 64, Dec. 37; Alexander, Feb. 61; Blackwill, Feb. 62, 63; Department, Mar. 31; Holmes, Sept. 39; NAC, Aug. 53; NATO, Aug. 58; Nitze, Nov. 74; Reagan, Feb. 60, Nov. 4, 33; Ridgway, Sept. 59; Shultz, Aug. 25; Western statement, Nov. 27; White House, May 54, July 37, Sept. 41, Nov. 28
Reunification, hopes for (Reagan), Apr. 29
U.S. economic relations (*see also* European Economic Community: Agricultural trade policy): De Clercq, Feb. 42; Shultz, Feb. 41; Yeutter, Feb. 42
U.S. relations (Ridgway), Sept. 58
Visit of Secretary Shultz, Jan. 57, Feb. 29, 36, 50
European Atomic Energy Community (EURATOM):
Nuclear cooperation with U.S. (Reagan), May 78
Treaties, agreements, etc., Feb. 94, Sept. 93
European Communities, treaties, agreements, etc., Aug. 92, Sept. 92, 93, Oct. 75, Nov. 89
European Communities Commission, meeting: Delors, Feb. 40; Shultz, Feb. 41
European Economic Community: Shultz, Feb. 42; Tokyo economic summit, July 9
Agricultural trade policy: Armacost, PR 140, 6/30; Baldrige, June 42; McMinn, Oct. 34; Reagan, Oct. 6; Shultz, Sept. 28; Wallis, June 48; White House, June 46, Aug. 52; Yeutter, May 65
U.S.-EEC provisional agreement (White House), Sept. 59
Spain and Portugal, membership (Shultz), Apr. 48, PR 40, 3/13, PR 48, 3/18, PR 91, 4/23
Executive orders:
Compact of Free Association with Pacific Islands (*12569*): Reagan, Dec. 74
Libyan sanctions (*12543*), Mar. 37; (*12544*), Mar. 38
Export controls, U.S., against Libya: Reagan, Mar. 36, 37, 38; Shultz, Mar. 21, 22, 23, 26; White House, Mar. 38
Extradition, supplementary treaties:
Germany, Federal Republic of, Dec. 86
Signature (Shultz), PR 226, 10/23
U.K.: Sept. 94; Poindexter, Aug. 67; Reagan, Apr. 29, Sept. 23

F

Febres-Cordero Ribadeneyra, Leon, Mar. 64
Fields, David C., swearing in as Ambassador to Central African Republic, PR 234, 10/29
Fiji (Monjo), July 60
IMET program agreement with U.S., Sept. 93
Finland:
Treaties, agreements, etc., Feb. 94, Mar. 73, Apr. 93, May 90; Sept. 92, 93, Nov. 88, Dec. 85, 86
Visit of Secretary Shultz, Jan. 57
Fish and fisheries:
Conservation of Atlantic tunas, protocol (1984) to amend 1966 international convention: Cape Verde, July 91; U.S., Oct. 75, Dec. 85
Fisheries off coast of U.S., bilateral agreements: China, Feb. 94; Poland, Mar. 74; Soviet Union, Apr. 94, Nov. 89
Pacific salmon treaty with Canada, amendment: Sept. 93; Negroponte, Sept. 85
Entry into force, Nov. 89
Regional tuna fisheries treaty in Pacific, negotiations (Sigur), Dec. 76
Salmon of North American origin: Japan, negotiations, Mar. 42
U.S.-Canada-Japan agreement, June 73
South Pacific regional fisheries, negotiations: Monjo, July 60; Shultz, Apr. 49
Whaling (Negroponte), Sept. 85
International observer scheme, bilateral agreement with Japan, May 90
Foreign aid, U.S. (*see also* Security assistance): Reagan, May 35; Shultz, June 37, Nov. 13
Appropriations requests: Monjo, July 54; Peck, July 81; Shultz, Apr. 45, PR 37, 3/4, PR 41, 3/13
Budget restraints: Armacost, Oct. 21, PR 218, 10/16; Murphy, Dec. 71; Shultz, Apr. 45, PR 37, 3/4, PR 154, 7/31
Organizations and programs, FY 1987 (Keyes), Aug. 80
Foreign investment in U.S. (Yeutter), May 68
Foreign policy, U.S.:
American Foreign Policy: Current Documents, 1983, released, May 93
Budget priorities: Armacost, Oct. 21, PR 218, 10/16; Murphy, Dec. 72; Shultz, PR 110, 5/14, PR 154, 7/31, PR 180, 9/16, PR 181, 9/16; Spiers, Dec. 47
Chronology of official actions: Jan. 79; Feb. 92, Mar. 71, Apr. 92, May 88, June 89
A Decade of American Foreign Policy: Basic Documents, 1941–1949, released, Feb. 97
Diplomacy (Shultz), Nov. 13
Principles, objectives, and purposes: Armacost, June 67, PR 218, 10/16; Murphy, Dec. 72; Reagan, Apr. 26, May 32; Shultz, Apr. 40, June 37, PR 113, 5/21, PR 180, 9/16, PR 181, 9/16; Spiers, May 61
Regional foreign policy conferences: Baltimore, Maryland, PR 165, 8/26
Hartford, Connecticut, PR 188, 9/24
Salt Lake City, Utah, PR 197, 10/6
Foreign Relations of the United States, 1955–1957, Volume II, China, released, Oct. 78
Foreign Relations of the United States, 1955–1957, Volume III, China, released, Dec. 89
Foreign Relations of the United States, 1951, Volume IV, Europe, released, Jan. 82
Foreign Relations of the United States, 1952–1954, Volume VII, Germany and Austria, released, Dec. 90
Foreign Relations of the United States, 1952–1954, Volume IX, The Near and Middle East, Parts 1 and 2, Aug. 93
Foreign Relations of the United States, 1955–1957, Volume I, Vietnam, released, Feb. 96
Foreign Relations of the United States, 1958–1960, Volume I, Vietnam, released, June 93
Foreign Relations of the United States, 1955–1957, Volume IV, Western European Security and Integration, released, Dec. 89
Foreign Service: Shultz, Apr. 42, 46, 52, June 4; Spiers, Jan. 47, May 58, Sept. 44, Dec. 47, 50; Whitehead, Oct. 19
Diplomatic security agents, graduation (Shultz), PR 47, 3/18
Diplomatic security programs (Spiers), Dec. 49
Soviet use of chemical tracking agents (Department), Apr. 75
U.S. Marine Corps Embassy Protection Program abroad, signature (Shultz), PR 263, 12/17
Foreign Service Day memorial service (Whitehead), PR 97, 5/5

France (Reagan), July 14
Treaties, agreements, etc., Jan. 81, Mar. 73, Apr. 92, May 89, 90, July 92, Sept. 92, 93, Nov. 89, Dec. 85, 86
Visit of Secretary Shultz: June 33; Shultz, PR 54, 3/24, PR 59, 3/26
Freedom fighters: Armacost, June 64; Reagan, Jan. 15, Feb. 23, 87, Apr. 26, 28, May 34, 35, June 27; Shultz, Jan. 20, Feb. 39
Funseth, Robert L., Dec. 78

G

Gambia:
UNIDO constitution, 1979, accession, Sept. 92
U.S. Ambassador (Horowitz), swearing in, PR 183, 9/22
Gavin, John, biographic details, Mar. 9
General Assembly U.N.:
41st session (Reagan), Nov. 1
U.S. delegation, Nov. 3
Resolutions:
Afghanistan, Feb. 21
Cambodia: Mar. 59; Walters, Mar. 57
Chemical weapons ban: Mar. 60; Lowitz, Mar. 60
Terrorism, Mar. 52
Geneva conventions (1949) on treatment of armed forces, civilian persons, and prisoners of war:
Current actions: Comoros, Apr. 93; Equatorial Guinea, Oct. 75; St. Christopher-Nevis, July 72
Protocols I and II (1977): Belgium, Benin, Oct. 76; Comoros, Apr. 93; Equatorial Guinea, Oct. 76; Holy See, Apr. 93; Jamaica, Oct. 76; St. Christopher-Nevis, July 92; Suriname, Uruguay, Apr. 93
Genocide convention (1948), U.S. ratification, May 89
German Democratic Republic (Schifter), Jan. 66
Berlin sector line controls (Ridgway), Sept. 60
East Berlin *Volkskammer* elections (Department), Sept. 59
Treaties, agreements, etc., Mar. 73, June 91, Dec. 85, 86
Germany, Documents on, 1944-1945, released, Mar. 78
Germany, Federal Republic of:
Foreign Relations of the United States, 1952-1954, Volume VII, Germany and Austria, released, Dec. 90
Supplementary Extradition Treaty, signature (Shultz), PR 226, 10/23
Treaties, agreements, etc., Jan. 80, Mar. 73, Apr. 93, May 89, 90, June 90, July 92, Sept. 92, 93, Nov. 88, 89, Dec. 85, 86
U.S. visit of Chancellor Kohl, program, PR 219, 10/17
Ghana, treaties, agreements, etc., Mar. 73, Sept. 93, Oct. 76
Gildred, Theodore E., swearing in as Ambassador to Argentina, PR 229, 10/23
Gilsenan, John T., appointment as Executor Director for U.S. Delegation to the 1987 WARC for Mobile Services, PR 70, 414
Gorbachev, Mikhail S., Jan. 10, Mar. 11
Greece: Oakley, Aug. 5; Shultz, Aug. 25
Treaties, agreements, etc., Mar. 73, July 92, Sept. 92, 93, Dec. 85
U.S. relations (Shultz), Feb. 40, Apr. 48, June 34, 35
Visit of Secretary Shultz: June 33; Shultz, PR 63, 3/28, PR 65, 3/31
Grenada: Abrams, July 90; Reagan, Feb. 87; Schneider, Aug. 78; Shultz, Mar. 15
Profile, Apr. 23
Treaties, agreements, etc., Mar. 72, Apr. 92, 93, July 92, Sept. 93
Visit of President Reagan, Apr. 22
Guatemala: Abrams, Mar. 66, July 87; Reagan, Feb. 87; Schneider, Aug. 79
Treaties, agreements, etc., Mar. 73, May 90, Oct. 76, Nov. 88, Dec. 85
Visit of Secretary Shultz (Shultz), PR 248, 11/12
Visit of Vice President Bush, Apr. 31
Guinea (Crocker), July 31
Treaties, agreements, etc., Mar. 73, Dec. 86
Guinea-Bissau:
Investment incentive agreement with U.S., Nov. 89
U.S. Ambassador (Blacken), swearing in, PR 139, 6/30
Gumbal, Bryant, Nov. 64
Guyana, treaties, agreements, etc., Apr. 93, June 91, July 91, Nov. 89
Gwertzman, Bernard, Dec. 29

H

Haig, Alexander, unveiling of portrait of, PR 170, 9/8
Haiti: Armacost, June 68, PR 140, 6/30; Reagan, Apr. 30, May 33; Shultz, Apr. 49, PR 19, 2/3
Treaties, agreements, etc., Jan. 80, Mar. 72, May 90, Sept. 93, Oct. 76
U.S. Ambassador (McKinley), swearing in, PR 203, 10/7
U.S. assistance: Abrams, July 90; Department, Apr. 83; Shultz, PR 127, 6/11
Handwork, Thomas T. (Whitehead), PR 97, 5/5
Harriman, W. Averell, death of (Shultz), PR 152, 7/26
Hawke, Robert J. L., Aug. 74
Hayden, Bill, Oct. 44
Health and medical research:
Biotechnology (Delors), Feb. 42
Child survival health support project, agreement with India, Nov. 89
Exchange of medical cadets between the Royal Navy and the Uniformed Services University of the Health Sciences, bilateral agreement with U.K., Mar. 74
Health and child survival, FY 1987 appropriations request (McPherson), Aug. 61
Military medicine, cooperation, bilateral agreement with Tunisia, Mar. 74
Radiation, research on health and environmental effects, memorandum of understanding with Euratom, Sept. 93
Healy, Timothy S., S. J., Feb. 57
Henderson, Loy, death of (Shultz), PR 61, 3/27
Holmes, H. Allen, Sept. 38
Biographical details, Sept. 38
Honduras: Reagan, Feb. 87; Walters, Oct. 59
Treaties, agreements, etc., Feb. 93, 94, Mar. 72, June 91, Oct. 76, Nov. 88, Dec. 86
U.S. Ambassador (Briggs), swearing in, PR 230, 10/23
U.S. assistance: Abrams, July 87; Department, May 86
U.S. visit of President Azcona: Reagan, Aug. 86; joint communique, Aug. 87
Program, PR 114, 5/22
Visit of Vice President Bush, Apr. 31
Hong Kong:
Textile talks with U.S. (Shultz), Sept. 26
Treaties, agreements, etc., May 90, Oct. 76, Nov. 88, Dec. 86
Horowitz, Herbert E., swearing in as Ambassador to The Gambia, PR 183, 9/22
Human rights: Reagan, Jan. 2, 15, Nov. 6; Shultz, Feb. 31, July 5
Bill of Rights Day, Human Rights Day and Week, 1985, proclamation (Reagan), Feb. 88
Caribbean and Central America (Walters), Mar. 54
Chile: Abrams, Mar. 69, Oct. 66; Schifter, Oct. 62
Civil and political rights, international covenant (1966): Argentina, Oct. 75; Niger, May 89; San Marino, Jan. 80; Sudan, June 90
Country Reports on Human Rights Practices for 1985, excerpts (Schifter), Apr. 76
Cuba (Skoug), Dec. 82
Eastern Europe: Armacost, May 69; Schifter, Jan. 64; Shultz, Feb. 29
Economic, social and cultural rights, international covenant (1966): Argentina, Oct. 75; Niger, May 89; San Marino, Jan. 80; Sudan, June 90
Ethiopia: Keyes, June 81; Purcell, Oct. 53; Schifter, Oct. 62
Freedom of expression (Shultz), Mar. 18, PR 6, 1/14
Fundamental to U.S. foreign policy: Reagan, Feb. 88; Shultz, Jan. 20
Indonesia: Reagan, July 13; Shultz, July 17, 19
Nicaragua (Reagan), Feb. 23, Sept. 91
Peru (Abrams), Jan. 75
South Africa, U.S.-supported program, May 47
Soviet Union: Armacost, May 69; Reagan, Feb. 23, 88, Apr. 30; Shultz, Jan. 22, 25
U.N. declaration, 37th anniversary (Reagan), Feb. 87
Hungary (Shultz), Feb. 53
Treaties, agreements, etc., Feb. 94, May 90, June 90, 91, July 92, Nov. 89, Dec. 85
Visit of Secretary Shultz (Shultz), Feb. 38, 45

I

Iceland: Reagan, Dec. 7; Shultz, Jan. 60
Defense relationship, bilateral treaty, Dec. 86
Rainbow navigation situation (Shultz), Aug. 56
Transportation of military cargo, treaty with U.S., signature, PR 189, 9/25
Treaties, agreements, etc., May 90, Sept. 92, Oct. 75, Nov. 89, Dec. 85, 86
Visit of Secretary Shultz, Jan. 57
India: Karp, Feb. 17; Peck, July 81, 84; Shultz, Apr. 50, PR 37, 3/4, PR 41, 3/13; Wrobleski, Sept. 84; Yeutter, May 65
India-U.S. Joint Commission on Economic, Commercial, Scientific, Technological, Educational, and Cultural Cooperation, sixth session, minutes, Apr. 81
Treaties, agreements, etc., Jan. 81, Apr. 93, May 89, June 90, July 91, Sept. 93, Nov. 89, Dec. 85, 86
Indonesia (Wendt), June 52
Human rights: Reagan, July 13; Shultz, July 17, 19
Profile, July 23
Treaties, agreements, etc., Feb. 94, Apr. 93, July 92, Aug. 92, Sept. 93, Dec. 85, 87
U.S. Ambassador (Wolfowitz), swearing in, PR 38, 3/12
U.S. assistance, FY 87: Monjo, July 54, 58; Schneider, Aug. 79
Visit of President Reagan: July 15; Reagan, July 22; Shultz, July 19
Industrial property, Nice agreement (1977), Switzerland, May 89
Intellectual property, protection (Yeutter), Nov. 45, 46
Inter-American Development Bank: Negroponte, Sept. 54; Shultz, Feb. 34, Apr. 51
Agreement with annexes (1959), Norway, Oct. 75
Interdependence of modern world: OECD, June 46; Shultz, June 37, July 1; Tokyo economic summit, July 3
International Atomic Energy Agency: Keyes, Aug. 82; Shultz, July 2, 5; Tokyo economic summit, July 4
Enriched uranium for research reactor, U.S.-Thailand-IAEA agreement (1986), Dec. 84–85
IAEA Statute (1956), Zimbabwe, Oct. 75
International Bank for Reconstruction and Development (Shultz), Apr. 51, PR 37, 3/4, PR 41, 3/13
Articles of agreement (1944): Kiribati, Nov. 88; Poland, Sept. 91
International Development Association (Shultz), Sept. 89
International Court of Justice:
Compulsory jurisdiction declaration recognizing:
Current actions, Honduras, Nov. 88
U.S. termination of acceptance: Department, Jan. 67; Shultz, Jan. 67; Sofaer, Jan. 67
International Court of Justice (Cont'd)
Italy-U.S. dispute regarding Italian Government actions against a wholly owned subsidiary of Raytheon Company and Machlett Laboratories (Department), Jan. 69
Nicaragua-U.S. dispute (Sofaer), Jan. 69
International Monetary Fund: Baker, July 62; Shultz, Apr. 51, Sept. 89, PR 87, 3/4, PR 41, 3/13; Wallis, July 66
Articles of agreement (1944): Kiribati, Aug. 91; Poland, Aug. 91
International Telecommunication Union (ITU), report on Soviet jamming, Nov. 83
Investment of private capital abroad (Yeutter), Nov. 45, 46
ASEAN countries (Shultz), Sept. 25
Indonesia (Shultz), July 19, 20, Sept. 36
Investment guarantees, bilateral agreement with Bolivia, Mar. 73
Investment incentive agreements with: Guinea-Bissau, Nov. 89; Sao Tome and Principe, Dec. 87
Philippines (Armacost), Dec. 54
Private Enterprise Bureau (McPherson), Aug. 60
Reciprocal encouragement and protection of investments, bilateral agreements with: Bangladesh, May 89, Sept. 93; Cameroon, Apr. 94, Sept. 93; Egypt, May 90, Sept. 93; Grenada, July 92, Sept. 93; Haiti, May 90; Morocco, May 90; Senegal, May 91; Turkey, Feb. 95, May 91; Zaire, May 91
Settlement of investment disputes between states and nationals of other states, convention (1965), Ecuador, Mar. 72
Treatment and protection of investment, bilateral agreement with Panama, May 91
Iran: Karp, Feb. 17, 18; Murphy, June 71; Reagan, Feb. 87
Treaties, agreements, etc., Apr. 93, Dec. 85
Iran-Iraq war: Murphy, Mar. 40, 41, June 73, Dec. 72; Poindexter, Aug. 65; Shultz, Jan. 25, Feb. 52, Apr. 48, Dec. 4, 6, PR 199, 10/3; White House, Aug. 71
Iraq, women, convention (1979) on elimination of all forms of discrimination, accession, Oct. 76
Ireland:
International fund for, agreement (1986): Ireland, U.K., U.S., Dec. 85
Treaties, agreements, etc., Mar. 73, Sept. 92, 93, Dec. 85, 86
U.K.-Ireland agreement on Northern Ireland (Reagan), Jan. 56, May 73
Israel: Murphy, Mar. 40, June 70, July 76; Shultz, Feb. 52, Apr. 47, July 26, PR 37, 3/4, PR 41, 3/13, PR 67, 4/1
Economic and political stability, grant agreement, Dec. 87
Treaties, agreements, etc., Jan. 81, Feb. 95, Mar. 73, May 89, June 91, Dec. 85, 87
U.S. economic and security assistance, appropriations requests: Schneider, Aug. 77; Shultz, Apr. 46, 47
U.S. visit of Prime Minister Peres: Reagan, Peres, Dec. 73; Shultz, PR 67, 4/1 Program, PR 176, 9/12
Visit of Vice President Bush (Bush), Nov. 9
Italy:
Treaties, agreements, etc., Jan. 81, Feb. 94, 95, Mar. 73, May 89, June 90, July 92, Sept. 92, 93, Oct. 75, Dec. 85
Visit of Secretary Shultz, June 35
Ivory Coast:
Treaties, agreements, etc., May 90, Dec. 85
U.S. Ambassador (Kux), swearing in, PR 184, 9/22

J

Jacobsen, David, release of, PR 246, 11/7
Jahn, William H., U.S. Delegation Vice Chairman to MF Broadcasting Regional Administrative Radio Conference, appointment, PR 2, 1/6
Jamaica: Apr. 81; Abrams, July 90; Schneider, Aug. 78
Treaties, agreements, etc., Jan. 81, Apr. 93, 94, Aug. 92, Sept. 92, Oct. 76, Nov. 88, 89, Dec. 86
Japan (Shultz), PR 91, 4/23, PR 92, 4/24
Civil aviation, bilateral agreement regarding United Airlines service, PR 16, 1/25
Economic relations with U.S.: Armacost, Oct. 22; McMinn, Oct. 33; Nakasone, July 53; Reagan, Apr. 29, July 53; Shultz, Apr. 48; Sigur, Oct. 25, Nov. 40; Wallis, Mar. 35, July 66, 68
Market-oriented, sector-selective (MOSS) discussions: Armacost, Oct. 23; joint report, Mar. 32; Reagan, Apr. 27; Sigur, Oct. 25, 26; Yeutter, May 65, PR 140, 6/30
Salmon of North American origin, negotiations with U.S., Mar. 42
Semiconductor trade agreement with U.S. (Reagan), Oct. 22
Treaties, agreements, etc., Jan. 81, Mar. 73, May 90, June 91, Sept. 92, 93, Nov. 88, Dec. 86
U.S. relations: Nov. 42; Armacost, Oct. 20; Sigur, Oct. 24
U.S. visit of Prime Minister Nakasone: Reagan, Nakasone, July 53; program, PR 75, 4/11
Jenco, Lawrence (Reagan), Oct. 5
Johnson, Wallace E., Vice Chairman of U.S. Delegation to MF Broadcasting Regional Administrative Radio Conference, appointment, PR 2, 1/6
Jordan, Vernon E., Jr., Feb. 57
Jordan (Shultz), Feb. 53
Treaties, agreements, etc., Mar. 72, 73, May 89, Sept. 92
U.S. arms sales: Murphy, Mar. 39; Reagan, Feb. 89
U.S. economic and security assistance (Murphy), Dec. 90
Appropriations requests: Murphy, July 76, 78; Schneider, Aug. 78; Shultz, Apr. 47
Visit of Vice President Bush (Bush), Nov. 9
Judicial matters:
Child abduction, international, civil aspects, convention (1980): Canada (extension to Prince Edward Island), May 89 (extension to Province of Saskatchewan), Nov. 88; Finland, Dec. 85; Hungary, June 90; Spain, Apr. 93; U.K., Oct. 75

Judicial Matters (Cont'd)
Customs violations, mutual administrative assistance for prevention and repression, bilateral agreement with Italy, Feb. 95
Foreign Sovereign Immunities Act, proposed amendments (Verville), Sept. 73
Letters rogatory, inter-American convention (1976) and additional protocol, ratification, U.S., Dec. 85
Mutual assistance in criminal matters, bilateral agreements with: Italy, Mar. 73; Thailand, May 91
Mutual assistance in law enforcement matters, bilateral agreement with Haiti, Oct. 76
Mutual legal assistance, agreements with: Philippines, Aug. 92; U.K. re Cayman Islands, Sept. 94
Service abroad of judicial and extrajudicial documents in civil or commercial matters, convention (1965), Netherlands, Sept. 91
Taking of evidence abroad in civil or commercial matters, convention (1970): Monaco, Apr. 93; Netherlands (extension to Aruba), Sept. 91; U.K. (extension to Guernsey), Feb. 93 (extension to Anguilla), Dec. 85
Transfer of sentenced persons:
Bilateral agreement with France, Jan. 81
Convention (1983) (Strasbourg convention): Austria, Dec. 86; Canada, Mar. 72; Cyprus, Nov. 88; Ireland, Dec. 86; U.K., Mar. 72 (extension to Isle of Man), Nov. 88
Jute and jute products, international agreement (1982), with annexes, Austria, Apr. 93; Egypt, May 89; Germany, Federal Republic of, Netherlands, Jan. 80; Poland, Mar. 72, Nov. 88
Entry into force, Nov. 88

K

Kalb, Marvin, Jan. 18, Aug. 32, Nov. 49, Dec. 29
Kapelman, Max M.: May 52; Shultz, Sept. 33
Kampuchea: Purcell, Oct. 50; Shultz, Sept. 35, PR 136, 6/25
U.S. aid to non-Communist Khmer: Monjo, July 59; Shultz, Apr. 49
U.S. prisoners of war and missing-in-action (Monjo), May 63
Vietnamese occupation: Monjo, July 58; Reagan, Feb. 87, May 34, 35, July 15, Nov. 4; Shultz, Feb. 26, July 17, 25, Sept. 30, 34; Walters, Mar. 57
General Assembly resolution, Mar. 59
Kaplan, Helene L., Feb. 57
Karp, Craig, Feb. 4
Kauzlarich, Richard D., Mar. 61
Kenya (Crocker), Jan. 29, July 32
Treaties, agreements, etc., Apr. 93, Oct. 76
U.S. Ambassador (Constable), swearing in, PR 242, 11/5
Keyes, Alan L., June 81, Aug. 80, 81
Biography, June 81
Kimball, Harold G., U.S. Delegation Vice Chairman, MF Broadcasting Regional Administrative Radio Conference, appointment, PR 2, 1/6
Kiribati, treaties, agreements, etc., Aug. 91, Nov. 88
Kintos, William (Shultz), Feb. 57
Korea, Democratic People's Republic of (Sigur), Nov. 39, 41
Three-way military talks proposed (Department), Sept. 51
Treaties, agreements, etc., Mar. 72, July 91
Korea, Republic of: Reagan, Apr. 29; Shultz, Apr. 48, July 38, 40, PR 91, 4/23; Sigur, July 46; Yeutter, May 65
Treaties, agreements, etc., Mar. 73, Apr. 93, May 90, June 90, 90, Sept. 93, Oct. 75, Nov. 88, Dec. 86
U.S. development and security assistance, FY 1987: Monjo, July 54, 57; Schneider, Aug. 78; Shultz, PR 37, 3/4, PR 41, 3/13
Visit of Secretary Shultz, July 38, PR 102, 5/8
Korn, David, swearing in as Ambassador to Togo, PR 225, 10/22
Kuwait (Shultz), Nov. 66
Kux, Dennis, swearing in as Ambassador to Ivory Coast, PR 184, 9/22
Kwiatkowski, Patrick (Whitehead), PR 97, 5/5

L

La Follette, Wilson A., U.S. Delegation Vice Chairman, MF Broadcasting Regional Administrative Radio Conference, appointment, PR 2, 1/6
Labor:
International labor standards, convention (1976), U.S., June 90
Minimum standards in merchant ships, convention (1976), U.S., June 90
Lange, David, Sept. 31
Laos (*see also* Refugees: Indochinese):
International telecommunications convention (1982), Mar. 72
U.S. prisoners of war and missing-in-action (Monjo), May 63
Latin America (*see also* Organization of American States *and names of individual countries*): Abrams, Mar. 67, June 86; Shultz, Feb. 32, 43
Administration of justice, June 83
Alliance for Progress, 25-year anniversary (Abrams), June 86
Caribbean and Central America: Abrams, Mar. 68; McCormack, Jan. 78; Shultz, Feb. 43, PR 127, 6/11
Contadora groups, meeting with Secretary Shultz, Apr. 85
Contadora process: Abrams, July 90; Shultz, Apr. 38, May 38; White House, Aug. 84
Democratic progress: Abrams, July 86; Michel, Aug. 88; Reagan, Sept. 18; Shultz, Apr. 49, Aug. 19, PR 48, 3/18; Walters, Mar. 54
U.S. assistance: Abrams, July 90; McPherson, Aug. 62; Reagan, Sept. 21; Schneider, Aug. 78; Shultz, PR 37, 3/4, PR 41, 3/13
Latin America (Cont'd)
Caribbean and Cen. America (Cont'd)
U.S. policy, objectives: Michel, Aug. 88; Reagan, Apr. 24, May 28; Shultz, Feb. 27, Aug. 19, PR 158, 8/11; Walters, Oct. 60
Caribbean Basin Initiative: Abrams, Apr. 84, July 91; Reagan, Apr. 24; Shultz, Apr. 49
Democratic progress: Abrams, Mar. 66, June 87, July 86, 89, Aug. 83; Armacost, June 68; Reagan, Apr. 28, May 33, Oct. 74; Shultz, Feb. 27, 32, Apr. 35, 40, 50, May 38, Nov. 12, PR 48, 3/18
Drug control programs. *See* Drugs, narcotic
Investment and economic growth, obstacles to (McCormack), Oct. 70
Lebanon: Murphy, Mar. 41, June 73, July 77, Dec. 71; Shultz, July 25, PR 7, 1/15, PR 150, 7/25
American hostages: Reagan, Mar. 14, June 26, Oct. 5, Nov. 61; Shultz, Jan. 23, 27, Apr. 41, Nov. 65, 69, PR 110, 5/14, PR 209, 10/8
Treaties, agreements, etc., July 92, Dec. 85
Lehman, Ronald, U.S. chief negotiator for strategic arms reduction talks, appointment announced (Shultz), PR 43, 3/14
Lesotho, treaties, agreements, etc., Sept. 92, Dec. 86
Liberia (Crocker), Feb. 54, July 33, 36
Profile, Feb. 55
Treaties, agreements, etc., June 91, July 92
Liberty Centennial Commemorative Stamp (Shultz), PR 28, 2/21
Libya: Adelman, Aug. 47; Crocker, July 31
Americans in (Shultz), Mar. 25, July 39, PR 7, 1/15
Gulf of Sidra: Negroponte, Sept. 85; Reagan, Apr. 30, June 24, 26, 72; Shultz, PR 50, 3/19, PR 66, 3/31; Sofaer, Aug. 69; Walters, May 80; White House, May 76
International terrorist activities: Abrams, Mar. 68; Murphy, Mar. 40; Oakley, Aug. 6; Reagan, Mar. 12, 14, 36, June 24, 25, 26, July 10, 14; Shultz, Mar. 20, 23, July 5, 21, Nov. 69, PR 7, 1/15, PR 12, 1/16, PR 98, 5/5, PR 99, 5/5, PR 108, 5/13; Tokyo economic summit, July 5; Whitehead, June 79
U.S. psychological warfare (Shultz), Nov. 69, Dec. 34, PR 205, 10/8
U.S. air strikes and impact: Murphy, Dec. 71; Oakley, Aug. 4; Okun, June 18; Poindexter, Aug. 64; Reagan, June 1, 8, July 11; Shultz, June 3, 6, 8, 11, 16, July 26, Nov. 12, PR 80, 4/15, PR 81, 4/16, PR 91, 4/23; Sofaer, Aug. 70; Walters, June 19, 21; Weinberger, June 3; White House, June 1; Whitehead, June 79
U.S. economic sanctions: Oct. 27; Murphy, Mar. 40; Oakley, Aug. 6; Reagan, Mar. 36, 37, 38; Shultz, Mar. 21, 22, 23, 26, PR 7, 1/15, PR 12, 1/16, PR 19, 2/3; White House, Mar. 38
U.S. oil companies, disinvestment proposed: Reagan, July 12; Shultz, July 6

Liechtenstein, treaties, agreements, etc., Mar. 73, Apr. 93, Sept. 92, Dec. 85
Lilley, James R., Aug. 50
Load lines. *See under* Maritime matters
Lord, Winston, Sept. 48
  Biographical details, Sept. 48
Low-Intensity Warfare Conference (Shultz), Mar. 15
Lowitz, Donald S., Mar. 60, Dec. 40, 41
Luxembourg, treaties, agreements, etc., Mar. 73, May 89, Sept. 92, 93, Nov. 89
Lyman, Princeton Nathan, swearing in as Ambassador to Nigeria, PR 185, 9/22

M

Macao, trade in cotton, wool, and manmade fiber textiles, bilateral agreements (1983, 1984), June 91
Madagascar, treaties, agreements, etc., Jan. 81, Nov. 89, Dec. 87
Malawi, treaties, agreements, etc., Mar. 73, Apr. 93, May 89
Malaysia: Monjo, July 54, 59; Schneider, Aug. 79
  Treaties, agreements, etc., Jan. 80, Mar. 73, July 93, Sept. 92, Oct. 76, Nov. 88, Dec. 85
Maldives, treaties, agreements, etc., Feb. 95, Mar. 73, May 90, Nov. 89
Mali (Crocker), July 36
Malta, treaties, agreements, etc., Mar. 72, Nov. 88, Dec. 85
Marine pollution. *See* Environmental problems and control *and* Oil pollution
Maritime boundaries:
  Arctic, Canada-U.S. discussions (Shultz), Jan. 46
  Bilateral agreement with Cuba, Feb. 94
  U.S. exclusive economic zone (EEZ): Negroponte, Sept. 85, 86
Maritime matters:
  Carriage of goods by sea, U.N. convention (1978), Senegal, June 90
  Facilitation of international maritime traffic, convention (1965): Australia, Sept. 92; India, Mexico, June 90
  International Maritime Organization:
    Convention (1948): Antigua and Barbuda, Apr. 93; Korea, July 91; Vanuatu, Dec. 85
    Security issues (Kauzlarich), Mar. 61
  Load lines, international convention (1966): Bahrain, Benin, Feb. 94; Congo, St. Vincent and the Grenadines, Tuvalu, Sept. 92
    Amendments (1971), Chile, May 89
    Amendments (1977): Bahrain, Honduras, Feb. 94
    Amendments (1979), Chile, May 89
    Amendments (1983), China, Dec. 85
  Maritime search and rescue, international convention (1979): Mexico, July 91; Pakistan, Mar. 72; Portugal, Feb. 94; Turkey, Mar. 72; Venezuela, Oct. 75
  Ocean carriage of government controlled cargoes, equal access, bilateral agreement (1977), amendments (1985), Brazil, Apr. 94
Maritime matters (Cont'd)
  Prevention of collisions at sea, international regulations, convention (1972): Bahrain, Benin, Honduras, Tuvalu, Feb. 94
  Ship and passenger security measures to combat terrorism, U.S. initiative (Department), Jan. 72
  Standards of training, certification, and watchkeeping for seafarers, international convention (1978): Benin, Honduras, Hungary, Feb. 94; Israel, May 89; Mozambique, Apr. 93; New Zealand, Nov. 88; Portugal, Tuvalu, Feb. 94
  Tonnage measurement of ships, international convention (1969): Bahrain, Benin, Feb. 94; Cyprus, Qatar, Sept. 92; Tuvalu, Feb. 94
  U.S. navigational aids, installation and management, bilateral agreement with Italy, Jan. 81
Markey, David, U.S. Delegation Chairman to 1987 World Administrative Radio Conference for Mobile Services, appointment, PR 217, 10/16
Marks, Leonard H., U.S. Delegation Chairman, HF Bands World Administrative Radio Conference, appointment, PR 58, 3/26
Marshall Islands, Compact of Free Association: PR 10, 1/14; Reagan, Dec. 74; Sigur, Dec. 75
Matlock, Jack F., Dec. 61
Mauritania, treaties, agreements, etc., Sept. 93, Dec. 86
Mauritius:
  Treaties, agreements, etc., Mar. 72, Nov. 88, Dec. 87
  U.S. Ambassador (Palmer), PR 233, 10/29
McCormack, Richard T., Jan. 78, Oct. 70
McFarlane, Robert C., Jan. 6
McKinley, Brunson, swearing in as Ambassador to Haiti, PR 203, 10/7
McKinney, James C., U.S. Delegation Vice Chairman, MF Broadcasting Regional Administrative Radio Conference, appointment, PR 2, 1/6
McMinn, Douglas W., Oct. 31
  Biographical details, Oct. 32
McPherson, M. Peter, Mar. 43, Aug. 59
Meteorology, Mexico, cooperative observation program, bilateral agreement, June 91
Mexico (Reagan), Mar. 10, Aug. 19
  AM broadcasting agreement with U.S., signature, PR 167, 8/29
  Background, Mar. 3
  Drug control program: Apr. 81; Reagan, Oct. 65; Whitehead, Oct. 38
  International Boundary and Water Commission, Mar. 8
  Profile, Mar. 4
  Travel Notes, Mar. 7
  Treaties, agreements, etc., Feb. 95, Mar. 73, 74, Apr. 94, May 89, June 90, 91, July 91, 93, Sept. 93, Nov. 88, 89, Dec. 85, 86, 87
  U.S. Ambassador (Gavin), biography, Mar. 9
  U.S. Ambassador (Pilliod), swearing in, PR 228, 10/23
  U.S. visit of President De la Madrid: De la Madrid, Oct. 66; Reagan, Oct. 65; program, PR 157, 8/11
  Visit of President Reagan (Reagan), Mar. 1, 2
Michel, James H., Aug. 88
Micronesia, U.S. trusteeship, termination: Reagan, Apr. 29; Shultz, Apr. 49, Sept. 31
Micronesia, Federated States of, Compact of Free Association: PR 10, 1/14: Reagan, June 78, Dec. 74; Shultz, Sept. 37; Sigur, Dec. 75
Middle East (*see also* Terrorism, international): Murphy, Mar. 39, June 70, July 76, 78, Dec. 76; Poindexter, Aug. 66; Reagan, Apr. 29; Shultz, PR 91, 4/23, PR 199, 10/3; Wendt, June 52; Wrobleski, Sept. 83
  Foreign Relations of the United States, 1952–1954, Volume IX, The Near and Middle East, Parts 1 and 2, Aug. 93
Monaco, treaties, agreements, etc., Apr. 93, Dec. 85
Mongolia, treaties, agreements, etc., Apr. 93, July 92, Dec. 85
Monjo, John C., May 62, July 50, 54
Moore, Jonathan, Dec. 78
Morocco (Murphy), July 76, 80
  Treaties, agreements, etc., Feb. 95, Apr. 93, May 90, Sept. 92, 93, Nov. 89, Dec. 85
Mozambique: May 10; Crocker, July 35; Shultz, Apr. 50
  Treaties, agreements, etc., Mar. 74, Apr. 93, June 91, July 93, Oct. 76, Dec. 87
Mulroney, Brian, May 57
Murphy, Richard W., Mar. 39, June 70, July 76, Dec. 70
Muskie, Edmund S., portrait, PR 177, 9/15

N

Nakasone, Yasuhiro, July 53
Namibia: May 9; Armacost, Apr. 53; Poindexter, Aug. 66; Shultz, Jan. 20, Mar. 26, Dec. 6; White House, May 45
  Profile, Apr. 55
  Treaties, agreements, etc., Mar. 72, May 89
Negroponte, John D., June 59, Sept. 53, 84, Oct. 41
Nepal: Peck, July 85; Wrobleski, Sept. 84
  Treaties, agreements, etc., Aug. 92, Nov. 89
Netherlands:
  Nuclear tasks, dismantling (Shultz), Feb. 38
  Treaties, agreements, etc., Jan. 80, Feb. 95, Mar. 72, 73, Apr. 93, June 91, Aug. 92, Sept. 91, 92, 93, Dec. 85
New Zealand: Cleveland, June 74; Shultz, Sept. 29
  Treaties, agreements, etc., Jan. 80, Mar. 72, Apr. 93, June 90, Nov. 88
  U.S. ships, denial of access, effect on ANZUS: Cleveland, June 75; Department, Sept. 87; Shultz, Feb. 39, Apr. 48, Sept. 27, 31, 36, Oct. 44, 45; Sigur, July 45, Dec. 77; Weinberger, Oct. 45, 47
Nicaragua: Abrams, July 89; Michel, Aug. 88; Reagan, Feb. 23, 87, Apr. 26, Sept. 18; Shultz, Feb. 43, 49, 52, Mar. 15, May 39, Dec. 6; Walters, Mar. 54, Oct. 58
  Contadora negotiations: Reagan, Sept. 91; Shultz, PR 113, 5/21; White House, June 85, Aug. 84

Nicaragua (Cont'd)
Democratic resistance (contras): Reagan, May 34, Sept. 19; Shultz, Aug. 21
U.S. aid: Abrams, Apr. 83; Poindexter, Aug. 65; Reagan, Apr. 28, May 28, 81, 84, 87, June 24, Aug. 17, Sept. 19, Oct. 2, Nov. 8; Shultz, Feb. 51, 52, Apr. 32, May 37, Aug. 22, PR 48, 3/18, PR 50, 3/19, PR 77A, 4/16, PR 127, 6/11
German hostages, question of (Shultz), Aug. 24
Hasenfus capture (Shultz), Dec. 32, PR 205, 10/8, PR 207, 10/10
ICJ adjudication of U.S.-Nicaraguan dispute, U.S. position (Sofaer), Jan. 69
National dialogue, proposed (*see also* Contadora negotiations, *supra*): Reagan, May 35; White House, May 85
Sandinista weapons captured displayed (Reagan), May 87
Soviet and Cuban militarization: Abrams, Mar. 68, July 86, Aug. 84; Armacost, June 64, Dec. 59; Oakley, Aug. 2; Reagan, Feb. 24, May 28, 36, Aug. 86, Sept. 19, Oct. 5, Nov. 4; Shultz, Feb. 26, 50, 51, 53, Apr. 32, 40, 49, May 37, Aug. 20, Sept. 34, PR 48, 3/18, PR 77A, 4/16; Walters, Mar. 56
Treaties, agreements, etc., June 90, Dec. 86
United Nicaraguan Opposition leaders, meeting with Secretary Shultz (Shultz), Mar. 65
U.S. economic sanctions (Shultz), Mar. 23
Niger (Crocker), July 36
Treaties, agreements, etc., Mar. 73, May 89, Aug. 92, Dec. 85
Nigeria (Wendt), June 52
Treaties, agreements, etc., May 90, June 90, 91, July 93
U.S. Ambassador (Lyman), swearing in, PR 185, 9/22 Nitze, Paul H., Feb. 58, Apr. 61, May 50, 55, Aug. 44, Nov. 73
Nitze Building, Johns Hopkins University, dedication (Shultz), PR 90, 4/22
Nonalignment (Dizdarevic), Feb. 48
North Atlantic Council:
Ministerial meeting, Brussels (Dec. 1985): final communique, Feb. 36; foreign ministers' statement, Feb. 37
Ministerial meeting, Halifax, Nova Scotia (May 29–30): Ridgway, Sept. 60, 61; Shultz, Aug. 54, 56; texts of statements, Aug. 53; Zimmermann, Nov. 71
Special session, Brussels (Nov. 21, 1985): Carrington, Jan. 14
North Atlantic Treaty Organization: Reagan, Dec. 20; Shultz, Feb. 37, Dec. 15, 23, PR 37, 3/4, PR 41, 3/13, PR 110, 5/14, PR 125, 6/5
Binary chemical munitions force goal (White House), Oct. 37
Conventional capability: Sept. 26; NAC, Feb. 37
Defense Planning Committee meeting, Brussels (Dec. 3, 1985), final communique, Feb. 79
Defense Ministers planning meeting, Brussels (May 26), text of final communique, Aug. 58
Foreign Relations of the United States, 1955–1957, Volume IV, Western European Security and Integration, released, Dec. 89

NATO (Cont'd)
Nuclear Planning Group meetings, final communiques:
Brussels (Oct. 29–30, 1985), Jan. 61
Wuerzburg (Mar. 20–21), May 75
Southern flank, U.S. security assistance: Schneider, Aug. 78; Shultz, Apr. 48
Spanish participation (Shultz), Feb. 38, PR 48, 3/18
Northern Mariana Islands (Shultz), Sept. 37
Norway, treaties, agreements, etc., Feb. 95, Mar. 72, Apr. 93, July 92, Sept. 92, 93, Oct. 75, Dec. 85, 86
Novak, Robert, Jan. 18, Sept. 65, 67, 69, Dec. 29
Nuclear accidents, conventions (1986): Afghanistan, Australia, Austria, Belgium, Brazil, Bulgaria, Byelorussian S.S.R., Canada, Chile, China, Costa Rica, Cote d'Ivoire, Cuba, Czechoslovakia, Denmark, Egypt, Finland, France, German Democratic Republic, Federal Republic of Germany, Greece, Guatemala, Hungary, Iceland, Indonesia, Iran, Ireland, Israel, Italy, Lebanon, Liechtenstein, Mexico, Monaco, Netherlands, Niger, Norway, Panama, Poland, Portugal, Soviet Union, Spain, Sudan, Sweden, Switzerland, Turkey, Ukrainian S.S.R., U.K., U.S., Vatican City, Zimbabwe, Dec. 85
Nuclear energy (*see also* Soviet Union: Chernobyl nuclear accident):
Cooperation concerning peaceful uses, bilateral agreements with:
China: Feb. 94; Reagan, Feb. 75
EURATOM: Feb. 94; Reagan, May 78
Data and computer programs, cooperation, bilateral agreement with OECD, Mar. 74
Decommissioning of nuclear facilities, bilateral agreement with U.K., Mar. 74
Enriched uranium for a research reactor, transfer to Thailand, agreement (1986): IAEA, Thailand, U.S., Dec. 84
Liquid metal-cooled fast breeder reactors, agreements with: France, Federal Republic of Germany, Dec. 86; U.K., Nov. 90
Nuclear regulatory matters and safety research technical exchange arrangement, bilateral agreement with Japan, Jan. 81, Mar. 73
Physical protection of nuclear material, convention (1979): Argentina, Dec. 85; Brazil, Mar. 72; Canada, Ecuador, Indonesia, Dec. 85; Liechtenstein, Apr. 93; Mongolia, Apr. 93, Dec. 85; Spain, Yugoslavia, Dec. 85
Radioactive waste management, cooperative program, bilateral agreement with Sweden, Jan. 81
Reprocessing of special nuclear material of U.S. origin, bilateral agreement with Japan, Mar. 73
Safety matters, exchange of technical information and cooperation, bilateral agreements with: Finland, Feb. 94; Germany, Federal Republic of, Nov. 89; U.K., Aug. 92; Yugoslavia, Feb. 95
Severe (nuclear) accident research, cooperation, bilateral agreement with Canada, Mar. 73
Thermonuclear fusion research, Soviet-U.S. cooperation, Jan. 10

Nuclear nonproliferation: Jan. 8; Poindexter, Aug. 66; Shultz, PR 40, 3/13
Nuclear nonproliferation treaty (1968): Colombia, June 90; Democratic People's Republic of Korea, Mar. 72; Malawi, Apr. 93; Yemen (Sanaa), Aug. 91
Nuclear test ban treaty, comprehensive, proposed: Nov. 35; Reagan, May 53, Nov. 4; Shultz, Dec. 5, 31
Nuclear testing, Threshold Test Ban Treaty and Peaceful Nuclear Explosions Treaty (Reagan), Feb. 67, 72
U.S. ratification, conditions for: Reagan, May 53; Shultz, Dec. 15; White House, Dec. 9
Nuclear weapons testing: Reagan, May 53, 54, Nov. 4, 8; Shultz, Nov. 54, Dec. 23; White House, Feb. 60, Dec. 3
CORRTEX system for verification, proposed: Oct. 15, Nov. 36; Reagan, May 54; White House, June 39
Limitations, U.S. policy, special report, Oct. 14
Moratorium, 1958–1961, chronology of key statements and actions, Oct. 16
Moratorium, Soviet proposal: Reagan, Nov. 9; Shultz, Dec. 5, PR 43, 3/14, PR 45, 3/17; White House, June 39
U.S.-Soviet experts, meeting, Geneva: Oct. 14; White House, Oct. 17
Verification issues: Reagan, Nov. 9, 32; Shultz, Dec. 5, 12, 15, 32; White House, Dec. 9
Interagency study, Nov. 33

O

Oakley, Robert B., Aug. 1, 5, 9, Oct. 55
Oceans:
Deep sea mining (Negroponte), Sept. 86
International waters, rights: Department, May 79; Negroponte, Sept. 85; Reagan, June 24
Ocean drilling projects, participation, bilateral agreement with U.K., May 91
U.S. oceans policy (Negroponte), Sept. 84, Oct. 41
Oil pollution:
Civil liability for oil pollution damage, international convention (1969):
Protocol (1976), Poland, Feb. 93
Protocol (1984): China, Finland, Netherlands, Norway, Apr. 93
International fund for compensation, international convention (1971): Benin, Feb. 93; Finland, Netherlands, Norway, Apr. 93
Intervention on the high seas in cases of, international convention (1969): Benin, Feb. 93; South Africa, Oct. 75
Prevention of pollution of the sea by oil, international convention (1954) and 1971 amendment, Bahrain, Feb. 93
Okun, Herbert S., June 18
Oman: Murphy, July 79; Shultz, Apr. 48
SOAF bases, storage facilities bilateral agreement, May 90, Dec. 87
Treaties, agreements, etc., Feb. 95, May 90, June 90, 91, July 93 Dec. 87
Visit of Vice President Bush, June 30

Organization for Economic Cooperation and Development (OECD):
Ministerial meeting, Paris, final communique, June 44
Nuclear Energy Agency, bilateral agreement re nuclear data and computer programs, Mar. 74
Tokyo economic summit, July 10
Organization of American States (OAS): Keyes, Aug. 82; Shultz, Feb. 32

P

Pacific Economic Cooperation Conference (PECC): Sigur, Dec. 77
Pacific Ocean region (*see also* Fish and fisheries *and individual countries*): Reagan, Apr. 29
Southeast Asia, question of nuclear-free zone: Shultz, Sept. 26, 30, Oct. 46; Sigur, Dec. 76
U.S. trade and investment: Shultz, PR 26, 2/19; Sigur, Dec. 75
Pakistan: Apr. 81; Karp, Feb. 16, 17; Wallis, Jan. 52; Wrobleski, Aug. 73, Sept. 82
Karachi, hijacking of Pan Am Flight 73: Armacost, Nov. 50; Reagan, Dec. 73; Shultz, Nov. 12, 69, PR 196, 10/2, PR 199, 10/3
Nuclear policy: Oct. 54; Peck, July 83
Treaties, agreements, etc., Mar. 72, May 89, 90, July 92, Sept. 93, Oct. 76, Nov. 89
U.S. economic and security assistance: Peck, July 81, 82; Shultz, Apr. 49, PR 37, 3/4, PR 41, 3/13
U.S. visit of Prime Minister Junejo: joint statement, Oct. 54; program, PR 148, 7/11
Palau, Compact of Free Association: PR 10, 1/14; Reagan, June 78, Dec. 74; Shultz, Sept. 37; Sigur, Dec. 76
Palmer, Mark, Nov. 73
Palme., Ronald Dewayne, swearing in as Ambassador to Mauritius, PR 233, 10/29
Pan American Day and Week, 1986, proclamation (Reagan), Aug. 85
Panama: Abrams, July 89; Thomas, Apr. 80
Treaties, agreements, etc., Apr. 94, May 90, Oct. 76, Dec. 85, 87
Papua New Guinea (Monjo), July 60
Treaties, agreements, etc., Mar. 73, Sept. 92
Paraguay, international telecommunications convention (1982), ratification, Apr. 93
Passports, Philadelphia Passport Agency, automation, PR 72, 4/18
Patents:
Budapest treaty (1977): Italy, May 89: Norway, Mar. 72
Multinational office, proposed (Reagan), Apr. 27
New varieties of plants, protection, international convention (1961): Federal Republic of Germany, May 89; Italy, July 92
Peck, Robert A., July 81
PEN international conference (Shultz), PR 6, 1/14
Penner, Vernon D., Jr., swearing in as Ambassador to Cape Verde, PR 138, 6/27
Peres, Shimon, Dec. 73
Perkins, Edward, swearing in as Ambassador to South Africa; PR 237, 11/3; Shultz, PR 236, 11/3
Perle, Richard N. (Shultz), Nov. 65
Persian Gulf: Murphy, Mar. 41, June 71, July 79, Dec. 72; Reagan, Sept. 79; Shultz, Apr. 48, July 26, PR 37, 3/4, PR 41, 3/13, PR 199, 10/3
Shipping, Iranian attacks (White House), Aug. 71
Peru: Apr. 81; Abrams, Jan. 75, July 90; Thomas, Apr. 78; Wrobleski, Aug. 72
Treaties, agreements, etc., May 91, July 92, Aug. 92, Nov. 89, Dec. 86
U.S. Ambassador (Watson), swearing in, PR 227, 10/23
Petterson, Donald K., swearing in as Ambassador to Tanzania, PR 231, 10/27
Philippines: Armacost, June 68; Reagan, Feb. 87, Apr. 28, May 33; Shultz, Sept. 30, 31, PR 112, 5/21; Wolfowitz, Jan. 49
Constitutional, economic, military reforms: Aquino, Dec. 57; Armacost, Dec. 52; Monjo, July 50, 55; Reagan, Dec. 55; Shultz, July 22, 40, 41, Aug. 26, Sept. 27; Sigur, Nov. 40; White House, July 50
Documents, provision to the government of the Republic of the Philippines, bilateral agreement with the Philippines, May 91
Elections and transfer of power: Reagan, Apr. 18, 30, 67, 68; Shultz, Mar. 26, Apr. 69, Nov. 12, PR 19, 2/3, PR 32, 2/27, PR 40, 3/13, PR 91, 4/23, PR 105, 5/9; White House, Apr. 68; Wolfowitz, Apr. 69
Former President Marcos, assets and movements of: Armacost, Dec. 54; Shultz, July 19, 21, 22, Sept. 27, PR 112, 5/21
Profile, Dec. 56
Treaties, agreements, etc., May 91, June 91, Aug. 92, Sept. 94, Dec. 85, 86
U.S. bases, status: Armacost, Dec. 53; Reagan, Apr. 31; Shultz, July 19, Sept. 28, PR 181, 9/16; Sigur, June 41; Wolfowitz, Jan. 49
U.S. economic and security assistance: Armacost, Dec. 54; Monjo, July 50, 54; Reagan, July 15, Dec. 56; Schneider, Aug. 78; Shultz, Apr. 48, July 18, 20, 21, 42, Aug. 29, Sept. 27, 29, PR 37, 3/4, PR 41, 3/13, PR 108, 5/13, PR 110, 5/14; White House, July 48
U.S. visits of President Aquino: Aquino, Dec. 56; Reagan, Dec. 55; Shultz, Sept. 29; program, PR 178, 8/13
Visit of Secretary Shultz (Shultz), July 41, Sept. 27, 30, 31, 36, PR 105, 5/9, PR 107, 5/12, PR 135, 6/24
Phillips, James Daniel, swearing in as Ambassador to Burundi, PR 241, 11/4
Pilliod, Charles J., Jr., swearing in as Ambassador to Mexico, PR 228, 10/23
Pilon, Rogers, Dec. 67
Poindexter, John M., Aug. 64
Poland: NAC, Feb. 37; Reagan, Feb. 87, Apr. 29; Shultz, PR 113, 5/21
Treaties, agreements, etc., Feb. 93, Mar. 72, 74, June 91, July 92, Aug. 91, Sept. 91, 92, Nov. 88, 89, Dec. 85
Polygraph testing of federal employees: Reagan, Mar. 13; Shultz, Feb. 38
Population growth and problems: Abrams, June 87; McPherson, Mar. 43, Aug. 62
Portugal (Shultz), Apr. 48
Technical agreement with U.S. in implementation of the defense agreement of 1951, entry into force, Mar. 74
Treaties, agreements, etc., Jan. 80, Feb. 93, 94, Mar. 72, 74, May 89, Sept. 92, 93, Dec. 85
Visit off Vice President Bush, June 32
Postal matters:
International express mail, bilateral agreements: Guyana, Nigeria, Oman, June 91; Senegal, Oct. 76
International express mail/datapost special express, bilateral agreements with: Chile, Dec. 86; Cyprus, Feb. 94
Money orders and postal travelers' checks, agreement with final protocol (1984): Belgium, Bulgaria, Finland, Sept. 92; Germany, Federal Republic of, Nov. 88; Iceland, Japan, Jordan, Sept. 92; Korea, Republic of, Nov. 88; Liechtenstein, Luxembourg, Sweden, Switzerland, Sept. 92; Thailand, Nov. 88; Tunisia, U.S., Sept. 92
Postal parcels agreement with final protocol and detailed regulations (1984): Belgium, Botswana, Bulgaria, Sept. 92; Germany, Federal Republic of, Nov. 88; Iceland, Japan, Jordan, Sept. 92; Korea, Republic of, Nov. 88; Liechtenstein, Luxembourg, Sept. 92; Malaysia, Nov. 88; Sweden, Switzerland, Sept. 92; Thailand, Nov. 88; Tunisia, Sept. 92; U.K., Nov. 88; U.S., Sept. 92
Postal Union of the Americas and Spain, constitution with general regulations (1981), second additional protocol, Uruguay, Apr. 93
Universal Postal Union:
Constitution (1964), general regulations, and the universal postal convention with final protocol:
Second additional protocol (1974), Turkey, Oct. 75
Third additional protocol (1984): Belgium, Botswana, Bulgaria, Finland, Sept. 92; Germany, Federal Republic of, Nov. 88; Iceland, Japan, Jordan, Sept. 92; Korea, Republic of, Nov. 88; Liechtenstein, Luxembourg, Sept. 92; Malaysia, Nov. 88; Singapore, Swaziland, Sweden, Switzerland, Sept. 92; Thailand, Nov. 88; Tunisia, Sept. 92; U.K., Nov. 88; U.S., Sept. 92
General regulations and universal postal convention (1979): New Zealand, Saudi Arabia, Mar. 72
Prisoners of war, U.S., and U.S. missing-in-action (POW/MIA). *See* Vietnam: POW/MIA issue
Private international law, statute of The Hague conference (1951): Chile, July 91; Mexico, June 90

Proclamations by the President:
Afghanistan Day, 1986 (*5450*), May 79
Baltic Freedom Day (*5501*), Aug. 57
Bill of Rights Day; Human Rights Day and Week, 1985 (*5420*), Feb. 88
Captive Nations Week, 1986 (*5512*), Oct. 36
Pan America Day and Week, 1986 (*5459*), Aug. 85
World Food Day (*5527*), Dec. 66
World Trade Week, 1986 (*5482*), Aug. 52
Publications:
Government Printing Office subscriptions, list, May 93, July 94
State Department, Jan. 82, Feb. 96, Mar. 77, May 92, June 93, July 94, Aug 93, Sept. 94, Oct. 77, Nov. 90, Dec. 89
American Foreign Policy: Current Documents, 1983, released, May 93
Background Notes, Feb. 97, May 93, Aug. 94, Oct. 78, Dec. 90
Country Reports on Human Rights Practices for 1985, excerpts (Schifter), Apr. 76
A Decade of American Foreign Policy: Basic Documents 1941–1949, released, Feb. 97
Documents on Germany, 1944–1985, released, Mar. 78
Foreign Relations of the United States, historical record publication schedule (Reagan), Mar. 77
Foreign Relations of the United States, 1955–1957, Volume II, China, released, Oct. 78
Foreign Relations of the United States, 1955–1957, Volume III, China, released, Dec. 89
Foreign Relations of the United States, 1951, Volume IV, Europe, released, Jan. 82
Foreign Relations of the United States, 1952–1954, Volume IX, The Near and Middle East, Parts 1 and 2, Aug. 93
Foreign Relations of the United States, 1955–1957, Volume I, Vietnam, released, Feb. 96
Foreign Relations of the United States, 1958–1960, Volume I, Vietnam, released, June 93
Foreign Relations of the United States, 1955–1957, Volume IV, Western European Security and Integration, released, Dec. 89
Press releases, list, Jan. 81, Feb. 95, Mar. 75, Apr. 94, May 91, June 92, July 93, Aug. 92, Sept. 94, Oct. 77, Nov. 90, Dec. 87
Press releases, notice to subscribers, PR 93, 4/25
U.S.U.N., list, Mar. 75, Dec. 88
Purcell, James N., Jr., Aug. 75, Oct. 49

Q

Qatar, treaties, agreements, etc., Mar. 73, Sept. 92, Nov. 88, Dec. 85

R

Rawlings, James Wilson, swearing in as Ambassador to Zimbabwe, PR 247, 11/7
Reagan, Maureen, Feb. 89
Reagan, Ronald (Shultz), Dec. 15
Addresses, remarks, and statements:
Afghanistan, Soviet occupation, Feb. 22, 87, Apr. 28, May 34, 35, Nov. 4
Afghanistan Day, 1986, May 79
Africa, Apr. 28, May 35
Angola, Apr. 28, May 34, 35, June 27, Sept. 2, Nov. 4
Antitrust reform, Apr. 26
Arab-Israeli conflict, Mar. 12, Apr. 29, July 13, Sept. 80, Dec. 73
ASEAN, Apr. 28, July 15
Berlin Wall, 25th anniversary, Oct. 35
Canada, Apr. 27, Mar. 10, May 57
China, nuclear cooperation agreement, Feb. 75
Defense and national security, Feb. 23, Apr. 18, 20, 25, 27, Oct. 1, Nov. 8
Strategic Defense Initiative, Jan. 2, 14, Feb. 23, Mar. 11, Apr. 20, 21, 28, Aug. 36, Sept. 22, Oct. 1, Nov. 3, Dec. 18, 20
East-West relations, Feb. 60
Economy, domestic, Nov. 6
Tax reform, July 13
Economy, world, Nov. 5
Tokyo economic summit, Apr. 27, July 10, 16
Ecuador, Mar. 63
Espionage, Apr. 29, Aug. 19
Europe:
CDE negotiations and accord, Mar. 30, Nov. 25
Conventional forces, Apr. 29
CSCE, June 64, Oct. 36, Nov. 4, PR 245, 11/7
Helsinki Final Act, 11th anniversary, Oct. 36
Mutual and balanced force reduction talks, Feb. 60, Nov. 4, 33
Foreign assistance, May 35
Foreign policy objectives, Apr. 27, May 32
France, U.S. relations, July 14
Freedom fighters, Jan. 15, Feb. 23, Apr. 26, 28, May 34, 35, June 27
Glassboro High School, Sept. 21
Grenada, Apr. 22
Human rights, Jan. 2, 15, Feb. 23, Apr. 30, Sept. 91, Nov. 6
Bill of Rights Day, Human Rights Day and Week (1985), Feb. 88
U.N. declaration on, 37th anniversary, Feb. 87
Indonesia, July 13, 22
Jordan, Feb. 89
Kampuchea (Cambodia), Feb. 87, May 34, 35, July 15, Nov. 4
Latin America, Apr. 28, May 23, Oct. 74
Caribbean and Central America, Apr. 24, May 28, Sept. 18, 21
Lebanon, American hostages, Mar. 14, June 26, Oct. 5, Nov. 61
Libya:
Gulf of Sidra, Apr. 30, June 24, 26, 72
Terrorist activities, Mar. 12, 14, 36, June 24, 25, 26, July 10, 12, 14
U.S. air strikes, June 1, 8, July 11
U.S. economic sanctions, Mar. 36, 37, 38
Reagan, Ronald (Cont'd)
Addresses, remarks, statements (Cont'd)
Mexico, Mar. 1, 2, 10, Aug. 19, Oct. 65
Nicaragua, Feb. 23, 87, Apr. 26, 28, May 28, 34, 35, 36, 81, 84, 87, June 24, Aug. 17, 86, Sept. 18, 91, Oct. 2, Nov. 4, 8
Nuclear weapons testing, Feb. 67, 72, May 53, 54, Nov. 4, 8, 32
Oil prices, June 26
Philippines, Feb. 87, Apr. 18, 28, 30, 31, 67, 68, May 33, July 15, Dec. 55
Poland, Feb. 87, Apr. 29
Polygraph testing of federal employees, question of, Mar. 13
POW/MIA's, Apr. 28, July 16
Regional security proposals, Jan. 3, 15, Feb. 23, Mar. 11, May 32, Nov. 4
St. Patrick's Day, 1986, May 74
Security assistance, Apr. 21, May 35
South Africa, Feb. 87, Apr. 28, May 33, 46, June 27, Sept. 1, 4, 35, 36, Oct. 3,4, Nov. 19, Dec. 35
Soviet Union (*for details, see* Soviet Union), Jan. 3, 15, Apr. 20, May 32, Nov. 4
ABM treaty, Feb. 68, Nov. 3, Dec. 17
Chernobyl nuclear accident, July 11, 12
Daniloff hostage case, Nov. 2, 8, 60, Dec. 39
Human rights, Feb. 23, 88, Apr. 30, Nov. 60, Dec. 1, 8, 18, 73
Orlov, Yuriy, and Irena Valitova, release of, Dec. 1, 8, 17
Intermediate-range nuclear forces (INF) negotiations, July 37, Sept. 42, Dec. 17, 39
New Year's address, Mar. 10
Nuclear and space arms talks (NST), Jan. 3, 37, 40, Mar. 11, 27, Apr. 26, 64, July 37, Aug. 18, Sept. 22, 42, Oct. 1, Nov. 3, 9, Dec. 17, 20, 39
SALT II, June 25, July 13, Aug. 17, 18, 35, Oct. 1, 10
Summit meeting, Geneva (Fireside Summit), Jan. 1, 3, 11, 13, Feb. 23, Mar. 10, Aug. 19
Summit meeting, Reykjavik, Mar. 13, Apr. 31, June 25, 27, July 12, Sept. 22, Nov. 60, Dec. 1, 7, 17, 20
U.S. arms control negotiations, Jan. 2, 14, Sept. 42, Dec. 39
U.S. relations, Jan. 11, 15, Feb. 23, Mar. 10, 13, 14, Apr. 26, 27, May 33, 36, Sept. 21, Oct. 4, Nov. 1, Dec. 17, 18
State of the Union, Apr. 25
Terrorism, international, Jan. 2, Mar. 12, 36, Apr. 29, June 24, 25, 26, July 10, 11, 14, Aug. 18, Sept. 23, Nov. 5, Dec. 73
ANC, Sept. 2, 4
Omnibus Diplomatic Security and Antiterrorism Act of 1986, Oct. 58
Trade, Apr. 26, July 10, 12, 16, Nov. 6
Multi-fiber arrangements (MFA), Apr. 27, Oct. 6
U.S.-Japan semiconductor agreement, Oct. 22
U.K.:
Northern Ireland, Jan. 56, May 73
Supplementary extradition treaty, Apr. 29, Sept. 23

Reagan, Ronald (Cont'd)
Addresses, remarks, statements (Cont'd)
U.N. General Assembly, 41st session, Nov. 1
U.S. space shuttle *Challenger*, Apr. 25
World Affairs Council and Foreign Policy Association, Sept. 1
World peace, Nov. 1, Dec. 21
Meetings with Heads of State and officials of, remarks and joint communiques: Australia, Aug. 74; Brazil, Nov. 84; Cameroon, May 48; Canada, May 57; Ecuador, Mar. 63; Honduras, Aug. 86; Israel, Dec. 73; Japan, July 53; Mexico, Oct. 65; Philippines, Dec. 55; Soviet Union, *See* Summit meeting *entries under* Soviet Union; Uruguay, Oct. 73
Messages and reports to Congress:
Arms control, U.S. interim restraint and U.S. and Soviet force projections, Oct. 10
AWACS transfer to Saudi Arabia, Sept. 79
Cyprus, Feb. 78, June 66, Aug. 54, Oct. 35, Nov. 76
EURATOM, nuclear cooperation with, May 78
Libya:
Gulf of Sidra incident, June 72
U.S. air strikes, June 8
U.S. economic sanctions imposed, Mar. 37, 38
Nicaraguan democratic resistance, support, May 81, 84, Sept. 91
Northern Ireland and Ireland assistance legislation, May 73
Nuclear testing limitations, May 53, Nov. 32
Palau, Compact of Free Association, June 78
Regional security, May 32
South Africa, May 46
Continuance of emergency, Nov. 19
Economic sanctions, Dec. 35
Soviet noncompliance with arms control agreements, Feb. 65
U.S. foreign policy, Apr. 26
News briefing, Oct. 1
News conferences, Mar. 12, Apr. 30, June 24, July 10, Aug. 17, Oct. 2, Nov. 60
Radio and television addresses to nation, Jan. 1, 3, 17, Feb. 23, Mar. 10, Apr. 18, May 28, June 1, Sept. 18, 23, Oct. 6, Dec. 17
Shcharanskiy, Natan (Anatoliy), meeting (White House), July 75
Visits to :
Grenada, Apr. 22
Indonesia: July 15; Reagan, July 22
Mexico, Mar. 1
Refugees:
Afghan: Oct. 55, Armacost, June 66; Funseth, Dec. 81; Karp, Feb. 16, 17; Peck, July 84; Reagan, Feb. 87; Shultz, Nov. 14; Walters, Feb. 20; Whitehead, Feb. 2
African: Funseth, Dec. 81; Purcell, Oct. 53; Shultz, Nov. 18
Indochinese: Funseth, Dec. 80; Purcell, Oct. 49; Reagan, Feb. 87, July 23; Shultz, Sept. 36
Indochinese Refugee Panel, report: PR 87, 4/17; Shultz, Nov. 17
Status of refugees, protocol (1967): Equatorial Guinea, Apr. 93; Papua New Guinea, Sept. 92; Tuvalu, May 89

Refugees (Cont'd)
U.S. assistance requests for migration and refugees, FY 1987 (Purcell), Aug. 75
U.S. policies and programs, midyear 1986 review (Purcell), Oct. 49
U.S. proposed admissions for FY 1987 (Shultz), Nov. 14
U.S. refugee policy, program, FY 1987: Funseth, Dec. 78: Moore, Dec. 78
Vietnamese (Shultz), Sept. 36, Nov. 17
Regional security (*see also* Africa: Southern Africa *and* Latin America: Caribbean and Central America): Reagan, Mar. 11, May 32; Shultz, Feb. 25, 44
U.S. proposals: Reagan, Jan. 3, 15, Feb. 23, May 35, Nov. 4; Shultz, Jan 13
Reich, Otto J., swearing in as Ambassador to Venezuela, PR 172, 9/8
Ridgway, Rozanne L., Jan. 62, Feb. 76, May 72, 75, Sept. 58, 68
Biography, Jan. 63
Romania: Reagan, Feb. 87; Ridgway, Sept. 60; Schifter, Jan 66; Shultz, Feb. 43
Treaties, agreements, etc., July 93, Dec. 86
Rowny, Edward L., Nov. 29
Rubber, international agreement (1979), extension (1985), entry into force, Feb. 94
Rwanda:
INTELSAT agreement and operating agreement, current actions, Nov. 88
U.S. Ambassador (Upston), swearing in, PR 1, 1/8

S

Safety of life at sea, international convention (1974): Bahrain, Benin, Congo, Cyprus, Honduras, Feb. 94; Malta, Nov. 88; Tuvalu, Feb. 94
Amendments (1983), entry into force, Apr. 93
Protocol of 1978: Brazil, Apr. 93; Cyprus, Feb. 94; Egypt, Dec. 85; Ethiopia, Apr. 93; Honduras, Feb. 94; India, July 91; Malta, Dec. 85
St. Christopher and Nevis:
Economic, technical, and related assistance, bilateral agreement, July 93
Treaties, agreements, etc., Mar. 73, June 90, July 92, 93
St. Lucia, Vienna convention on consular relations (1963), succession, Dec. 85
St. Patrick's Day, 1986 (Reagan), May 74
St. Vincent and the Grenadines, international load line convention (1966), accession, Sept. 92
Sakharov, Andrei: quoted; Dec. 23, 26; Reagan, Apr. 30; Shultz, Jan. 59, Dec. 26; Zimmermann, Nov. 71
San Marino, international covenants on human rights (1976), accessions, Jan. 80
Sanguinetti, Julio Maria, Oct. 73
Sao Tome and Principe, treaties, agreements, etc., Mar. 72, May 91, Dec. 87
Sarney, Jose, Nov. 84
Satellites:
Australia's national satellite system, bilateral agreement re launch and associated services, Oct. 76

Satellites (Cont'd)
INMARSAT system, convention and operating agreement (1976): Bahrain, Apr. 93; German Democratic Republic, Dec. 86; Malaysia, Sept. 92
INTELSAT, agreement and operating agreement (1971): Mauritius, Rwanda, Nov. 88
Landsat system, operation, bilateral agreement with China, Apr. 94
Saudi Arabia:
Civil aviation system modernization, bilateral agreement, Jan. 81
Treaties, agreements, etc., Jan. 81, Mar. 72
U.S. AWACS sales: Department, May 77; Murphy, June 71; Reagan, Sept. 79; Shultz, July 26, PR 110, 5/14; White House, Aug. 71, Sept. 78, 79
Certification of conditions requisite to, Sept. 80
U.S. security relationship (Murphy), Mar. 40
Visit of Vice President Bush, June 28
Schifter, Richard D., Jan. 64, 76, Oct. 61, Nov. 81
Schneider, William, Jr., Aug. 77
Science and technology: Shultz, Nov. 11; Tokyo economic summit, July 10
Advanced technology (Wallis), June 50
U.S. export policy (Reagan), Apr. 28
Biotechnology: Delors, Feb. 42; U.S. technical paper, Dec. 44
Cooperation and development, bilateral agreements with: Australia, Mar. 73; Belgium, Apr. 94; Brazil, Feb. 94, July 92; Egypt, July 92
Development of technology-based ventures between small U.S. and French companies, memorandum of understanding with France, May 90
Earth sciences, cooperation, bilateral agreements with: Hungary, July 92; Liberia, Mozambique, June 91
Earthquake data and evaluation of seismic hazard, cooperative program, bilateral agreement with Italy, Jan. 81
Educational, scientific, cultural, technological fields, exchanges and cooperation, bilateral agreement with Soviet Union, Feb. 95
Geological sciences, cooperation, bilateral agreement with France, Jan. 81
Geothermal energy, bilateral agreements with: Mexico, June 91; Spain, Aug. 92
Hydrographic surveys and nautical charting, bilateral agreement with Morocco, Feb. 95
Information technology (Shultz), May 40, Nov. 11, PR 180, 9/16
Mapping, charting, and geodesy, bilateral agreements with: Dominican Republic, Oct. 76; Guatemala, May 90; Norway, Feb. 95; Venezuela, Mar. 74
Seismic data acquisition system, bilateral agreements with: Botswana, Nov. 88; Brazil, July 92
Statistics, cooperation, bilateral agreement with Canada, June 91
Technology transfer (McPherson), Aug. 60
China, to (Lord), Sept. 50
Potential leakage (Shultz), Sept. 25
Telecommunications technology: Baldrige, Feb. 42; Delors, Feb. 42; Shultz, Feb. 28

Science and technology (Cont'd)
Topographic maps, bilateral agreements with: Bolivia, Colombia, July 92; Costa Rica, Ecuador, Sept. 93; Panama, Apr. 94, May 90; Peru, Aug. 92
Seabed disarmament, treaty (1971): Benin, Jamaica, Sept. 92, Nov. 88
Security assistance, U.S.: Poindexter, Aug. 65; Reagan, Apr. 21, May 35; Shultz, June 38; Spiers, Dec. 49
Appropriation requests: Schneider, Aug. 77; Shultz, Apr. 42, 46, July 30, PR 37, 3/4, PR 41, 3/13
Atomic weapons systems for mutual defense purpose, cooperation in the operation of, bilateral agreement with France, Mar. 73
Defense equipment and logistic support, cooperation in, bilateral memorandum of understanding: Israel, June 91; U.K., Mar. 74
Eligibility for assistance and training, bilateral agreement with Korea, Mar. 73
Exchange of Air Force officers, bilateral agreement with Federal Republic of Germany, May 90
Exchange of naval service personnel, bilateral agreement with Colombia, Mar. 73
Financial arrangements for the furnishing of certain supplies and services to naval vessels, bilateral agreement with Greece, Mar. 73
Ground-launched cruise missile (GLCM) system, stationing, support, and operation, bilateral agreement with Netherlands, Feb. 95, June 91
North American Aerospace Defense Command (NORAD), bilateral agreement with Canada, May 90
Patriot weapon system, acquisition and production in Japan, bilateral agreement with Japan, Jan. 81
Training for defense services personnel and defense-related civilian personnel, bilateral agreement with Japan, June 91
Training related to defense articles under IMET program, bilateral agreements with: Fiji, Ghana, Sept. 93; Iceland, May 90; Maldives, Feb. 95; Mauritania, Sept. 93; Mozambique, Mar. 74; Nigeria, May 90; Oman, July 93; Panama, Oct. 76; Sao Tome and Principe, Seychelles, May 91; Tonga, Sept. 94; Trinidad and Tobago, Feb. 95
Security Council, U.N., resolutions:
Angola, condemnation of South Africa aggression, Jan. 74
Hostage-taking, condemnation: Mar. 53; Department, Mar. 53; Walters, Mar. 53
Senegal (Crocker), July 36
Treaties, agreements, etc., Mar. 73, 74, May 91, June 90, Oct. 76
Seychelles, treaties, agreements, etc., Mar. 74, May 91
Shlaudeman, Harry W., swearing in as Ambassador to Brazil, PR 171, 9/8
Shultz, George P. (Muller), PR 90, 4/22
Addresses, remarks, and statements:
Afghanistan, Jan. 19, 22, 25, Feb. 26, Apr. 49, July 25, Dec. 4, PR 52, 3/20, PR 209, 10/8, PR 213, 10/15

Shultz, George (Cont'd)
Addresses, remarks, statements (Cont'd)
Africa, Feb. 26, Aug. 32, Sept. 88, Dec. 6
Southern, Feb. 51, Mar. 15, 25, Apr. 50, PR 37, 3/4, PR 41, 3/13
U.N. special session on the critical economic situation, Sept. 11, 32, 88, PR 120A, 5/29, PR 120B, 5/20, PR 127, 6/11
America's Cup yacht race, PR 161, 8/15
Angola, Jan. 20, Feb. 51, Mar. 15, 26, Apr. 50, Sept. 3
ANZUS, Feb. 39, Sept. 27, 36, Oct. 43, 46, PR 161, 8/15
Arab-Israeli conflict (*for details, see* Arab-Israeli conflict), Jan. 20, 25, Feb. 26, 38, 49, 50, 51, 52, 53, Mar. 21, 24, Apr. 46, Aug. 56, Dec. 32, PR 37, 3/4, PR 41, 3/13, PR 67, 4/1, PR 121, 6/11, PR 150, 7/25
ASEAN, Apr. 48, July 16, 30, Sept. 25, 30, 31, 32, 36, PR 40, 3/13, PR 48, 3/18, PR 135, 6/24, PR 136, 6/25, PR 137, 6/25
Australia, Oct. 43, 44
Berlin, Feb. 29, 44, 46, July 25
Black History Month, PR 21, 2/4
Canada, Jan. 42, 43, Aug. 57, PR 49, 3/18, PR 92, 4/24, PR 127, 6/11
Chemical weapons, Jan. 22, 25, Nov. 54
China, July 17, Sept. 35, PR 127, 6/4
Collective security, July 26
DACOR Bacon House dedication, PR 117, 5/28
Defense and national security, Feb. 25, Aug. 32, Dec. 23, 25, PR 131, 6/17
Information leaks, Aug. 35, PR 110, 5/14
Strategic Defense Initiative, Jan. 12, 21, 24, 28, 45, 58, Feb. 25, 39, Sept. 26, Dec. 2, 3, 9, 13, 15, 22, 23, 33, PR 14, 1/17, PR 125, 6/5, PR 213, 10/15, PR 215, 10/16, PR 221, 10/20
Democracy, Feb. 27, 32, June 35, July 25, 26, Aug. 19, Nov. 11, PR 37, 3/4, PR 41, 3/13, PR 48, 3/18, PR 127, 6/11, PR 131, 6/17
Developing countries, Feb. 27, 32, July 2, 19, Nov. 12, PR 125, 6/5
Diplomatic security agents, graduation, PR 47, 3/18
Diplomatic security program, Apr. 42, 46, 52
Dominican Republic, inauguration of President Balaguer, PR 163, 8/18
Drugs, narcotic, Feb. 32, Sept. 30, 36, PR 158, 8/11, PR 198, 10/3
East-West relations, Feb. 27, 29, 37, 44, 46, Aug. 56, Sept. 33
Economy, domestic, Feb. 41, 42, 47, Apr. 41, 45, Sept. 32, Nov. 11, Dec. 23, PR 127, 6/11
Economy, world, Feb. 27, 41, 43, Apr. 40, 50, Nov. 12, PR 24, 2/18, PR 91, 4/23, PR 198, 10/3
Tokyo economic summit, July 1, 5, Sept. 25, 32, PR 92, 4/24
Egypt, Apr. 46, 47, PR 37, 3/4, PR 41, 3/13, PR 67, 4/1
El Salvador, PR 48, 3/18
Espionage, Feb. 52, Mar. 18

Shultz, George (Cont'd)
Addresses, remarks, statements (Cont'd)
Europe:
CSCE Third Follow-Up Meeting, PR 245, 11/7
Eastern, Feb. 29, 47, 50
European Communities Commission meeting, Feb. 41
European Community, Feb. 42, Apr. 48, Sept. 28, PR 40, 3/13, PR 48, 3/18, PR 91, 4/23
Foreign aid:
Appropriations requests, Apr. 45, Nov. 13, PR 37, 3/4, PR 41, 3/13
Foreign policy objectives, Apr. 40, June 37, PR 110, 5/14, PR 113, 5/21
Foreign Service, PR 40, 3/13, PR 48, 3/18, PR 263, 12/17
Freedom fighters, Jan. 20, Feb. 39
Greece, Feb. 40, Apr. 48, June 34, 35, Aug. 25, PR 63, 3/28, PR 65, 3/31
Haiti, Apr. 49, PR 19, 2/3, PR 127, 6/11
Harriman, W. Averell, death, PR 152, 7/26
Henderson, Loy, death, PR 61, 3/27
Human rights, Jan. 20, 22, 25, Feb. 29, 31, July 5, 17, 19, Mar. 18, PR 6, 1/14
Hungary, Feb. 38, 45, 53
India, Apr. 50, PR 37, 3/4, PR 41, 3/13
Indonesia, July 17, 19
Information technology, May 40, Nov. 11, PR 180, 9/16
International Court of Justice jurisdiction, Jan. 67
International order, Feb. 24, July 3, 24
Iran-Iraq war, Jan. 25, Feb. 52, Apr. 48, Dec. 4, 6, PR 199, 10/3
Israel, Feb. 52, Apr. 46, 47, July 26, PR 37, 3/4, PR 41, 3/13, PR 67, 4/1
Italy, June 35
Japan, Apr. 48, PR 91, 4/23, PR 92, 4/24
Jewish community, July 24
Jordan, Feb. 53, Apr. 47
Kampuchea, Feb. 26, Apr. 49, July 17, 25, Sept. 34, 35, PR 136, 6/25
Korea, Apr. 48, July 38, 40, PR 41, 3/13, PR 91, 4/23, PR 102, 5/8
Latin America:
Caribbean and Central America, Feb. 27, 43, Apr. 38, 49, May 38, Aug. 19, PR 37, 3/4, PR 41, 3/4, PR 48, 3/18, PR 113, 5/21, PR 127, 6/11, PR 158, 8/11
Democratic progress, Feb. 27, 32, Apr. 35, 40, 50, May 38, Nov. 12, PR 48, 3/18
Economic development, Feb. 32, 43, Aug. 20
Lebanon, July 25, PR 7, 1/15, PR 150, 7/25
American hostages, Jan. 23, 27, Apr. 41, PR 110, 5/14
Liberty Centennial Commemorative Stamp, PR 28, 2/21
Libya, Mar. 12, 14, 25, July 39, PR 50, 3/19, PR 66, 3/31
International terrorism, support, Mar. 20, 23, July 5, 21, Nov. 69, Dec. 34, PR 7, 1/15, PR 12, 1/16, PR 98, 5/5, PR 99, 5/5, PR 108, 5/13, PR 205, 10/8
U.S. air strikes and impact, June 3, 6, 8, 11, 16, July 26, Nov. 12, PR 80, 4/15, PR 81, 4/16, PR 91, 4/23

Shultz, George (Cont'd)
Addresses, remarks, statements (Cont'd)
Libya (Cont'd)
U.S. economic sanctions, Mar. 21, 22, 23, 26, PR 7, 1/15, PR 12, 1/16, PR 19, 2/3
Marchenko, Anatoliy, condolences to family of, PR 259, 12/11
Micronesia, Apr. 49, Sept. 31, 37
Middle East, U.S. policy, PR 91, 4/23, PR 199, 10/3
Multilateral development banks and programs, Apr. 51, PR 37, 3/4, PR 41, 3/13
Netherlands, Feb. 38
New Zealand, Feb. 39, Apr. 48, Sept. 27, 29, 31, 36, Oct. 44, 45
Nicaragua (*for details, see* Nicaragua), Feb. 26, 43, 49, 50, Mar. 15, 23, Apr. 32, 40, 49, May 37, Aug. 20, 24, Sept. 34, Dec. 6, PR 48, 3/18, PR 50, 3/19, PR 77A, 4/16, PR 113, 5/21, PR 127, 6/11
Hasenfus capture, Dec. 32, PR 205, 10/8, PR 207, 10/10
Nicaraguan Opposition (UNO) leaders, meeting, Mar. 65
Nitze Building, Johns Hopkins University, dedication, PR 90, 4/22
North Atlantic Treaty Organization, Feb. 37, Apr. 48, Aug. 54, 56, Dec. 15, 23, PR 37, 3/4, PR 41, 3/13, PR 48, 3/18, PR 110, 5/14, PR 125, 6/5
Nuclear nonproliferation, PR 40, 3/13
Nuclear weapons testing, Nov. 54, Dec. 5, 12, 15, 23, 32, PR 43, 3/14, PR 45, 3/17
Soviet proposal for moratorium, PR 43, 3/14, PR 45, 3/17
Organization of American States, Feb. 32
Pacific region (*see also* Micronesia), Apr. 49, Sept. 26, 30, Oct. 46, PR 26, 2/19
Pakistan, Apr. 49, PR 37, 3/4, PR 41, 3/13
Karachi, hijacking of Pan Am Flight 73, Nov. 12, 69, PR 196, 10/2, PR 199, 10/3
Palau, Compact of Free Association, Sept. 37
Palme, Olof (death), PR 44, 3/17, PR 46, 3/17
PEN International Conference, PR 6, 1/14
Persian Gulf region, Apr. 48, July 26, PR 37, 3/4, PR 41, 3/13
Philippines, Mar. 26, Apr. 69, July 22, 40, 41, Aug. 26, Sept. 28, 30, 31, Nov. 12, PR 19, 2/3, PR 32, 2/27, PR 40, 3/13, PR 91, 4/23, PR 105, 5/9, PR 107, 5/12, PR 112, 5/21, PR 135, 6/24, PR 181, 9/16
Marcos assets and movements, July 19, 21, 22, Sept. 27
U.S. economic and security assistance, Apr. 48, July 18, 20, 21, 42, Aug. 29, Sept. 27, 29, PR 37, 3/4, PR 41, 3/13, PR 108, 5/13, PR 110, 5/14
Poland, PR 113, 5/21
Pollard espionage case, Feb. 52
Portugal, Apr. 48
POW/MIA's, July 17
Privatization, international; conference, PR 24, 2/18

Shultz, George (Cont'd)
Addresses, remarks, statements (Cont'd)
Refugees, Sept. 36, Nov. 14
Regional security issues, Jan. 13, Feb. 25, 44
Romania, Feb. 43
Saudi Arabia, U.S. arms sales, proposed, July 26, PR 110, 5/14
Science and technology, Feb. 28, Sept. 25, Nov. 11
Security assistance, Apr. 42, 45, 46, 48, June 30, 38, PR 37, 3/4, PR 41, 3/13
South Africa (*for details, see* South Africa), Apr. 51, Aug. 23, 30, Sept. 5, 26-27, Nov. 12, 59, 65, PR 19, 2/3, PR 30, 2/24, PR 37, 3/4, PR 41, 3/13, PR 125, 6/5, PR 127, 6/17, PR 131, 6/17, PR 151, 7/29
Punitive sanctions, proposed, Sept. 8, 10, Nov. 13, PR 150, 7/25, PR 151, 7/29, PR 153, 7/29, PR 180, 9/16, PR 181, 9/16
U.S. Advisory Committee, Feb. 57
U.S. Ambassador (Perkins), swearing in, PR 286, 11/3
Soviet Union. *See under* Soviet Union
Spain, Feb. 38, Apr. 48, PR 40, 3/13, PR 48, 3/18, PR 91, 4/23, PR 110, 5/14
State Department, appropriations requests, Apr. 46, PR 51, 3/19, PR 110, 5/14, PR 113, 5/21
Syria, Feb. 51, 53, Mar. 20, 25, 26, PR 108, 5/13, PR 110, 5/14
Telecommunications technology, Feb. 27
Terrorism, international (*for details see* Terrorism, international), Jan. 18, Feb. 26, 32, 40, 43, 48, Mar. 15, 20, 25, 26, Apr. 41, 42, 52, May 38, June 39, Sept. 7, 30, 35, Nov. 12, 69, PR 40, 3/13, PR 48, 3/18, PR 92, 4/24, PR 147, 7/9, PR 180, 9/16
Libyan involvement, Mar. 20, 23, PR 7, 1/15, PR 12, 1/16, PR 98, 5/5, PR 99, 5/5, PR 108, 5/13
Low-intensity warfare (ambiguous), Mar. 15
Tokyo economic summit, statement, July 1, 5, 26
Thailand, Apr. 48, Nov. 12, PR 37, 3/4, PR 41, 3/13
Trade, Feb. 33, 41, 44, 46, Mar. 32, Apr. 40, 51, May 42, July 2, 17, 19, 26, Sept. 25, 28, 30, 31, 33, Nov. 12, PR 37, 3/4, PR 41, 3/13, PR 127, 6/11, PR 131, 6/17, PR 136, 6/25, PR 154, 7/31, PR 180, 9/16, PR 181, 9/16
Asia and Pacific region, Sept. 36, 43, PR 26, 2/19
U.S. export promotion, PR 154, 7/31
Turkey, Feb. 39, Apr. 48, June 33
U.S. Marine Corps embassy protection program abroad, PR 263, 12/17
Vietnam, July 17
U.S. political relationships, question of, PR 181, 9/16
Yugoslavia, Feb. 39, 47
American Liberties Medallion, acceptance, July 24
Honorary Degree of Doctor of Laws, Northwestern University, PR 132, 6/17

Shultz, George (Cont'd)
News conferences and press briefings, Jan. 11, 23, 57, 60, Feb. 37, 40, 43, 45, 47, 50, Mar. 23, June 3, 11, 60, July 1, 5, 16, 39, Aug. 54, Sept. 25, 27, 36, Oct. 44, Nov. 51, 54, 57, 60, 66, Dec. 2, 9, 13, PR 43, 3/13, PR 45, 3/17, PR 48, 3/18, PR 54, 3/24, PR 77A, 4/16, PR 112, 5/21, PR 113, 5/21, PR 180, 9/16, PR 181, 9/16, PR 212, 10/15, PR 215, 10/16
Television and radio interviews, Jan. 18, 20, 27, Mar. 20, June 6, 8, 16, July 72, Aug. 23, 32, Nov. 64, Dec. 29, PR 7, 1/15, PR 11, 1/16, PR 12, 1/16, PR 14, 1/17, PR 19, 2/3, PR 32, 2/27, PR 50, 3/19, PR 66, 3/31, PR 80, 4/15, PR 81, 4/16, PR 91, 4/23, PR 92, 4/24, PR 95, 5/1, PR 98, 5/5, PR 99, 5/5, PR 108, 5/13, PR 136, 6/25, PR 150, 7/25, PR 151, 7/29, PR 187, 9/22, PR 205, 10/8, PR 207, 10/9, PR 208, 10/14, PR 109, 10/8, PR 210, 10/15, PR 211, 10/15, PR 213, 10/15, PR 221, 10/20
Visits to:
Canada, Jan. 42
East Asia and the Pacific, Sept. 25, PR 133, 6/24, PR 136, 6/25, PR 137, 6/25
Europe, Jan. 57, Feb. 29, 36, 50
France, June 33, PR 54, 3/24, PR 59, 3/26
Greece, June 33, PR 63, 3/28, PR 65, 3/31
Guatemala, PR 248, 11/12
Italy, June 33
Korea, July 38, PR 102, 5/8
Philippines, July 38, PR 105, 5/9, PR 107, 5/12, PR 135, 6/24
Turkey, June 33, PR 55, 3/24, PR 56, 3/25, PR 60, 3/26
Sierra Leone, treaties, agreements, etc., Mar. 72, May 89, Aug. 92, Sept. 94, Oct. 76
Sigur, Gaston J., Jr., June 41, July 42, 46, Oct. 24, Nov. 39, Dec. 75
Assistant Secretary of State for East Asian and Pacific Affairs, swearing in, July 43, PR 39, 3/12
Singapore: Monjo, July 59; Shultz, Sept. 36
Treaties, agreements, etc., Mar. 74, Apr. 93, May 91, June 92, Aug. 92, Sept. 92, Nov. 88
Visit of Secretary Shultz; Sept. 25; arrival statement, PR 133, 6/24
Skoug, Kenneth N., Jr., Dec. 81
Slavery convention (1926), 1953 protocol and supplementary convention on the abolition of slavery (1956): Cyprus, Sept. 92; Mauritania, Dec. 86; Nicaragua, June 90
Smith, Roger B., Feb. 57
Smith, Terrence, Jan. 27
Social security, supplementary agreements with: Federal Republic of Germany, Dec. 86; Spain, Dec. 87
Sofaer, Abraham D.: Jan. 67, Aug. 68; Shultz, Aug. 35
Solomon, Richard H., Director of Policy Planning Staff, appointment, PR 17, 1/29
Solomon Islands (Monjo), July 61
Somalia (Crocker), Jan. 29, July 31
Treaties, agreements, etc., Mar. 73, June 90, 92, Dec. 85

South Africa:
Apartheid, and U.S. policy of constructive engagement: May 7; Armacost, Apr. 56; Crocker, May 44, July 34; Reagan, Feb. 87, Apr. 28, May 33, June 27, Sept. 1, 4, Dec. 35; Shultz, Aug. 23, 31, Sept. 5, 89, Nov. 12, 13, PR 19, 2/3, PR 30, 2/24, PR 37, 3/4, PR 41, 3/13, PR 125, 6/5, PR 127, 6/11, PR 131, 6/17, PR 151, 7/29, PR 153, 7/29, PR 181, 9/16; Walters, Jan. 72
Misconceptions, Sept. 12
Economy (*see also* U.S. sanctions, *infra*): Shultz, PR 151, 7/29
Human rights, U.S.-supported program, May 47
Military raids by: Purcell, Oct. 53; Shultz, Aug. 31; White House, Aug. 35
Port Elizabeth, U.S. post, proposed (Crocker), May 45
Profile, Sept. 3
Punitive sanctions, proposed: Sept. 14; Crocker, July 27; Reagan, Sept. 1, 5, 35, 36, Oct. 3, 4, Dec. 35, 36; Shultz, Sept. 8, 10, Nov. 13, PR 150, 7/25, PR 151, 7/29, PR 153, 7/29, PR 180, 9/16, PR 181, 9/16, PR 236, 11/3
South African Congress (ANC): Sept. 15; Reagan, Sept. 2, 4, Oct. 4; Shultz, Sept. 7, 9, 26, PR 153, 7/29
State of national emergency, continuance (Reagan), Nov. 19
Treaties, agreements, etc., Mar. 72, 74, May 91, July 91, Sept. 92, 93, Oct. 75, Dec. 84, 87
U.S. Advisory Committee (Shultz), Feb. 57
Members named, Feb. 57
U.S. Ambassador (Perkins), swearing in: PR 237, 11/3; Shultz, PR 236, 11/3
U.S. limited assistance program: Sept. 14; Crocker, May 45, July 35; Shultz, Apr. 51, Sept. 8
U.S. sanctions: Sept. 13, 16; Armacost, Apr. 56; Crocker, May 45, July 27; Reagan, May 46, Dec. 35; Shultz, Aug. 23, Nov. 13, 59, 65
U.S. Working Group on South and Southern Africa, establishment and purpose, Sept. 9
Soviet Union:
ABM treaty: Adelman, Jan. 39; Holmes, Sept. 40; Nitze, May 56, Aug. 44; Reagan, Feb. 68; Shultz, Jan. 26, Nov. 56, Dec. 9, 10, 12, 13, 16, 22, 30, 33, PR 151, 7/29, PR 215, 10/16; White House, Aug. 41
SDI compatibility: Adelman, Jan. 41; Nitze, May 56, Aug. 45, Nov. 75; Reagan, Nov. 3, Dec. 17; Shultz, Jan. 24, 28, Dec. 33
Ten-year nonwithdrawal period, proposed (Shultz), Dec. 9, 12, 13, 16, 22, 30, PR 215, 10/16
Ambassador Dobrynin (Shultz), June 60, PR 76, 4/10
Antisatellite weapons research: Adelman, Jan. 41; Nitze, May 55; Shultz, Jan. 21
Chemical tracking agents, use of (Department), Apr. 75
Soviet Union (Cont'd)
Chernobyl nuclear accident: Armacost, Sept. 64; Reagan, July 11, 12; Shultz, July 1, 5, 17, 20, 21, 72, 75, Dec. 34, PR 95, 5/1, PR 98, 5/5, PR 112, 5/21, PR 113, 5/21, PR 125, 6/5; White House, July 71, 73, 74
Tokyo economic summit statement, July 4
Civil aviation agreement with U.S.: Jan. 10; Department, Jan. 58; Whitehead, PR 23, 2/14
Daniloff detention: Armacost, Nov. 49, PR 218, 10/16; Matlock, Dec. 61; Reagan, Nov. 2, 8, 60, Dec. 39; Rowny, Nov. 29; Shultz, Nov. 11, 51, 54, 56, 57, 59, 61, 62, 64, 65, 66, 67, Dec. 2, 30, PR 180, 9/16, PR 181, 9/16, PR 187, 9/22, PR 196, 10/2, PR 206, 10/9, PR 210, 10/15; Whitehead, Nov. 52
Economy (Nitze), Nov. 75
Educational and cultural exchange program: Jan. 10; Palmer, Nov. 75; Reagan, Jan. 4, 5, Mar. 11, Dec. 18; Shultz, Dec. 28
Emigration (Shultz), Nov. 18
Jewish: Armacost, May 69; Pilon, Dec. 68; Shultz, Jan. 20, 22, 25, July 24, Dec. 26; Zimmermann, Nov. 71
Espionage agents in U.N. Mission, expulsion: Department, Dec. 60; Shultz, Nov. 55, 57, 59, 61, 62, 63, 64, 65, 66, 68, Dec. 4, 24, 30, 32, PR 187, 9/22; Whitehead, Nov. 53, PR 192, 10/1, PR 194, 10/1
Expansionist international policy/military activities and deployment: Adelman, Jan. 35, 39; Armacost, June 64, Dec. 58; Matlock, Dec. 63; NATO, Jan. 61; Palmer, Nov. 75; Reagan, Jan. 15, Apr. 20, May 32, Nov. 4; Rowny, Nov. 31; Shultz, Jan. 22, Feb. 26, July 17, Dec. 23, 27; Sigur, Nov. 41
Human rights: Armacost, May 69, June 63; Matlock, Dec. 65; Palmer, Nov. 74; Reagan, Jan. 15, Feb. 23, 88, Apr. 30, Dec. 18, 73; Shultz, Jan. 20, 22, 25, Nov. 54, 60, 62, Dec. 2, 11, 23, 26, PR 19, 2/3, PR 187, 9/22, PR 205 10/8, PR 209, 10/8; White House, Dec. 1; Whitehead, Nov. 53; Zimmermann, Nov. 70
Orlov, Yuriy and Irena Valitova: Reagan, Dec. 1, 8, 17; Shultz, Nov. 60, 63, 64, 65, 66, Dec. 24, 26, 30, PR 206, 10/9; Zimmermann, Nov. 71
Religious persecution: Derwinski, Nov. 77; Schifter, Nov. 81; Shultz, Dec. 27; PR 196, 10/2
Shcharanskiy, Natan (Anatoliy), release: Apr. 75, July 75; Reagan, Apr. 30; Shultz, July 24
Joint U.S.-Federal Republic of Germany statement, Apr. 75
Ideological differences (Pilon), Dec. 67
Intermediate-range nuclear forces (INF) negotiations: Adelman, Jan. 41, Aug. 47; Holmes, Sept. 39; NATO, Aug. 59; Nitze, Feb. 59, May 51, Nov. 75; Reagan, Jan. 14, July 37, Sept. 42, Dec. 17, 39; Ridgway, Sept. 59; Shultz, Jan. 12, Feb. 38, 39, 40, 44, Nov. 57, 62, Dec. 2, 3, 7, 12, 13, 15, 16, 25, 31, PR 211, 10/15, PR 212, 10/15, PR 213, 10/15, PR 221, 10/20
Soviet Union (Cont'd)
Jamming of U.S. short-wave broadcasting, Nov. 83
Korean airliner (KAL Flight 007): Shultz, Dec. 34
Kraznoyarsk radar, encryption telemetry and SS-25 ICBM: Adelman, Jan. 39, Oct. 8; Holmes, Sept. 40; Nitze, May 55; Reagan, Feb. 66, 68, Aug. 36, Dec. 17; Shultz, Aug. 34; White House, Aug. 41
Marchenko, Anatoliy, condolences to family of (Shultz), PR 259, 12/11
Nuclear and space talks (NST) (*see also* Summit meeting *entries, infra*): Jan. 8; Adelman, Jan. 35, Mar. 28, Oct. 8; Gorbachev, Mar. 11; Kampelman, May 52; Nitze, Feb. 58, Mar. 50, 56, Aug. 46, Nov. 75; NATO, Jan. 61; Reagan, Jan. 3, 37, 40, Mar. 11, Apr. 26, 64, July 37, Aug. 18, Sept. 22, 42, Oct. 1, Nov. 9, Dec. 17, 39; Shultz, Jan. 25, 26, 58, Feb. 30, 38, 53, June 60, Aug. 24, Sept. 26, 29, 30, 33, Nov. 54, 58, Dec. 2, 4, 11, 29, 32; White House, Aug. 43, Oct. 12, Nov. 26
Acronyms, Feb. 58
Soviet negotiating tactics: Adelman, Oct. 8; Nitze, Nov. 73, 75; Palmer, Nov. 75, 76; Reagan, Dec. 20; Rowny, Nov. 29; Shultz, Dec. 9
Oil exports (Wendt), June 53
SALT II, SALT I: Adelman, Oct. 7; Nitze, Nov. 74; Reagan, July 13, Aug. 17,18, Oct. 1; Rowny, Nov. 30,; Shultz, Aug. 23, 32, 34, 54, 56, Sept. 34, PR 125, 6/5; White House, Aug. 38
Standing Consultative Commission (SCC) meeting, Geneva (White House) Oct. 18
U.S. interim restraint: Oct. 10; Reagan, June 25, Aug. 36; Ridgway, Sept. 58; Shultz, Jan. 19, 21, 26, 29, 58, Feb. 40; White House, Aug. 43
Seaman Medvid: Ridgway, Jan. 62, May 75; Shultz, Jan 26, 27, 46, 59
Southeast Asian interests. *See under* Asia
Strategic arms reduction talks (START): Holmes, Sept. 39; Nitze, May 50; Reagan, Sept. 42, Dec. 39; Ridgway, Sept. 59; Shultz, Dec. 4, 7, 12
U.S. chief negotiator (Lehman), appointment announced (Shultz), PR 43, 3/14
Submarine fire off Bermuda (Shultz), Dec. 33
Summit meeting, Geneva (Nov. 19–21, 1985), "Fireside summit": Jan. 7; Gorbachev, Jan. 10; Matlock, Dec. 65; McFarlane, Jan 6; Nitze, Feb. 59; Palmer, Nov. 74; Reagan, Jan. 1, 3, 11, 13, Feb. 23, Mar. 10, Aug. 19; Ridgway, Sept. 60; Shultz, Jan 11, 18, 19, 20, 22, 23, 28, Feb. 24, 30, 45, 53, Apr. 41, July 5, Aug. 35, 58, Dec. 28
Summit meeting, Reykjavik (Oct. 10–12): Armacost, Nov. 49; Reagan, Mar. 13, Apr. 31, June 25, 27, July 12, Sept. 22, Nov. 60, Dec. 1, 7, 17, 20; Rowny, Nov. 29; Shultz, Aug. 32, Nov. 54, 56, 58, 62, 63, 64, 65, 68, Dec. 2, 9, 13, 22, 25, 26,

Soviet Union (Cont'd)
Summit meeting, Reykjavik (Cont'd)
29, 31, PR 205, 10/8, PR 206, 10/9, PR 207, 10/10, PR 208, 10/14, PR 209, 10/18, PR 210, 10/15, PR 211, 10/15, PR 212, 10/15, PR 215, 10/16, PR 221, 10/20; White House, Dec. 1, 8, 21; Whitehead, Nov. 54, PR 192, 10/1, PR 194, 10/1
Summit meetings, proposed (Shultz), Feb. 31, 53, 54, Mar. 25, June 60, PR 14, 1/17, PR 43, 3/14, PR 48, 3/18, PR 80, 4/15, PR 81, 4/16, PR 92, 4/24
Toxin weapons, uses (Lowitz), Dec. 40
Treaties, agreements, etc., Feb. 95, Apr. 93, 94, May 89, July 92, Sept. 92, 93, Nov. 89, Dec. 85
U.S. arms control negotiations (*see also* Intermediate-range nuclear forces (INF), Nuclear and space arms (NST), *and* Strategic arms reduction talks (START), *supra*): Adelman, Aug. 47; Armacost, June 63; NAC, Feb. 36; Reagan, Jan. 14; Shultz, Jan. 21, July 5, Aug. 56, PR 209, 10/8; Tokyo economic summit, July 3
Verification and compliance issues: Dec. 37; Adelman, Jan. 35, 37, Mar. 31, Aug. 47, Oct. 7; Holmes, Sept. 40; Lowitz, Dec. 41; Nitze, Feb. 59, Aug. 44; Reagan, Feb. 65, Aug. 18, 36, Nov. 3, 32, Dec. 17, 39; Shultz, Jan. 26, July 2, Aug. 32, 33, Dec. 3; Western statement, Nov. 27; White House, Aug. 41
U.S. grain sales: Reagan, Oct. 4; Shultz, Oct. 45, 46
U.S. relations (*see also* Summit meetings, *supra*): Jan. 7; Adelman, Mar. 28; Armacost, June 63, 69, Dec. 57; Dizdarevic, Feb. 47; Gorbachev, Jan. 10; Matlock, Dec. 61; McFarlane, Jan 6; Nitze, Apr. 61, Nov. 73; Palmer, Nov. 74; Reagan, Jan. 11, 15, Feb. 23, Mar. 14, Apr. 26, 27, May 33, 36, Sept. 21, Nov. 1; Shultz, Jan. 11, 19, Feb. 39, 46, 47, 48, Aug. 56, Dec. 2, 10, 24, 26, 30, PR 14, 1/17, PR 40, 3/13, PR 45, 3/17, PR 66, 3/31, PR 91, 4/23, PR 125, 6/5, PR 131, 6/17, PR 180, 9/16, PR 209, 10/8; White House, Dec. 1
Regional issues: Reagan, Dec. 17, 18; Shultz, Dec. 4, 17; White House, Dec. 1
Visit of Secretary Shultz, Jan. 57
Yurchenko, Vitaly, redefection (Shultz), Jan. 27, 58, 59
Zakharov, Gennadiy: Matlock, Dec. 61; Reagan, Nov. 60; Shultz, Nov. 51, 56, 60, 64, 66, Dec. 24; Whitehead, Nov. 52
Space:
Moon treaty (1967): Bangladesh, Mar. 72; Benin, Sept. 92
Registration of objects launched into outer space, convention (1975): Australia, Pakistan, May 89
Rescue of astronauts, return of astronauts, and return of objects launched into outer space, agreement (1968), Australia, May 89
Space (Cont'd)
Tracking and telemetry facilities on Mahe Island, bilateral agreement with Seychelles, Mar. 74
U.S. shuttle program:
Challenger explosion (Reagan), Apr. 25
Emergency landing and rescue site, bilateral agreement with Chile, Feb. 94
Tracking and communication facilities, bilateral agreement with Senegal, Mar. 74
Spain: Ridgway, Sept. 61; Shultz, Feb. 38, Apr. 48, PR 40, 3/13, PR 48, 3/18, PR 91, 4/23, PR 110, 5/14
Treaties, agreements, etc., Apr. 93, May 89, 91, Aug. 91, 92, Sept. 91, 92, 93, Oct. 75, Nov. 88, Dec. 85, 87
U.S. Ambassador (Bartholomew), swearing in, PR 164, 8/26
U.S.-Spanish Council meeting, joint communique, Aug. 55
Spiers, Ronald I., Jan. 47, May 58, Sept. 44, Dec. 47, 50
Sri Lanka (Peck), July 81, 85
Treaties, agreements, etc., Jan. 81, Apr. 94, June 92, Nov. 88, 89
Stahl, Lesley, Jan. 27, Nov. 52
State Department:
Advisory Committee on South Africa (Shultz), Feb. 57
Members named, Feb. 57
Appropriations request: Shultz, Apr. 46, PR 51, 3/19, PR 110, 5/14, PR 113, 5/21; Spiers, Sept. 44; Whitehead, Oct. 19
Assistant Secretary for Politico-Military Affairs (Holmes), Sept. 38
Assistant Secretary of State for East Asian and Pacific Affairs (Sigur), swearing in, July 43, PR 39, 3/12
Bureau of Diplomatic Security: Reagan, Oct. 58; Shultz, Apr. 43, 44; Spiers, Sept. 46
Diplomatic history records transferred to National Archives, June 40
Diplomatic Security Service (Shultz), Apr. 43, 44
Graduation of agents (Shultz), PR 47, 3/18
Director of Policy Planning Staff (Solomon), appointment, PR 17, 1/29
Embassy protection program abroad, U.S. Marine Corps and State Department agreement signing ceremony: Kelley, Shultz, PR 263, 12/17
Muskie portrait unveiling ceremony, Charter, PR 83, 4/16
Responsibilities (Spiers), May 59
Treaty Room Suite, PR 169, 9/8
Statue of Liberty (Reagan), Aug. 18
Steel, trade in, bilateral agreements with: Australia, Austria, Apr. 94; Brazil, Mar. 73; Czechoslovakia, June 91; European Communities, Aug. 92, Nov. 89; Finland, May 90; German Democratic Republic, June 91; Hungary, June 91; Japan, May 90; Korea, June 91; Mexico, July 93; Poland, June 91; Portugal, Mar. 74; Romania, July 93; South Africa, Spain, May 91; Venezuela, June 92, Yugoslavia, Apr. 94
Stoessel, Walter J., Jr., Feb. 81, 82
Sudan (Crocker), Jan. 29, July 30
Treaties, agreements, etc., Apr. 94, June 90, Oct. 77, Dec. 85
Sugar, international agreement (1984): Austria, Belize, Jan. 80; Cameroon, Apr. 93; Colombia, Aug. 91; Ecuador, Sept. 92; Egypt, Aug. 91; Haiti, Jan. 80; Jamaica, Apr. 93; Mexico, May 89; New Zealand, Mar. 72
Sullivan, Leon H., Feb. 57
Suriname, treaties, agreements, etc., Mar. 73, Apr. 93
Swaziland, treaties, agreements, etc., Mar. 73, Sept. 92
Sweden:
Palme, Olof (death): Shultz, PR 44, 3/17, PR 46, 3/17
Treaties, agreements, etc., Jan. 81, Mar. 73, Sept. 92, 93, Nov. 88, Dec. 85, 86
Switzerland, treaties, agreements, etc., Mar. 73, May 89, Sept. 92, 93, Dec. 85, 86
Syria: Murphy, Mar. 39; Shultz, Feb. 51, 53, Mar. 20, 25, 26, PR 108, 5/13, PR 110, 5/14

T

Talbott, Strobe, Aug. 32, Nov. 49
Tanzania, U.S. Ambassador (Petterson), swearing in, PR 231, 10/27
Taxes, exchange of information, bilateral agreement with Costa Rica, Aug. 92
Telecommunications (*see also* Satellites *and* Science and technology: information technology):
AM broadcasting service in the medium frequency band, agreement with Mexico, Nov. 89, PR 167, 8/29
Diane Range, Solenzara, Corsica, agreement with France, July 92
Exchange of third-party messages between amateur stations of the U.S. and amateur station 4UiVIC of the Vienna International Amateur Radio Club, bilateral agreement with UN (Vienna), Mar. 74
High definition television standard, U.S. position, PR 36, 3/3
International telecommunications convention (1982): Afghanistan, Albania, Mar. 72; Algeria, June 90; Australia, Bahrain, Mar. 72; Barbados, Dec. 86; Belize, Apr. 93; Benin, Dec. 86; Bolivia, Brunei, Mar. 72; Bulgaria, Dec. 86; Byelorussian S.S.R., June 90; Cameroon, Dec. 86; Canada, Chad, Mar. 72; Chile, Apr. 93; China, Colombia, Mar. 72; Cuba, June 90, Czechoslovakia, Mar. 72; Denmark, Egypt, El Salvador, Mar. 72; Equatorial Guinea, Dec. 86; Ethiopia, Mar. 72; Finland, France, German Democratic Republic, Germany, Federal Republic of, Greece, Mar. 72; Guyana, Apr 93; Haiti, Honduras, Mar. 72; Iceland, Dec. 86; India, Indonesia, Iran, Apr. 93; Israel, Mar. 72; Italy, Oct. 76; Japan, Jordan, Mar. 72; Kenya,

Telecommunications (Cont'd)
Int'l Tel. Convention (Cont'd)
Apr. 93; Korea, North, Mar. 72; Korea, Republic of, Apr. 93; Laos, Mar. 72; Lebanon, July 92; Liechtenstein, Luxembourg, Malawi, Maldives, Malta, Mauritius, Mexico, Mar. 72; Monaco, Apr. 93; Mongolia, July 92; Namibia, Netherlands, Mar. 72; New Zealand, Apr. 93; Niger, Mar. 72; Norway, July 92; Oman, June 90; Pakistan, Papua New Guinea, Mar. 72; Paraguay, Apr. 93; Peru, July 92; Philippines, Dec. 86; Poland, July 92; Qatar, Mar. 72; Romania, Dec. 86; Sao Tome and Principe, Senegal, Sierra Leone, Mar. 72; Singapore, Apr. 93; Somalia, South Africa, Mar. 72; Soviet Union, Spain, Apr. 93; Suriname, Swaziland, Sweden, Switzerland, Thailand, Trinidad and Tobago, Mar. 72; Ukrainian S.S.R., June 90; United Arab Emirates, Oct. 76; U.K., U.S., Uruguay, Mar. 72; Vatican City, Apr 93; Venezuela, Dec. 86; Vietnam, June 90; Zambia, Oct. 76; Zimbabwe, Dec. 86
ITU, U.S. Delegation Chairman (Markey) to 1987 WARC for Mobile Services, PR 217, 10/16
ITU Center for Telecommunications Development, PR 252, 11/24
Radio communications between amateur stations on behalf of third parties, agreement with Sierra Leone, Sept. 94
Radio regulations, Geneva (1979), Colombia, Mar. 73
Regional Administrative MF BC Conference, U.S. delegation, chairmen appointed, PR 2, 1/6
World Administrative Radio Conference for Planning of HF Bands, U.S. delegation chairman (Marks), appointment announced, PR 58, 3/26
World Administrative Radio Conference for Mobile Services, U.S. delegation, executive director (Gilsenan), appointment announced, PR 70, 4/4
Terrorism, international: Abrams, Mar. 67, July 86; Armacost, PR 218, 10/16; Borg, Aug. 8; Dizdarevic, Feb. 49; NAC, Feb. 37, Aug. 53; NATO, Aug. 59; Oakley, Aug. 1, 5, 9, Oct. 37; Poindexter, Aug. 66; Reagan, Jan. 2, Nov. 5, Sept. 23; Ridgway, Sept. 64; Shultz, Jan. 18, Feb. 26, 40, 48, 51, Mar. 15, May 38, June 39, July 25, Sept. 35, PR 40, 3/13, PR 92, 4/24, PR 98, 5/5, PR 99, 5/5, PR 147, 7/9, PR 180, 9/16; Spiers, Sept. 46
Achille Lauro: Aug. 11, Department, Jan. 72; Kauzarlich, Mar. 61; Oakley, Aug. 4, 6; Reagan, Mar. 13; Shultz, Jan. 18, PR 147, 7/9; Wallis, Jan. 56
Airport security standards: Reagan, Mar. 14; Shultz, Jan. 19; Whitehead, June 80
Chronology of U.S.-related incidents, 1985, Aug. 13
Colombia: Abrams, Mar. 68, Shultz, Feb. 32, 43, 49, PR 158, 8/11
Economic sanctions, legality and possible consequences, Oct. 27
General Assembly resolution, Mar. 52

Terrorism, international (Cont'd)
Hostage-taking, Security Council resolution: Mar. 53, Department, Mar. 53, Walters, Mar. 53
Libyan involvement: Abrams, Mar. 68; Murphy, Mar. 40; Oakley, Aug. 2, 6; Reagan, Mar. 12, 36, June 24, 25, 26; Shultz, Mar. 20, 23, PR 7, 1/15, PR 12, 1/16, PR 98, 5/5, PR 99, 5/5, PR 108, 5/13; Whitehead, June 79
Maritime security issues: Borg, Aug. 8; Kauzlarich, Mar. 61
Narcoterrorism: Abrams, Mar. 67, Apr. 89, Aug. 84; Oakley, Aug. 2, Oct. 56
Pakistan, Pan Am Flight 73, hijacking: Armacost, Nov. 50; Reagan, Dec. 73; Shultz, Nov. 12, 69, PR 196, 10/2, PR 199, 10/3
Prevention and punishment of crimes against internationally protected persons, including diplomatic agents, convention (1973): Bahamas, Egypt, Sept. 92; Italy, Feb. 94; New Zealand, Jan. 80
South Africa, by African National Congress: Reagan, Sept. 2, 4; Shultz, Sept. 7
Syrian role: Oakley, Aug. 2, 6; Reagan, July 14; Shultz, Mar. 20, 25, 26, July 26, Nov. 69, PR 108, 5/13
Tokyo economic summit statement: July 5; Reagan, July 10, 11, 13, 14, Sept. 23; Shultz, July 1, 5, 26
U.N. convention against taking of hostages (1979): Antigua and Barbuda, Oct. 76; Austria, Nov. 88; Canada, Mar. 73; Dominica, Nov. 88; Italy, June 90; Jordan, Malawi, May 89; New Zealand, Jan. 80; Togo, Oct. 76
U.N. Human Rights Commission meeting, report (Schifter), Oct. 61
U.S. anti-terrorist policy: Borg, Aug. 8; Oakley, Aug. 11; Reagan, Mar. 12, Apr. 29; Shultz, Mar. 23, Apr. 41, PR 7, 1/15, PR 48, 3/18; Whitehead, June 79
U.S. security measures: Aug. 16; Department, Jan. 72; Oakley, Aug. 1; Reagan, Jan. 47; Shultz, Apr. 42, 46, 52; Spiers, Jan. 47
Omnibus Diplomatic Security and Antiterrorism Act of 1986 (Reagan), Oct. 58
U.S. tourism, effect on: Oakley, Oct. 55; Reagan, Aug. 18
War Powers Resolution, applicability to U.S. actions (Sofaer), Aug. 68
Textiles:
Cotton, wool, and man-made textiles, bilateral agreements with: Bangladesh, June 91; China, May 90; Colombia, Mar. 73, May 90, Nov. 89, Dec. 86; Hong Kong, May 90; India, Jan. 81; Indonesia, Feb. 94; Korea, Republic of, May 90; Macao, June 91,; Malaysia, Mar. 74, July 93, Oct. 76; Mauritius, Dec. 87,; Mexico, Mar. 74, Sept. 93; Peru, May 91; Philippines, June 91, Sept. 94; Singapore, Mar. 74, May 91, June 92, Aug. 92; Sri Lanka, June 92, Nov. 89; Thailand, Feb. 95, Dec. 87; Yugoslavia, Jan. 81

Textiles (Cont'd)
Cotton textiles and textile products, trade in, bilateral agreements with: Nepal, Aug. 92; Pakistan, May 90
Export of certain textile products to U.S., bilateral agreement with Czechoslovakia, Nov. 85
Export of textile products manufactured in Uruguay, bilateral agreement with Uruguay, June 92
International trade in textiles, arrangement (1973), protocol extending (1986): Hong Kong, Japan, Mexico, Sri Lanka, U.S., Uruguay, Nov. 88
Multi-Fiber Arrangement (MFA): Reagan, Apr. 27, Oct. 6; Shultz, Sept. 26, 28
Trade in certain textiles and textile products, bilateral agreements with: Egypt, July 92; Guatemala, Mar. 73; Hong Kong, Oct. 76; Jamaica, Nov. 89; South Africa, Mar. 74; Turkey, Nov. 89; Uruguay, Mar. 74
Trade in wool textile and textile products, agreement with Hungary, Nov. 89
Visa systems for exports of, administrative arrangements with: Jamaica, Nepal, Nov. 89
Wool sweaters, trade in, bilateral agreement with Maldives, May 90
Thailand: Apr. 81; Purcell, Oct. 50; Shultz, Nov. 12; Wrobleski, Aug. 73
Treaties, agreements, etc., Feb. 95, Apr. 93, May 91, Oct. 77, Nov. 88, Dec. 84, 87
U.S. economic and security assistance: Monjo, July 54, 57; Schneider, Aug. 78; Shultz, Apr. 48, PR 37, 3/4, PR 41, 3/13
Thatcher, Margaret (Shultz), July 8
Thomas, Franklin A., Feb. 57
Thomas, Jon R., Apr. 77
Togo:
Treaties, agreements, etc., July 91, 92, Oct. 76
U.S. Ambassador (Korn), swearing in, PR 225, 10/22
Tonga (Monjo), July 60
Treaties, agreements, etc., Sept. 94, Oct. 75
Tourists and tourism: Oakley, Oct. 55; Reagan, Aug. 18
American drug arrests abroad, PR 116, 5/27
Travel advisories, PR 9, 1/15
Tower, John (Shultz), PR 43, 3/14
Trade:
Bovine meat arrangement (1979), Nigeria, June 90
Civil aircraft, agreement (1979): Portugal, Sept. 92; Spain, Nov. 88
Contracts for international sale of goods, U.N. convention (1980): U.S., Dec. 86; Zambia, Sept. 92
Free trade and antiprotectionism: Nov. 42; Armacost, Sept. 62, Oct. 22, PR 140, 6/30, PR 218, 10/16; Baker, July 63; Reagan, Apr. 26, 27, July 10, 12, 16, Oct. 6, Nov. 5; Shultz, Jan. 44, 45, Feb. 33, Apr. 40, 51, May 42, July 17, 19, 26, Sept. 25, 28, 31, 32, 36, 89, Nov. 12, PR 37, 3/4, PR 41, 3/13, PR 127, 6/11, PR 131, 6/17, PR 136, 6/25, PR 154, 7/31, PR 180, 9/16, PR 181, 9/16, PR 196, 10/2; Sigur, July 44, Nov. 40; Wallis, Mar. 33, July 67; White House, June 46; Yeutter, May 65, Nov. 43, 45

Trade (Cont'd)
General agreement on tariffs and trade:
Accession of Mexico, protocol (1986): Australia, Brazil, Colombia, Hong Kong, India, Jamaica, Japan, Korea, Mexico, Nicaragua, Peru, Sweden, Switzerland, U.S., Uruguay, Yugoslavia, Dec. 86
Article VI, agreement on implementation (1979), Korea, June 90
Article VII, agreement on implementation (1979): Lesotho, Sept. 92; Portugal, Jan. 80, Sept. 92 (withdrawal)
Ministerial meeting, Punta del Este, Uruguay (Sept. 15–20): Yeutter, Nov. 45
Declaration, Nov. 46
Trade ministers, new round, approved: Baker, July 61, 64; Delors, Feb. 41; OECD, June 47; Reagan, Apr. 27, July 10, Nov. 6; Shultz, Feb. 35, 41, May 43, Sept. 33; Tokyo economic summit, July 10; Wallis, Jan. 53, Mar. 35, July 67; Yeutter, May 66, Nov. 43
Import licensing procedures, agreement (1979), Nigeria, June 90
Services (Yeutter), Nov. 44, 46
Technical barriers to trade, agreement (1979), Portugal, Jan. 80
U.S.:
Asia and Pacific region: Oct. 49; Shultz, Sept. 36, Oct. 43, PR 26, 2/19; Sigur, July 42, Nov. 39
China, exports of luggage to U.S., agreement, Nov. 89
Europe. *See under* European Economic Community
Indonesia, subsidization of exports, bilateral agreement, July 92
Most-favored-nation treatment: Ridgway, Sept. 60; Shultz, Feb. 44, 46
Sectoral discussions with Japan: Reagan, Apr. 27; Yeutter, May 65
Joint report, Mar. 32
Semiconductor trade agreement with Japan (Reagan), Oct. 6, 22
Subsidies and countervailing duties, bilateral agreement with Mexico, Apr. 94
U.S. trade policy (*see also* Free trade and antiprotectionism, *supra*); McMinn, Oct. 31; Reagan, Apr. 27; Shultz, Sept. 28; Wallis, Mar. 33; White House, June 46; Yeutter, May 64
Transnationalism (Armacost), PR 140, 6/30
Treaties, agreements, etc., Jan. 80, Feb. 93, Mar. 72, Apr. 92, May 89, June 90, July 91, Aug. 91, Sept. 91, Oct. 75, Nov. 88, Dec. 84
Vienna Convention (1969): Byelorussian S.S.R., July 92; German Democratic Republic, Dec. 86; Senegal, June 90; Soviet Union, Ukrainian S.S.R., July 92
Trinidad and Tobago, treaties, agreements, etc., Feb. 95, Mar. 72, July 92
Trottier, Paul, Mar. 46
Truman, Harry (Reagan), Sept. 18
Tunisia: Murphy, July 76, 80; Schneider, Aug. 78
Treaties, agreements, etc., Mar. 74, May 91, Sept. 92, Dec. 87
Visit of Vice President Bush, June 32
Turkey: Shultz, Feb. 38, Apr. 48, June 33; Wrobleski, Sept. 84
Treaties, agreements, etc., Feb. 95, Mar. 72, Apr. 93, May 91, July 92, Sept. 93, Oct. 75, Nov. 89, Dec. 85
U.S. negotiations (Shultz), Feb. 39
Visit of Secretary Shultz: June 33; Shultz, PR 55, 3/24, PR 56, 3/25, PR60, 3/26
Tuvalu, treaties, agreements, etc., Feb. 93, 94, May 89

U

Ukrainian Soviet Socialist Republic, treaties, agreements, etc., June 90, July 92, Sept. 92, Dec. 85
United Arab Emirates, accession to international telecommunications convention (1982), Oct. 75
United Kingdom:
Northern Ireland, U.K.-Ireland agreement: Reagan, Jan. 56, May 73; Ridgway, May 72
Supplementary extradition treaty, proposed: Poindexter, Aug. 67; Reagan, Apr. 29, Sept. 23
Treaties, agreements, etc., Jan. 81, Feb. 93, 95, Mar. 72, 73, 74, May 89, 91, June 90, July 91, Aug. 92, Sept. 92, 93, 94, Oct. 75, Nov. 88, 90, Dec. 85, 87
U.S. visit of Prince and Princess of Wales (Shultz), Feb. 24
United Nations: Crocker, July 30; Murphy, Dec. 71; Shultz, Nov 13; Wallis, Jan. 54
Financial problems: Shultz, PR 181, 9/16; Walters, Oct. 63
Special Session on the Economic Situation in Africa. *See under* Africa
U.S. assistance, FY 1987: Keyes, Aug. 80, 81; Murphy, Dec. 71; Spiers, Dec. 49
UN (Vienna), amateur radio stations, exchange of third party messages, bilateral agreement, Mar. 74
United Nations Conference on Trade and Development (UNCTAD): Wallis, Jan. 55
United Nations Decade for Women, Nairobi Conference (Reagan), Feb. 89
United Nations Human Rights Commission meeting, report (Schifter), Oct. 61
United Nations Industrial Development Organization, constitution (1979) with annexes: Belize, May 89, Gambia, Sept. 92; Grenada, Apr. 93; Namibia, May 89; Qatar, St. Christopher-Nevis, Mar. 73; Tonga, Oct. 76
Entry into force, June 90
United States Marine Corps and State Department agreement re embassy protection program abroad, signing ceremony: Kelley, Shultz, PR 263, 12/17
Upston, John E., swearing in as Ambassador to Rwanda, PR 1, 1/8
Uruguay (Abrams), July 90
Treaties, agreements, etc., Mar. 72, 73, 74, Apr. 93, May 89, June 92, Nove. 88, Dec. 86
U.S. visit of President Sanguinetti: Reagan, Sanguinetti, Oct. 73; program, PR 129, 6/13
Utley, Garrick, Nov. 49

V

Vanuatu, International Maritime Organization convention (1984), acceptance, Dec. 85
Vatican City, treaties, agreements, etc., Apr. 93, Sept. 93, Dec. 85
Venezuela (Wendt), June 52
Treaties, agreements, etc., Jan. 81, Feb. 95, Mar. 72, 74, June 92, July 93, Oct. 75, Dec. 86
U.S. Ambassador (Reich), swearing in, PR 172, 9/8
Verville, Elizabeth G., Sept. 73
Vietnam:
Foreign Relations of the United States, 1955–1957, Volume I, Vietnam, released, Feb. 96
Foreign Relations of the United States, 1958–1960, Volume I, Vietnam, released, June 93
International telecommunications convention (1982), ratification, June 90
Occupation of Cambodia. *See under* Kampuchea
Soviet support: Armacost, June 64, Dec. 59; Sigur, Nov. 39, 41
U.S. political relationships, question of (Shultz), PR 181, 9/16
U.S. prisoners of war and missing-in-action: Monjo, May 62; Reagan, Apr. 28, July 16; Shultz, July 17
Visas, reciprocal facilitation of visa issuance, bilateral agreement with China, Mar. 73
Voice of America: Crocker, Feb. 54; Reagan, Jan. 1; Spiers, Dec. 49

W

Waite, Terry (Oakley), Aug. 6
Wallach, John, Jan. 18, Aug. 32
Wallis, W. Allen, Jan. 52, 54, Mar. 33, Apr. 71, June 48, July 64, 68
Walters, Vernon A.:
Addresses, remarks, and statements:
Afghanistan, Feb. 20
Angola, Jan. 73
Hostage-taking, Mar. 53
Kampuchea (Cambodia), Mar. 57
Libya:
Gulf of Sidra incident, May 80
U.S. air strikes, June 19, 21
Nicaragua, Mar. 54, Oct. 58
South Africa, Jan. 72
U.N., Oct. 63
U.S. representative to 41st U.N. General Assembly, Nov. 3
Warfield, Virginia (Whitehead), PR 97, 5/5
Watson, Alexander F., swearing in as Ambassador to Peru, PR 227, 10/23
Weber, Gregory H. (Whitehead), PR 97, 5/5
Weinberger, Caspar W., June 3, Aug. 58, Oct. 45
Wendt, E. Allan, June 51
Wheat:
Food aid convention (1980), protocol for extension (1983): Argentina, Jan. 80; U.S., Feb. 94

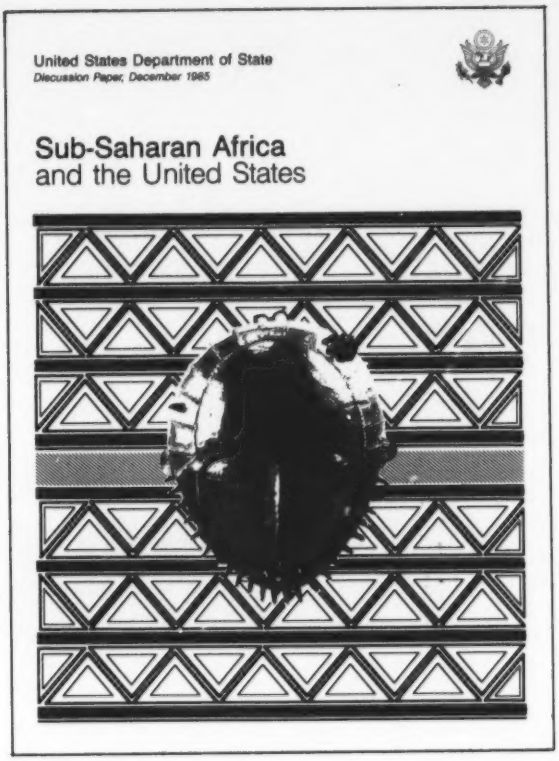
Wheat (Cont'd)
Food aid convention (1986): Argentina, Austria, Belgium, Canada, Denmark, European Economic Community, Finland, France, Germany, Federal Republic of, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, Norway, Portugal, Spain, Switzerland, U.K., U.S., Sept. 93
Wheat trade convention (1971), protocol for extension (1983): Argentina, Jan. 80; Brazil, May 89; U.S., Feb. 94
Wheat trade convention (1986): Argentina, Sept. 92; Australia, Sept. 93; Barbados, Sept. 92, Oct. 76; Belgium, Sept. 92, 93; Bolivia, Sept. 93, Brazil, Sept. 92; Canada, Cuba, Denmark, Ecuador, Egypt, Sept. 92, 93; El Salvador, Oct. 76; European Economic Community, Sept. 92, 93; Finland, Sept. 92; Federal Republic of Germany, Greece, Sept. 92, 93; India, Sept. 93, Dec. 86; Ireland, Italy, Japan, Sept. 92, 93; Korea, Sept. 93; Luxembourg, Sept. 92, 93; Morocco, Sept. 92; Netherlands, Norway, Sept. 92, 93; Pakistan, Sept. 93; Panama, Oct. 76; Portugal, South Africa, Soviet Union, Spain, Sweden, Switzerland, Sept. 92, 93; Tunisia, Sept. 92; Turkey, Sept. 93; U.K., U.S., Sept. 92; Vatican City, Sept. 93; Yemen (Sanaa), Sept. 92
Whitehead, John C., Jan. 33, Feb. 1, June 79, Oct. 19, 37, Nov. 52, PR 23, 2/14, PR 97, 5/5, PR 192, 10/1, PR 194, 10/1
Biography, Jan. 33
Will, George E., Jan. 20, Dec. 32
Wolfowitz, Paul D., Jan. 49, Apr. 69
Ambassador to Indonesia, swearing in, PR 38, 3/12
Women:
Discrimination, convention for elimination of (1979); Angola, Dec. 86; Bahrain, Costa Rica, June 90; Finland, Nov. 88; Ghana, Mar. 73; Iraq, Oct. 76; Ireland, Mar. 73; U.K., June 90; Zaire, Dec. 86
Political rights of women, convention (1953): Angola, Dec. 86; Colombia, Oct. 76
U.N. Decade for Women Conference, Nairobi (Reagan), Feb. 89
World Food Day, 1986, proclamation (Reagan), Dec. 66
World Intellectual Property Organization, convention (1967): Iceland, Oct. 75; Lesotho, Dec. 86; Sierra Leone, May 89
World order (Shultz), Feb. 24, July 3, 24
World peace (Reagan), Nov. 1, Dec. 21
Wrobleski, Ann B., Aug. 72, Sept 82

Y

Yemen, People's Democratic Republic (Aden): Armacost, June 64; Murphy, Mar. 41, July 79
Common Fund for Commodities, agreement (1980), ratification, June 90
Yemen Arab Republic (Sanaa): Murphy, July 76, 79; Schneider, Aug. 78; Shultz, Apr. 48
Yemen (Cont'd)
Treaties, agreements, etc., Mar. 72, July 91, Aug. 91, Sept. 92, Nov. 90, Dec. 85
Visit of Vice President Bush, June 31
Yeutter, Clayton, Feb. 42, May 64, Nov. 45
Yugoslavia:
Profile, Sept. 63
Treaties, agreements, etc., Jan. 81, Feb. 95, Apr. 94, Dec. 85, 86
U.S. relations: Armacost, Sept. 61; Shultz, Feb. 48
Visit of Secretary Shultz: Dizdarevic, Feb. 47, 48; Shultz, Feb. 39, 47

Z

Zaire (Crocker), July 31
Debt problems (Whitehead), Jan. 34
Treaties, agreements, etc., Jan. 80, Feb. 95, Mar. 74, May 91, Dec. 86
U.S. visit of President Mobutu, program, PR 257, 11/5
Zambia (Crocker), July 31
Debt problems (Whitehead), Jan. 34
Treaties, agreements, etc., Sept. 92, 94, Oct. 76, Nov. 90
Zimbabwe, May 12
Treaties, agreements, etc., Apr. 94, Oct. 75, Dec. 85, 86
U.S. Ambassador (Rawlings), swearing in, PR 247, 11/7
Zimmermann, Warren: Nov. 70; Department, Nov. 72



Sub-Saharan Africa and the United States

This 48-page illustrated publication discusses U.S. relations with sub-Saharan Africa and presents basic information on:

- Geography;
- History;
- People;
- Political processes;
- Economy; and
- Multilateral organizations.

It also includes data tables providing selected statistics on each of the 46 independent sub-Saharan African countries.

GPO Order Form

Please send me _____ copy(ies) of *Sub-Saharan Africa and the United States,* December 1985
@ $2.50 per copy (S/N 044-000-02114-5)

Any customer ordering 100 or more copies for delivery to a single destination will be allowed a 25% discount.

Mail to: Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

GPO prices are subject to change without notice.
(Confirm by calling 202-783-3238.)

Enclosed is $_____ ☐ check or ☐ money order (payable to Superintendent of Documents) or charge to my

Deposit Account No. ☐☐☐☐☐☐ – ☐ Order No. _____

Credit Card Orders Only

Total charges $_____

Credit Card No. ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Expiration date Month/Year ☐☐☐☐

Please Print

Company or personal name

Additional address line

Street address

City State Zip Code

(or Country)

For Office Use Only

Quantity Charges

_____ Publications _____

_____ Subscriptions _____

Special shipping charges _____

International handling _____

Special charges _____

OPNR

_____ UPNS

_____ Balance Due

_____ Discount

_____ Refund

6/86

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

OFFICIAL BUSINESS
Penalty for Private Use $300

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

86/2106

Department of State bulletin

The Official Monthly Record of United States Foreign Policy / Volume 86 / Number 2106

January 1986

FEB 6 1986

U. S. GOVT. PUBS.

LD [redacted] C
U.S. DOCUMENTS
NEWARK PUBLIC LIBRARY

The Fireside Summit

S1.3:

(White House photo by Pete Souza)

President Reagan gives the "thumbs up" sign to members of the press just before his first meeting with General Secretary Gorbachev on November 19.

President Reagan and General Secretary Gorbachev Meet in Geneva

President Reagan and Mikhail S. Gorbachev, General Secretary of the Central Committee of the Communist Party of the Soviet Union, met in Geneva, November 19–21, 1985.

President's Radio Address, Nov. 9, 1985[1]

We're expanding the format of our radio broadcast today. During the next 10 minutes, I'll be speaking to the citizens of the Soviet Union over the Voice of America about the upcoming Geneva summit. My words will be directed to them, but I want you to hear what I say. My speech is also being broadcast to over 50 nations by the Worldnet Television Network.

Good evening, this is Ronald Reagan, President of the United States, speaking to you from Washington about my upcoming meeting with General Secretary Gorbachev in Geneva and my hopes for a better relationship between our two governments.

Your leaders can freely appear on American radio and television and be interviewed by our magazines and newspapers. I was grateful for my recent and rare opportunity to speak with representatives of the Soviet press. While I appreciate that, only parts of the interview were published in *Izvestia*, and much of what was left out I think is important. I wish to speak to you personally as a husband, father, and grandfather who shares your deepest hopes—that all of our children can live and prosper in a world of peace.

I grew up in a small town in America's heartland where values of faith in God, freedom, family, friends, and concern for one's neighbors were shared by all—values you also share. During my school years, I worked during vacations, for a time on construction and then for several summers as a lifeguard at a river beach. After finishing my education, I became a radio sports announcer, which led to acting in Hollywood where I was elected head of our actor's guild. I'm the only American President who was also president of a labor union.

Back then I had no intention of engaging in national politics, but America's a great country filled with opportunities. In the years that followed, including my years as Governor of California and as President, I have not forgotten the values I learned as a boy nor have my fellow Americans.

I know that much has been written in your press about America's hostile intentions toward you. Well, I reject these distortions. Americans are a peace-loving people; we do not threaten your nation and never will. The American people are tolerant, slow to anger, but staunch in defense of their liberties and, like you, their country. More than once, our two countries have joined to oppose a common enemy. During our War of Independence, Russia provided assistance to the distant American colonists. A century and a half later, we joined together to defeat the common enemy of fascism; before that, we were allies in World War I.

Even before we entered World War II, America was supplying massive quantities of food and equipment to those fighting the Nazis. We provided 14,795 aircraft to your forces, 7,056 tanks, more than half a million vehicles, and more than 6 million tons of food and other staples. Americans will never forget the valor, the pain, and, at last, the joy of victory that our peoples shared. I remember President Roosevelt's praise for the Russian people's heroism. How can any of us alive then forget that terrible year of 1941 when the Nazis were repulsed at the gates of Moscow, the courage of Leningraders during the 900-day siege, the victory at Stalingrad, or our historic meeting on the Elbe in 1945?

Americans fought for 4 years on all fronts. Many lie buried in northern Africa, Europe, Burma, China, the Pacific islands, and at the bottom of the

sea. Some are buried on Soviet soil—in the hero city of Murmansk, where they had brought precious supplies through the treacherous convoy route.

Yet after that victory, Americans gave generously to help rebuild war-torn countries, even to former enemies, because we had made war on a vicious ideology, not on a people. And we demonstrated our desire for peace by rapidly demobilizing. At the end of 1945, we had an armed force of almost 12 million men; by 1948 we had reduced that number to less than 1.5 million.

We were the only country with nuclear weapons. We proposed giving those weapons up altogether to an international authority so that no country would have such destructive power at its disposal. What a pity this idea was not accepted.

Today we must both face the challenge of eliminating nuclear weapons. I have said many times and will say again to you: A nuclear war cannot be won and must never be fought. I pray God that we can rid the world of these dangerous weapons, in part by finding a reliable defense against them. Our negotiators in Geneva are working hard to reach a breakthrough. I am pleased that the Soviet Union finally responded to our original proposals. We studied the response carefully and replied quickly. These are complicated negotiations, and satisfactory results will take long, hard work.

Let me be clear about our research and testing program on strategic defense technologies. Our goal is to make the world safer through development of non-nuclear security shields that would protect people by preventing weapons from reaching their targets and, hopefully, render ballistic missiles obsolete. Your own government has been conducting longstanding and extensive programs on its own defensive systems, including advanced research.

The United States is just beginning a long process of investigating defenses. If and when our research proves that a defensive shield against nuclear missiles is practical, I believe our two nations, and those others that have nuclear weapons, should come together and agree on how, gradually, to eliminate offensive nuclear weapons, as we make our defensive system available to all. We ought to start talking about this process at the Geneva arms talks.

We must live together in peace. America's whole history has been a search for peace and opportunity by pioneers seeking freedom, many from the old European order. We're proud of the Russians, the Ukrainians, the Jews, the Armenians, and many others who sailed by our Statue of Liberty and reached our shores. Diversity is one of our great strengths. This is partly why we're confusing to outsiders. Our government is elected by the people; it is not above the people or above the law.

We believe the truth is found through debate and discussion. Truth does not burn in the fire or drown in the water. Our system is often uncomfortable for elected officials, because one of our proudest institutions is a free press. The press criticizes me, and sometimes it hurts, but that is their role—to raise difficult questions and keep officials accountable to the people. But no one should mistake our freedoms for weakness. We favor free and open dialogue, not just for Americans but for all peoples. We believe in freedom of the individual. Freedom of worship, freedom of speech, freedom of the press are, as our Declaration of Independence says, unalienable rights of all men.

Ten years ago the United States and the Soviet Union, along with 33 other countries, signed the Helsinki accords. We all pledged to respect human rights, permit our citizens freedom of speech and travel, and improve communication among the peoples of the signatory nations. America asks the world's leaders to abide by what they have committed themselves to do. As the world's two strongest nations, we owe it to the rest of humanity not only to keep our word but to help find peaceful settlements to local and regional conflicts in Afghanistan, Africa, Latin America, and elsewhere.

We must also join forces against terrorism. There is no place in a civilized world for assassinations, terrorist bombings, and other mindless violence. I strongly urge you and your government to join us in combating terrorism and ensuring that no country will offer succor or comfort to terrorists.

We have much to learn from each other. Americans have long been enriched by your cultural giants. The works of Tolstoy, Dostoyevsky, Turgenev, Chekov, and Pasternak are taught in many American universities; just as American authors from James Fenimore Cooper, Mark Twain, and Jack London to Ernest Hemingway and William Faulkner are popular in your country.

I want expanded contacts between our two great societies, wherever there is mutual interest. I am particularly interested in increasing exchanges among our young people, for they are our future. We should open a dialogue between our nations, so leaders of each country would have the same chance to communicate to the people of the other on television. If more of your citizens visited us, you would understand that our people want peace as fervently as you do.

I hope my discussions with Mr. Gorbachev in Geneva will be fruitful and will lead to future meetings. We seek peace not only for ourselves but for all those who inhabit this small planet.

We share borders with three countries—Mexico, Canada, and the Soviet Union. We pride ourselves on our friendly relations and open borders with our two North American neighbors. And I hope the day will come when that narrow chain of islands stretching from Alaska to the eastern shore of Siberia will symbolize the ties between our two great peoples, not the distance between us.

Everything has a season. Let us hope as we near Christmas and the New Year that this will be the season for peace. Thank you for welcoming me into your homes. God bless you.

President's Address to the Nation, Nov. 14, 1985[2]

In 36 hours I will be leaving for Geneva for the first meeting between an American President and a Soviet leader in 6 years. I know that you and the people of the world are looking forward to that meeting with great interest, so tonight I want to share with you my hopes and tell you why I'm going to Geneva.

My mission, stated simply, is a mission for peace. It is to engage the new Soviet leader in what I hope will be a dialogue for peace that endures beyond my presidency. It is to sit down across from Mr. Gorbachev and try to map out, together, a basis for peaceful discourse even though our disagreements on fundamentals will not change.

It is my fervent hope that the two of us can begin a process which our successors and our peoples can continue—facing our differences frankly and openly and beginning to narrow and resolve them; communicating effectively so that our actions and intentions are not misunderstood; and eliminating the barriers between us and cooperating wherever possible for the greater good of all.

This meeting can be a historic opportunity to set a steady, more constructive course to the 21st century. The history of American-Soviet relations, however, does not augur well for euphoria. Eight of my predecessors—each in his own way, in his own time—sought to achieve a more stable and peaceful relationship with the Soviet Union. None fully succeeded. So, I don't underestimate the difficulty of the task ahead. But these sad chapters do not relieve me of the obligation to try to make this a safer, better world. For our children, our grandchildren, for all mankind, I intend to make the effort. And with your prayers and God's help, I hope to succeed.

Success at the summit, however, should not be measured by any short-term agreements that may be signed. Only the passage of time will tell us whether we constructed a durable bridge to a safer world.

Building a Foundation for Lasting Peace

This, then, is why I go to Geneva—to build a foundation for lasting peace. When we speak of peace, we should not mean just the absence of war. True peace rests on the pillars of individual freedom, human rights, national self-determination, and respect for the rule of law. Building a safer future requires that we address candidly all the issues which divide us and not just focus on one or two issues, important as they may be. When we meet in Geneva, our agenda will seek not just to avoid war but to strengthen peace, prevent confrontation, and remove the sources of tension. We should seek to reduce the suspicions and mistrust that have led us to acquire mountains of strategic weapons.

Since the dawn of the nuclear age, every American President has sought to limit and end the dangerous competition in nuclear arms. I have no higher priority than to finally realize that dream. I've said before, I will say again, a nuclear war cannot be won and must never be fought.

We've gone the extra mile in arms control, but our offers have not always been welcome. In 1977 and again in 1982, the United States proposed to the Soviet Union deep reciprocal cuts in strategic forces. These offers were rejected out-of-hand. In 1981, we proposed the complete elimination of a whole category of intermediate-range nuclear forces. Three years later, we proposed a treaty for a global ban on chemical weapons. In 1983, the Soviet Union got up and walked out of the Geneva nuclear arms control negotiations altogether. They did this in protest because we and our European allies had begun to deploy nuclear weapons as a counter to Soviet SS-20s aimed at our European and other allies.

I'm pleased now, however, with the interest expressed in reducing offensive weapons by the new Soviet leadership. Let me repeat tonight what I announced last week. The United States is prepared to reduce comparable nuclear systems by 50%. We seek reductions that will result in a stable balance between us with no first-strike capability—and verified full compliance.

If we both reduce the weapons of war, there would be no losers, only winners. And the whole world would benefit if we could both abandon these weapons altogether and move to non-nuclear defensive systems that threaten no one.

But nuclear arms control is not of itself a final answer. I told four Soviet political commentators 2 weeks ago that nations do not distrust each other because they're armed; they arm themselves because they distrust each other. The use of force, subversion, and terror has made the world a more dangerous place, and thus, today, there's no peace in Afghanistan; no peace in Cambodia; no peace in Angola, Ethiopia, or Nicaragua.

. . . nations do not distrust each other because they're armed; they arm themselves because they distrust each other.

These wars have claimed hundreds of thousands of lives and threaten to spill over national frontiers. That's why in my address to the United Nations, I proposed a way to end these conflicts: a regional peace plan that calls for negotiations among the warring parties,

withdrawal of all foreign troops, democratic reconciliation, and economic assistance.

Four times in my lifetime, our soldiers have been sent overseas to fight in foreign lands. Their remains can be found from Flanders Field to the islands of the Pacific. Not once were those young men sent abroad in the cause of conquest. Not once did they come home claiming a single square inch of some other country as a trophy of war.

American Commitment to Freedom and Democracy

A great danger in the past, however, has been the failure by our enemies to remember that while we Americans detest war, we love freedom and stand ready to sacrifice for it. We love freedom not only because it's practical and beneficial but because it is morally right and just.

In advancing freedom, we Americans carry a special burden—a belief in the dignity of man in the sight of the God who gave birth to this country. This is central to our being.

Freedom and democracy are the best guarantors of peace. History has shown that democratic nations do not start wars. The rights of the individual and the rule of law are as fundamental to peace as arms control. A government which does not respect its citizens' rights and its international commitments to protect those rights is not likely to respect its other international undertakings.

And that's why we must and will speak in Geneva on behalf of those who cannot speak for themselves. We are not trying to impose our beliefs on others. We have a right to expect, however, that great states will live up to their international obligations.

The Need for Increased People-to-People Contact

Despite our deep and abiding differences, we can and must prevent our international competition from spilling over into violence. We can find as yet undiscovered avenues where American and Soviet citizens can cooperate fruitfully for the benefit of mankind. And this, too, is why I'm going to Geneva.

. . . while we Americans detest war, we love freedom and stand ready to sacrifice for it.

A century and a half ago, Thomas Jefferson told the world: ". . . the mass of mankind has not been born with saddles on their backs. . . ." Freedom is America's core. We must never deny it or forsake it. Should the day come when we Americans remain silent in the face of armed aggression, then the cause of America—the cause of freedom—will have been lost, and the great heart of this country will have been broken. This affirmation of freedom is not only our duty as Americans, it's essential for success at Geneva.

Enduring peace requires openness, honest communications, and opportunities for our peoples to get to know one another directly. The United States has always stood for openness. Thirty years ago in Geneva, President Eisenhower, preparing for his first meeting with the then Soviet leader, made his "open skies" proposal and an offer of new educational and cultural exchanges with the Soviet Union. He recognized that removing the barriers between people is at the heart of our relationship. He said:

> Restrictions on communications of all kinds, including radio and travel, existing in extreme form in some places, have operated as causes of mutual distrust. In America, the fervent belief in freedom of thought, of expression, and of movement is a vital part of our heritage.

Well, I have hopes that we can lessen the distrust between us, reduce the levels of secrecy, and bring forth a more "open world." Imagine how much good we could accomplish, how the cause of peace would be served, if more individuals and families from our respective countries could come to know each other in a personal way.

For example, if Soviet youth could attend American schools and universities, they could learn firsthand what spirit of freedom rules our land and that we do not wish the Soviet people any harm. If American youth could do likewise, they could talk about their interests and values and hopes for the future with their Soviet friends. They would get firsthand knowledge of life in the U.S.S.R., but most important, they would learn that we're all God's children with much in common.

Imagine if people in our nation could see the Bolshoi Ballet again, while Soviet citizens could see American plays and hear groups like the Beach Boys. And how about Soviet children watching Sesame Street?

We've had educational and cultural exchanges for 25 years and are now close to completing a new agreement. But I feel the time is ripe for us to take bold new steps to open the way for our peoples to participate in an unprecedented way in the building of peace.

Why shouldn't I propose to Mr. Gorbachev at Geneva that we exchange many more of our citizens from fraternal, religious, educational, and cultural groups? Why not suggest the exchange of thousands of undergraduates each year and even of younger students who would live with a host family and attend schools or summer camps? We could look to increased scholarship programs; improve language studies; conduct courses in history, culture, and other subjects; develop new sister cities; establish libraries and cultural centers; and, yes, increase athletic competition. People of both our nations love sports. If we must compete, let it be on the playing fields and not the battlefields.

In science and technology we could launch new joint space ventures and establish joint medical research projects. In communications, we'd like to see more appearances in the other's mass media by representatives of both our countries. If Soviet spokesmen are free to appear on American television, to be published and read in the American press, shouldn't the Soviet people have the same right to see, hear, and read what we Americans have to say?

Such proposals will not bridge our differences, but people-to-people contacts can build genuine constituencies for peace in both countries. After all, people don't start wars, governments do.

Conclusion

Let me summarize, then, the vision and hopes that we carry with us to Geneva.

We go with an appreciation, born of experience, of the deep differences between us—between our values, our systems, our beliefs. But we also carry with us the determination not to permit those differences to erupt into confrontation or conflict. We do not threaten the Soviet people and never will.

We go without illusion but with hope—hope that progress can be made on our entire agenda. We believe that progress can be made in resolving the regional conflicts now burning on three continents—including our own hemisphere. The regional plan we proposed at the United Nations will be raised again at Geneva.

We're proposing the broadest people-to-people exchanges in the history of American-Soviet relations, exchanges in sports and culture, in the media, education, and the arts. Such exchanges can build in our societies thousands of coalitions for cooperation and peace.

Governments can only do so much: once they get the ball rolling, they should step out of the way and let people get together to share, enjoy, help, listen, and learn from each other, especially young people.

Finally, we go to Geneva with the sober realization that nuclear weapons pose the greatest threat in human history to the survival of the human race—that the arms race must be stopped. We go determined to search out and discover common ground—where we can agree to begin the reduction, looking to the eventual elimination, of nuclear weapons from the face of the earth.

It is not an impossible dream that we can begin to reduce nuclear arsenals, reduce the risk of war, and build a solid foundation for peace. It is not an impossible dream that our children and grandchildren can some day travel freely back and forth between America and the Soviet Union; visit each other's homes; work and study together; enjoy and discuss plays, music, television; and root for teams when they compete.

Should the day come when we Americans remain silent in the face of armed aggression, then the cause of America—the cause of freedom—will have been lost. . . .

These, then, are the indispensable elements of a true peace: the steady expansion of human rights for all the world's peoples; support for resolving conflicts in Asia, Africa, and Latin America that carry the seeds of a wider war; a broadening of people-to-people exchanges that can diminish the distrust and suspicion that separate our two peoples; and the steady reduction of these awesome nuclear arsenals until they no longer threaten the world we both must inhabit. This is our agenda for Geneva; this is our policy; this is our plan for peace.

We have cooperated in the past. In both World Wars, Americans and Russians fought on separate fronts against a common enemy. Near the city of Murmansk, sons of our own nation are buried, heroes who died of wounds sustained on the treacherous North Atlantic and North Sea convoys that carried to Russia the indispensable tools of survival and victory. While it would be naive to think a single summit can establish a permanent peace, this conference can begin a dialogue for peace. So we look to the future with optimism, and we go to Geneva with confidence.

Both Nancy and I are grateful for the chance you've given us to serve this nation and the trust you've placed in us. I know how deep the hope of peace is in her heart, as it is in the heart of every American and Russian mother.

I received a letter and picture from one such mother in Louisiana recently. She wrote:

> Mr. President, how could anyone be more blessed than I? These children you see are mine, granted to me by the Lord for a short time. When you go to Geneva, please remember these faces, remember the faces of my children—of Jonathan, my son, and of my twins, Lara and Jessica. Their future depends on your actions. I will pray for guidance for you and the Soviet leaders.

Her words, "my children," read like a cry of love. And I could only think how that cry has echoed down through the centuries, a cry for all the children of the world, for peace, for love of fellowman. Here is the central truth of our time—of any time—a truth to which I've tried to bear witness in this office.

When I first accepted the nomination of my party, I asked you, the American people, to join with me in prayer for our nation and the world. Six days ago in the Cabinet Room, religious leaders—Ukrainian and Greek Orthodox

bishops, Catholic Church representatives including a Lithuanian bishop, Protestant pastors, a Mormon elder, and Jewish rabbis—made me a similar request.

Well, tonight I'm honoring that request. I am asking you, my fellow Americans, to pray for God's grace and His guidance for all of us at Geneva, so that the cause of true peace among men will be advanced and all of humanity thereby served.

Mr. McFarlane's Statement, Nov. 18, 1985

This afternoon it was the pleasure of the President to meet and exchange views with President Furgler and members of his Cabinet—the Foreign Minister, the State Secretary.

The meeting held in Le Reposoir was extremely cordial and it afforded the President an opportunity to express his deep gratitude for all of the support provided by the Government of Switzerland in hosting this session with the General Secretary. He expressed his highest regard for the traditional role that Switzerland has played in making possible periodic meetings which, on many occasions, have fostered improved understanding between countries, a better climate, and the resolution of specific problems. Bilateral issues as well were discussed, to include civil air matters, technology transfer matters. However, both leaders acknowledged that the state of the relationship is excellent.

The President was pleased to hear of Switzerland's introduction, of making public, a proposal in the Stockholm conference where discussions have been underway for over a year on confidence-building measures. The President thought this an extremely constructive initiative on the part of Switzerland and looks forward to studying it in the days ahead.

The Swiss President expressed his deep sentiment of support for the objectives both countries coming to this meeting have expressed and hope that it may be an opportunity for a reduction in tensions in the establishment of an improved climate for the resolution of disagreements in the years ahead. It was in all an extremely worthwhile meeting typified by cordiality on both sides, gratitude, and mutual respect.

On the eve of his meetings with the General Secretary, the President feels a deep sense of responsibility, of challenge, and of opportunity. He believes that the meeting, as its central purpose, provides an opportunity for each leader to make fundamental presentations on their own countries. For his part, he intends a comprehensive presentation on the strengths, values, purposes, and goals of the United States looking to the end of the century. He will, as well, express the views of the United States of the Soviet Union and of its purposes, strengths, and so forth.

He will make clear in the opening session that we have concerns regarding the pattern of behavior of the Soviet Union in international affairs and looks forward to being explicit in these; but finally, to propose a framework for U.S.-Soviet relations that will encompass the full agenda of bilateral, regional, human rights, and security issues, devoted to a sustained dialogue in the interest of the resolution of the problems between us.

He has said, in coming here, that he has come on a mission for peace. And he believes that that mission requires frank, forthright discussions of the interrelated elements of these. As he told the American people last week, he will present his views on the need to strengthen and stabilize the nuclear balance, to restrain the use of force and subversion, to increase respect for human rights, and to improve communication between both peoples and governments.

The President's goals and specific proposals in each of the four areas I've mentioned are very well known to all of you. They are on the table, and he will have more to say in detail about each of them with Mr. Gorbachev. He wants to start solving problems. If the Soviet side is equally committed to practical solutions, there will be progress.

(White House photo by Bill Fitz-Patrick)

President Reagan holds an informal meeting with (from left) national security adviser McFarlane, Secretary Shultz, Ambassador Hartman, and Chief of Staff Regan at Maison de Saussure on November 17.

(White House photo by Bill Fitz-Patrick)

President Reagan and General Secretary Gorbachev hold their second plenary session at the Soviet Mission on November 20.

The President approaches these meetings with a strong sense of realism. That means understanding a point that was easily forgotten in past post-summit headlines. Peace isn't based on meetings. It depends above all on policies that work and that make clear America's determination to defend its interests and those of its friends and allies.

We will seek sound agreements where we can, but we will fulfill our responsibilities where we must. In this way, the President believes that we can better avoid swings between complacency and confrontation. Neither of these extremes has served us very well in the past. In fact, as the historical record shows, the one can all too easily encourage the other.

In the late 1950s, the spirit of Geneva gave way to years of crisis over Berlin. In the late 1960s, the spirit of Glassboro was dispelled by the invasion of Czechoslovakia. And in the late 1970s, the confidence and hope that efforts at strategic arms control were supposed to bring to Soviet-American relations disappeared. They were undone by a relentless military buildup and by a half decade of Soviet activity in the Third World, culminating in the invasion of and continued occupation of Afghanistan.

President Reagan believes deeply that we have to do better. This has been the goal of all the policies that he has put in place since 1981. He feels that we can learn and profit from historical experience. He wants to chart a course—a consistent course—sustained by strong public support at home, and its aim is simple: to make restraint the most realistic Soviet option.

Perhaps the most frequently asked question of the week is, "Will the meeting be a success or a failure?" The President certainly hopes for progress and intends to make as much as is feasible. But a real answer to that question will not be immediately available. He has not come to Geneva to seek 2 days' of atmospheric improvements but to put down a strong foundation on which future results can be built. It is by such results that the value of this week's meetings, like those of the past, will be judged in the years ahead.

Joint Statement, Nov. 21, 1985[3]

By mutual agreement, President of the United States Ronald Reagan and General Secretary of the Central Committee of the Communist Party of the Soviet Union Mikhail Gorbachev met in Geneva November 19–21. Attending the meeting on the U.S. side were Secretary of State George Shultz; Chief of Staff Donald Regan; Assistant to the President Robert McFarlane; Ambassador to the U.S.S.R. Arthur Hartman; Special Adviser to the President and the Secretary of State for arms control Paul H. Nitze; Assistant Secretary of State for European Affairs Rozanne Ridgway; Special Assistant to the President for National Security Affairs Jack

Matlock. Attending on the Soviet side were Member of the Politburo of the Central Committee of the CPSU, Minister of Foreign Affairs E.A. Shevardnadze; First Deputy Foreign Minister G.M. Korniyenko; Ambassador to the United States A.F. Dobrynin; head of the Department of Propaganda of the Central Committee of the CPSU, A.N. Yakovlev; head of the Department of International Information of the Central Committee of the CPSU L.M. Zamyatin; Assistant to the General Secretary of the Central Committee of the CPSU A.M. Aleksandrov.

These comprehensive discussions covered the basic questions of U.S.-Soviet relations and the current international situation. The meetings were frank and useful. Serious differences remain on a number of critical issues.

While acknowledging the differences in their systems and approaches to international issues, some greater understanding of each side's view was achieved by the two leaders. They agreed about the need to improve U.S.-Soviet relations and the international situation as a whole.

In this connection, the two sides have confirmed the importance of an ongoing dialogue, reflecting their strong desire to seek common ground on existing problems.

They agreed to meet again in the nearest future. The General Secretary accepted an invitation by the President of the United States to visit the United States of America, and the President of the United States accepted an invitation by the General Secretary of the Central Committee of the CPSU to visit the Soviet Union. Arrangements for and timing of the visits will be agreed upon through diplomatic channels.

In their meetings, agreement was reached on a number of specific issues. Areas of agreement are registered in the following pages.

Security

The sides, having discussed key security issues, and conscious of the special responsibility of the U.S.S.R. and the U.S. for maintaining peace, have agreed that a nuclear war cannot be won and must never be fought. Recognizing that any conflict between the U.S.S.R. and the U.S. could have catastrophic consequences, they emphasized the importance of preventing any war between them, whether nuclear or conventional. They will not seek to achieve military superiority.

Nuclear and Space Talks

The President and the General Secretary discussed the negotiations on nuclear and space arms.

They agreed to accelerate the work at these negotiations, with a view to accomplishing the tasks set down in the joint U.S.-Soviet agreement of January 8, 1985, namely to prevent an arms race in space and to terminate it on Earth, to limit and reduce nuclear arms and enhance strategic stability.

Noting the proposals recently tabled by the U.S. and the Soviet Union, they called for early progress, in particular in areas where there is common ground, including the principle of 50 percent reductions in the nuclear arms of the U.S. and the U.S.S.R. appropriately applied, as well as the idea of an interim INF [intermediate-range nuclear forces] agreement.

During the negotiation of these agreements, effective measures for verification of compliance with obligations assumed will be agreed upon.

Risk Reduction Centers

The sides agreed to study the question at the expert level of centers of reduced nuclear risk, taking into account the issues and developments in the Geneva negotiations. They took satisfaction in such recent steps in this direction as the modernization of the Soviet-U.S. "Hot Line."

Nuclear Nonproliferation

General Secretary Gorbachev and President Reagan reaffirmed the commitment of the U.S.S.R. and the U.S. to the Treaty on the Non-Proliferation of Nuclear Weapons and their interest in strengthening, together with other countries, the nonproliferation regime and in further enhancing the effectiveness of the treaty, *inter alia*, by enlarging its membership.

They note with satisfaction the overall positive results of the recent review conference of the Treaty on the Non-Proliferation of Nuclear Weapons.

The U.S.S.R. and the U.S. reaffirm their commitment, assumed by them under the Treaty on the Non-Proliferation of Nuclear Weapons, to pursue negotiations in good faith on matters of nuclear arms limitation and disarmament in accordance with Article VI of the treaty.

The two sides plan to continue to promote the strengthening of the International Atomic Energy Agency and to support the activities of the agency in implementing safeguards as well as in promoting the peaceful uses of nuclear energy.

They view positively the practice of regular Soviet-U.S. consultations on nonproliferation of nuclear weapons which have been businesslike and constructive and express their intent to continue this practice in the future.

Chemical Weapons

In the context of discussing security problems, the two sides reaffirmed that they are in favor of a general and complete prohibition of chemical weapons and the destruction of existing stockpiles of such weapons. They agreed to accelerate efforts to conclude an effective and verifiable international convention on this matter.

The two sides agreed to intensify bilateral discussions on the level of experts on all aspects of such a chemical weapons ban, including the question of verification. They agreed to initiate a dialogue on preventing the proliferation of chemical weapons.

MBFR

The two sides emphasized the importance they attach to the Vienna (MBFR) [mutual and balanced force reductions] negotiations and expressed their willingness to work for positive results.

CDE

Attaching great importance to the Stockholm Conference on Confidence- and Security-Building Measures and Disarmament in Europe and noting the progress made there, the two sides stated their intention to facilitate, together with the other participating states, an early and successful completion of the work of the conference. To this end, they reaffirmed the need for a document which would include mutually acceptable confidence- and security-building measures and give concrete expression and effect to the principle of non-use of force.

Process of Dialogue

President Reagan and General Secretary Gorbachev agreed on the need to place on a regular basis and intensify dialogue at various levels. Along with meetings between the leaders of the two countries, this envisages regular meetings between the U.S.S.R. Minister of Foreign Affairs and the U.S. Secretary of State, as well as between the heads of other ministries and agencies. They agreed that the recent visits of the heads of ministries and departments in such fields as agriculture, housing, and protection of the environment have been useful.

Recognizing that exchanges of views on regional issues on the expert level have proven useful, they agreed to continue such exchanges on a regular basis.

The sides intend to expand the programs of bilateral cultural, educational, and scientific-technical exchanges and also to develop trade and economic ties. The President of the United States and the General Secretary of the Central Committee of the CPSU attended the signing of the Agreement on Contacts and Exchanges in Scientific, Educational and Cultural Fields.

They agreed on the importance of resolving humanitarian cases in the spirit of cooperation.

They believe that there should be greater understanding among our peoples and that to this end, they will encourage greater travel and people-to-people contact.

(White House photo by Terry Arthur)

President Reagan takes an afternoon walk with General Secretary Gorbachev outside Fleur d'Eau.

(White House photo by Bill Fitz-Patrick)

General Agreement on Contacts, Exchanges and Cooperation in Scientific, Technological, Educational, Cultural and Other Fields, with Program of Cooperation and Exchanges for 1986–1988 was signed Nov. 21, 1985 in Geneva by Foreign Minister Shevardnadze and Secretary Shultz.

Northern Pacific Air Safety

The two leaders also noted with satisfaction that, in cooperation with the Government of Japan, the United States and the Soviet Union have agreed to a set of measures to promote safety on air routes in the North Pacific and have worked out steps to implement them.

Civil Aviation/Consulates

They acknowledged that delegations from the United States and the Soviet Union have begun negotiations aimed at resumption of air services. The two leaders expressed their desire to reach a mutually beneficial agreement at an early date. In this regard, an agreement was reached on the simultaneous opening of Consulates General in New York and Kiev.

Environmental Protection

Both sides agreed to contribute to the preservation of the environment—a global task—through joint research and practical measures. In accordance with the existing U.S.-Soviet agreement in this area, consultations will be held next year in Moscow and Washington on specific programs of cooperation.

Exchange Initiatives

The two leaders agreed on the utility of broadening exchanges and contacts including some of their new forms in a number of scientific, educational, medical, and sports fields (*inter alia*, cooperation in the development of educational exchanges and software for elementary and secondary school instruction; measures to promote Russian language studies in the United States and English language studies in the U.S.S.R.; the annual exchange of professors to conduct special courses in history, culture, and economics at the relevant departments of Soviet and American institutions of higher education; mutual allocation of scholarships for the best students in the natural sciences, technology, social sciences, and humanities for the period of an academic year; holding regular meets in various sports and increased television coverage of sports events). The two sides agreed to resume cooperation in combatting cancer diseases.

The relevant agencies in each of the countries are being instructed to develop specific programs for these exchanges. The resulting programs will be reviewed by the leaders at their next meeting.

Fusion Research

The two leaders emphasized the potential importance of the work aimed at utilizing controlled thermonuclear fusion for peaceful purposes and, in this connection, advocated the widest practicable development of international cooperation in obtaining this source of energy, which is essentially inexhaustible, for the benefit of all mankind.

Concluding Remarks, Nov. 21, 1985[3]

General Secretary Gorbachev[4]

You've already been handed the joint statement. The President and I have done a huge amount of work. We've gone into great detail; we've really done it in depth. And we've done it totally openly and frankly. We've discussed several most important issues.

The relations between our two countries and the situation in the world in general today—these are issues and problems the solving of which in the most concrete way is of concern both to our countries and the peoples of other countries in the world.

We've discussed these issues, basing our discussions on both sides' determination to improve relations between

the Soviet Union and the United States of America. We've decided that we must help to decrease the threat of nuclear war. We must not allow the arms race to move off into space, and we must cut it down on Earth.

It goes without saying that discussions of these sorts we consider to be very useful, and in its results, you find a clear reflection of what the two sides have agreed together. We have to be realistic and straightforward, and, therefore, the solving of the most important problems concerning the arms race and increasing hopes of peace, we didn't succeed in meeting at this meeting.

So, of course, there are important disagreements on matters of principle that remain between us. However, the President and I have agreed that this work of seeking mutually acceptable decisions for these questions will be continued here in Geneva by our representatives.

We're also going to seek new kinds of developing bilateral Soviet-American relations. And also we're going to have further consultations on several important questions where, for the most part, our positions again are completely different. All this, we consider these forthcoming talks to be very, very useful.

But the significance of everything which we have agreed with the President can only, of course, be reflected if we carry it on into concrete measures. If we really want to succeed in something, then both sides are going to have to do an awful lot of work in the spirit of the joint statement which we have put out. And in this connection, I would like to announce that the Soviet Union, for its part, will do all it can in this cooperation with the United States of America in order to achieve practical results to cut down the arms race, to cut down the arsenals which we've piled up, and produce the conditions which will be necessary for peace on Earth and in space.

We make this announcement perfectly aware of our responsibility both to our own people and to the other peoples of the Earth. And we would very much hope that we can have the same approach from the Administration of the United States of America. If that can be so, then the work that has been done in these days in Geneva will not have been done in vain.

I would like to finish by thanking most profoundly the Government of Switzerland for the conditions which they've created for us to be able to work.

President Reagan

May I express Nancy's and my deep personal appreciation and that of all Americans to the people of Switzerland for welcoming us so warmly and preparing the foundations for productive discussions. Yours is a long and honorable tradition of promoting international peace and understanding. You should take pride in being the capital for international discussions. So again to the Government of Switzerland and the citizens of Geneva, many, many thanks.

We've packed a lot into the last 2 days. I came to Geneva to seek a fresh start in relations between the United States and the Soviet Union, and we have done this. General Secretary Gorbachev and I have held comprehensive discussions covering all elements of our relationship. I'm convinced that we're heading in the right direction.

We've reached some useful interim results, which are described in the joint statement that is being issued this morning. In agreeing to accelerate the work of our nuclear arms negotiators, Mr. Gorbachev and I have addressed our common responsibility to strengthen peace. I believe that we have established a process for more intensive contacts between the United States and the Soviet Union. These 2 days of talks should inject a certain momentum into our work on the issues between us—a momentum we can continue at the meeting that we have agreed on for next year.

Before coming to Geneva, I spoke often of the need to build confidence in our dealing with each other. Frank and forthright conversations at the summit are part of this process. But I'm certain General Secretary Gorbachev would agree that real confidence in each other must be built on deeds, not simply words. This is the thought that ties together all the proposals that the United States has put on the table in the past, and this is the criteria by with our meetings will be judged in the future.

The real report card on Geneva will not come in for months or even years. But we know the questions that must be answered. Will we join together in sharply reducing offensive nuclear arms and moving to non-nuclear defensive strength for systems to make this a safer world? Will we join together to help bring about a peaceful resolution of conflicts in Asia, Africa, and Central America so that the peoples there can freely determine their own destiny without outside interference? Will the cause of liberty be advanced? And will the treaties and agreements signed—past and future—be fulfilled? The people of America, the Soviet Union, and throughout the world are ready to answer yes.

I leave Geneva today and our fireside summit determined to pursue every opportunity to build a safer world of peace and freedom. There's hard work ahead, but we're ready for it. General Secretary Gorbachev, we ask you to join us in getting the job done, as I'm sure you will.

Secretary's News Briefing, Nov. 21, 1985[5]

The President came to Geneva with a constructive approach and with an effort to make a fresh start in our relationship with the Soviet Union, and I think he achieved that fresh start.

All of us who have worked in support of the two leaders who met here this week, I think, share the view that perhaps we have a process underway that can lead to a more stable and constructive relationship. Of course, as both men basically emphasize, that remains to be seen. And we will be looking, over the coming months and years, to see what truly happens. But at any rate, we have made a fresh start.

Q. Is "Star Wars" more negotiable now as a result of the summit, or is it still where it stood before the President came, where he said it would not be any way a bargaining chip?

A. The subject of strategic defense was discussed in considerable detail and with great intensity on both sides. Insofar as the President is concerned, he feels as strongly as ever that the research program designed to find the answer, "Is it possible to defend against ballistic missiles?" is essential. And he insists upon that. There was no give on that at all.

Q. Did Gorbachev go along with the research idea at all?

A. The General Secretary and Soviets will speak for themselves, but I would say their position did not change.

Q. What has this 2 days of summitry done to curb the nuclear arms race?

A. It has not produced anything by way of a further agreement. It has produced, perhaps, some political impulse to the negotiators in Geneva, which will undoubtedly be reflected in our own discussions in Washington as we consider the next round.

Perhaps more important, it has contributed to a relationship between these two leaders based on a lot of substantive discussion between them. So it was just the kind of get-acquainted that we wanted and, I believe, General Secretary Gorbachev wanted; that is, they got acquainted on the basis of wrestling with difficult substance, and it worked well.

Q. Did the President give the Soviet leader any assurances that we would not go beyond research in SDI at this point?

A. The President's statements in our meetings were very parallel to statements you've heard him make many times—on the one hand, insisting that we must pursue the research and answer the question. And if the answer to the question is positive, then, as he has said many times, he believes that we should all sit down and share this technology so that we can move into a pattern of deterrence that has a greater defense component to it. If you had been sitting in the meeting, you would have recognized very clearly the things the President said.

Q. Do you think it was impulse which you referred to as the prospect of resulting in a new agreement, either in strategic arms or in INF in the coming year?

A. It remains to be seen. And I think it is at least notable that in the joint statement, the idea of a separate INF agreement is identified. Now, of course, that was emerging in the negotiations as they were taking place, but certainly, the subject came in for considerable discussion.

Q. After 2 days of such intense talks on all of these complicated questions, the two leaders couldn't agree to more than a restatement of what you had achieved last January here in Geneva and what had been emerging in Paris and at the negotiations on the interim INF group. Why shouldn't people think that those problems are intractable, that you've actually had a setback here because they couldn't get any further than where they'd already been on arms control?

A. People will believe whatever they want to believe. I don't know where your reference to Paris comes in. But, actually, I think what we have seen is a process, starting with the agreement last January, the beginning of the negotiations and the tabling of proposals by us. We've seen some counterproposals from the Soviet Union that constituted movement, some counter-counterproposals by us that constituted further movement, and you see that movement identified in this document. So I think there is a process here, and if you say, "What assurance do I have that it will go anywhere," I don't have any assurance.

Q. What you're saying, though, is that this is basically cataloging the progress that has been made over the past year on these issues, but not advancing them at all.

A. I would say you get a little advanced by this kind of discussion, but certainly there wasn't any definitive movement or decision. In fact, the meetings didn't set themselves up, really, as detailed bargaining sessions on the particulars of these things, but handled more on a general plane. But I think it was quite positive in general.

Q. Are there some guidelines given to the negotiators in the arms talks that do not appear in the joint statement? And second, on the statement of agreeing not to achieve military superiority, how does that differ from the agreement made in Moscow in 1972 or 1973—almost identical language—which the Soviets then almost immediately violated in Angola and other spots around the world?

A. I think the military superiority refers to the respective forces. We have felt that the regional issues which you referred to are a very important component of this total picture. As it has emerged in the course of this meeting, the notion that problems around the world and the distress that they produce is a major part of this problem, that emerged as something that is recognized on both sides. There is set out here indications of an effort to get at it. And I think the notion that people arm themselves because of distrust, not the other way around, is very prominent here. So we have to start with these areas that create the tensions and then, of course, working on arms control, but wanting to see an interplay there.

Q. What does the statement in the joint statement mean when they say they agree to accelerate the work at these negotiations? Does that mean they're going to meet more often, does that mean that both sides have pledged to put new things on the table faster? What are you talking about?

A. They're talking about a sense of importance and urgency and a kind of a mutual commitment to give a little heat to those who are going to be doing the negotiating.

You asked about guidelines, and we discussed various ways of putting what might be said to negotiators. And in the joint statement some things are identified—50% is in there, separate

INF is in there. But, in the process of discussing the ideas that they have and that we have, perhaps they should have a little clearer idea of the sort of guidelines that we're going to give our negotiators. And, of course, we're going to go back and, under the light of all that's been said, prepare ourselves and our negotiators for the next round.

Q. The President's UN speech puts so much emphasis on regional issues, and yet there's only one short sentence in here about it. Was there anything that you would determine was progress on Afghanistan, on Central America? Can you elaborate?

A. I thought that we had really a very good discussion on the regional issues in the plenary sessions. Afghanistan was treated at some length. Most of the areas you would think of were referred to. And the idea is in there that we need a process. And, of course, we've been having these regional meetings for the last year, and perhaps you noticed that Foreign Minister meetings will be regularized, so we'll definitely have them set out more often than just in connection with the UN General Assembly time and that the meetings of the Foreign Ministers will undoubtedly take as items for the agenda—and prepared agenda—certain regional issues. I think we expect Mr. Shevarnadze and me to get away from the pattern that has been typical where we sort of cover the waterfront every time and say, "All right, let's have a meeting, and this time let's focus on these two topics and not on everything," and go into them in more depth. There is emerging a sense of process, and the President's initiatives at the United Nations have been a definite contributor to that sense of progress.

Q. In Moscow, you said that you thought you knew 95% of what would come out of this summit meeting.

A. I did?

Q. Yes, you did. I wonder if you could say whether it turned out much the way expected or whether there was significant difference.

A. It's hard to know exactly what to expect in meetings of this kind. But what is set out in the joint statement, I think, represents a first step in the sense that some concrete things were put down and moved along as well as a process started, that interaction.

But I believe that the most important thing that happened here is that these two individuals took this over completely. It was very much their meeting, and they spent a lot of time together. It got to be a problem for the schedulers because every time they got together they went much longer than was thought. But that was really what we came here for and was very fruitful. And I think that length of time and the intensity and the frankness and the scope of what was talked about between the two by the fireside really went beyond anything I could have expected, although I felt myself that that kind of pattern was the desirable way to do it.

Q. May I ask you about human rights? Was the President specific? Did he name names, like Sakharov or Shcharanskiy? And did he raise Major Nicholson's name?

A. The President had an extensive discussion on the subject of human rights. And that is all I'm going to say about it.

President's Address Before a Joint Session of Congress, Nov. 21, 1985[3]

It's great to be home, and Nancy and I thank you for this wonderful homecoming. And before I go on, I want to say a personal thank you to Nancy. She was an outstanding ambassador of good will for all of us. She didn't know I was going to say that.

Mr. Speaker, Senator Dole, I want you to know that your statements of support here were greatly appreciated. You can't imagine how much it means in dealing with the Soviets to have the Congress, the allies, and the American people firmly behind you.

I guess you know that I have just come from Geneva and talks with General Secretary Gorbachev. In the past few days, we spent over 15 hours in various meetings with the General Secretary and the members of his official party. And approximately 5 of those hours were talks between Mr. Gorbachev and myself, just one on one. That was the best part—our fireside summit.

There will be, I know, a great deal of commentary and opinion as to what the meetings produced and what they were like. There were over 3,000 reporters in Geneva, so it's possible there will be 3,000 opinions on what happened; so maybe it's the old broadcaster in me, but I decided to file my own report directly to you.

History and Context of the Summit

We met, as we had to meet. I called for a fresh start—and we made that start. I can't claim we had a meeting of the minds on such fundamentals as ideology or national purpose—but we understand each other better, and that's a key to peace. I gained a better perspective; I feel he did, too.

It was a constructive meeting. So constructive, in fact, that I look forward to welcoming Mr. Gorbachev to the United States next year. And I have accepted his invitation to go to Moscow the following year. We arranged that out in the parking lot.

I found Mr. Gorbachev to be an energetic defender of Soviet policy. He was an eloquent speaker and a good listener. Our subject matter was shaped by the facts of this century.

These past 40 years have not been an easy time for the West or for the world. You know the facts; there is no need to recite the historical record. Suffice it to say that the United States cannot afford illusions about the nature of the U.S.S.R. We cannot assume that their ideology and purpose will change. This implies enduring competition. Our task is to assure that this competition remains peaceful. With all that divides us, we cannot afford to let confusion complicate things further. We must be clear with each other and direct. We

must pay each other the tribute of candor.

When I took the oath of office for the first time, we began dealing with the Soviet Union in a way that was more realistic than in, say, the recent past. And so, in a very real sense, preparations for the summit started not months ago but 5 years ago when, with the help of Congress, we began strengthening our economy, restoring our national will, and rebuilding our defenses and alliances. America is once again strong—and our strength has given us the ability to speak with confidence and see that no true opportunity to advance freedom and peace is lost. We must not now abandon policies that work. I need your continued support to keep America strong.

That is the history behind the Geneva summit, and that is the context in which it occurred. And may I add that we were especially eager that our meetings give a push to important talks already underway on reducing nuclear weapons. On this subject, it would be foolish not to go the extra mile—or, in this case, the extra 4,000 miles.

Confronting Major Issues

We discussed the great issues of our time. I made clear before the first meeting that no question would be swept aside, no issue buried, just because either side found it uncomfortable or inconvenient. I brought these questions to the summit and put them before Mr. Gorbachev.

We discussed nuclear arms and how to reduce them. I explained our proposals for equitable, verifiable, and deep reductions. I outlined my conviction that our proposals would make not just for a world that feels safer but one that is really safer.

And I am pleased to report tonight that General Secretary Gorbachev and I did make a measure of progress here. While we still have a long way to go, we're still heading in the right direction. We moved arms control forward from where we were last January, when the Soviets returned to the table. We are both instructing our negotiators to hasten their vital work and the world is waiting for results.

Specifically, we agreed in Geneva that each side should move to cut offensive nuclear arms by 50% in appropriate categories. In our joint statement, we called for early progress on this, turning the talks toward our chief goal—offensive reductions. We called for an interim accord on intermediate-range nuclear forces, leading, I hope, to the complete elimination of this class of missiles. And all of this with tough verification.

We also made progress in combating, together, the spread of nuclear weapons—an arms control area in which we've cooperated effectively over the years. We are also opening a dialogue on combating the spread and use of chemical weapons, while moving to ban them altogether. Other arms control dialogues—in Vienna on conventional forces and in Stockholm on lessening the chances for surprise attack in Europe—also received a boost. And finally, we agreed to begin work on risk reduction centers, a decision that should give special satisfaction to Senators Nunn and Warner, who so ably promoted this idea.

I described our Strategic Defense Initiative (SDI)—our research effort that envisions the possibility of defensive systems which could ultimately protect all nations against the danger of nuclear war. This discussion produced a very direct exchange of views.

Mr. Gorbachev insisted that we might use a strategic defense system to put offensive weapons into space and establish nuclear superiority.

President Meets With NATO Allies

NATO SECRETARY GENERAL CARRINGTON'S STATEMENT, NOV. 21, 1985[1]

In our original announcement of President Reagan's visit, we said that this special session of the North Atlantic Council would enable the participants both to hear at first hand of the results of the meeting between President Reagan and Mr. Gorbachev and to consult together on the wider and longer term process of strengthening security and improving East-West relations, of which that meeting was an important part.

That is very much how it turned out. The high-level of attendance confirms the importance allied governments attached to this occasion, and President Reagan was left no doubt of his colleagues' appreciation of his visit here in the middle of a quite exceptionally long and busy day.

The President, as you know, is flying straight from here to address a joint session of the U.S. Congress. It would be wrong for me to anticipate his report by commenting in any detail on what he was able to say in confidence to his colleagues. But you will have read the joint statement issued in Geneva, and I don't think that I would be revealing any secrets if I were to say that the President was able to report in positive terms on important aspects of what has transpired in Geneva and that allied reactions were strongly supportive.

Geneva is not the end of a process, but, we hope, the beginning of a new and more constructive stage. Alliance consultations, which have been very close and productive since the resumption of U.S.-Soviet arms control negotiations in Geneva at the beginning of this year, will be equally important in the future; and the next major occasion will be the ministerial meeting of the North Atlantic Council in December. President Reagan's visit, and this successful high-level meeting of the Council, underline the determination of allied governments to work together to keep the peace and to improve East-West relations.

[1]Made available to the press by the NATO Information Service in Brussels. ■

I made it clear that SDI has nothing to do with offensive weapons; that, instead, we are investigating non-nuclear defense systems that would only threaten offensive missiles, not people. If our research succeeds, it will bring much closer the safer, more stable world that we seek. Nations could defend themselves against missile attack and mankind, at long last, escape the prison of mutual terror. This is my dream.

So I welcomed the chance to tell Mr. Gorbachev that we are a nation that defends rather than attacks, that our alliances are defensive, not offensive. We don't seek nuclear superiority. We do not seek a first-strike advantage over the Soviet Union. Indeed, one of my fundamental arms control objectives is to get rid of first-strike weapons altogether. And this is why we've proposed a 50% reduction in the most threatening nuclear weapons, especially those that could carry out a first strike.

I went further in expressing our peaceful intentions. I described our proposal in the Geneva negotiations for a reciprocal program of open laboratories in strategic defense research. We're offering to permit Soviet experts to see firsthand that SDI does not involve offensive weapons. American scientists would be allowed to visit comparable facilities of the Soviet strategic defense program, which, in fact, has involved much more than research for many years.

Finally, I reassured Mr. Gorbachev on another point. I promised that if our research reveals that a defense against nuclear missiles is possible, we would sit down with our allies and the Soviet Union to see how, together, we could replace all strategic ballistic missiles with such a defense, which threatens no one.

We discussed threats to the peace in several regions of the world. I explained my proposals for a peace process to stop the wars in Afghanistan, Nicaragua, Ethiopia, Angola, and Cambodia—those places where insurgencies that speak for the people are pitted against regimes which obviously do not represent the will or the approval of the people. I tried to be very clear about where our sympathies lie; I believe I succeeded.

We discussed human rights. We Americans believe that history teaches no clearer lesson than this: those countries which respect the rights of their own people tend, inevitably, to respect the rights of their neighbors. Human rights, therefore, is not an abstract moral issue—it is a peace issue.

Finally, we discussed the barriers to communication between our societies, and I elaborated on my proposals for real people-to-people contacts on a wide scale.

Americans should know the people of the Soviet Union—their hopes and fears and the facts of their lives. And citizens of the Soviet Union need to know of America's deep desire for peace and our unwavering attachment to freedom.

Building a More Stable Relationship

As you can see, our talks were wide ranging. And let me, at this point, tell you what we agreed upon and what we didn't.

We remain far apart on a number of issues, as had to be expected. However, we reached agreement on a number of matters, and, as I mentioned, we agreed to continue meeting, and this is important and very good. There's always room for movement, action, and progress when people are talking to each other instead of about each other.

Well, we've concluded a new agreement designed to bring the best of America's artists and academics to the Soviet Union. The exhibits that will be included in this exchange are one of the most effective ways for the average Soviet citizen to learn about our way of life. This agreement will also expand the opportunities for Americans to experience the Soviet people's rich cultural heritage—because their artists and academics will be coming here.

We've also decided to go forward with a number of people-to-people initiatives that will go beyond greater contact, not only between the political leaders of our two countries but our respective students, teachers, and others, as well. We have emphasized youth exchanges. And this will help break down stereotypes, build friendships, and, frankly, provide an alternative to propaganda.

We've agreed to establish a new Soviet consulate in New York and a new American consulate in Kiev. And this will bring a permanent U.S. presence to the Ukraine for the first time in decades.

And we have also, together with the Government of Japan, concluded a Pacific air safety agreement with the Soviet Union. This is designed to set up cooperative measures to improve civil air safety in that region of the Pacific. What happened before must never be allowed to happen there again.

And as a potential way of dealing with the energy needs of the world of the future, we have also advocated international cooperation to explore the feasibility of developing fusion energy.

All of these steps are part of a long-term effort to build a more stable relationship with the Soviet Union. No one ever said it could be easy, but we've come a long way.

Limits and Possibilities

As for Soviet expansionism in a number of regions of the world—while there's little chance of immediate change, we will continue to support the heroic efforts of those who fight for freedom. But we have also agreed to continue—and to intensify—our meetings with the Soviets on this and other regional conflicts and to work toward political solutions.

We know the limits as well as the promise of summit meetings. This is, after all, the 11th summit of the postwar era—and still the differences endure. But we believe continued meetings between the leaders of the United States and the Soviet Union can help bridge those differences.

The fact is, every new day begins with possibilities; it's up to us to fill it with the things that move us toward progress and peace. Hope, therefore, is a realistic attitude—and despair an uninteresting little vice.

And so, was our journey worthwhile?

Well, 30 years ago, when Ike—President Eisenhower—had just returned from a summit in Geneva, he said, "... the wide gulf that separates so far East and West is wide and deep." Well, today, three decades later, that is still true.

But, yes, this meeting was worthwhile for both sides. A new realism spawned the summit; the summit itself was a good start; and now our byword must be: steady as we go.

I am, as you are, impatient for results. But good will and good hopes do not always yield lasting results. And quick fixes don't fix big problems.

Just as we must avoid illusions on our side, so we must dispel them on the Soviet side. I have made it clear to Mr. Gorbachev that we must reduce the mistrust and suspicions between us if we are to do such things as reduce arms, and this will take deeds, not words alone. And I believe he is in agreement.

Where do we go from here? Well, our desire for improved relations is strong. We're ready and eager for step-by-step progress. We know that peace is not just the absence of war. We don't want a phony peace or a frail peace; we didn't go in pursuit of some kind of illusory detente. We can't be satisfied with cosmetic improvements that won't stand the test of time. We want real peace.

As I flew back this evening, I had many thoughts. In just a few days, families across America will gather to celebrate Thanksgiving. And again, as our forefathers who voyaged to America, we traveled to Geneva with peace as our goal and freedom as our guide—for there can be no greater good than the quest for peace and no finer purpose than the preservation of freedom.

It is 350 years since the first Thanksgiving, when Pilgrims and Indians huddled together on the edge of an unknown continent. And now, here we are gathered together on the edge of an unknown future—but, like our forefathers, really not so much afraid, but full of hope and trusting in God, as ever.

---

[1]Broadcast from the studios of the Voice of America (text from Weekly Compilation of Presidential Documents of Nov. 18, 1985).

[2]Text from Weekly Compilation of Presidential Documents of Nov. 18.

[3]Text from Weekly Compilation of Presidential Documents of Nov. 25.

[4]General Secretary Gorbachev spoke in Russian, and his remarks were translated by an interpreter.

[5]Press release 265. ■

Arms Control and Reduction Negotiations

President Reagan's radio address to the nation on November 2, 1985.[1]

Yesterday in Geneva, American negotiators presented to their Soviet counterparts new proposals designed to achieve real reductions in the nuclear arsenals of both the United States and the Soviet Union. My instructions to our negotiators also asked that this round of the negotiations be extended into this coming week so that our team can make a full presentation of our new proposals and so that the Soviets have the opportunity to ask questions about them.

I am very pleased that the Soviet Union has agreed to this extension of the talks. I know you join me in hoping that this will be a productive week in Geneva. Our new proposals address all three areas of these negotiations: strategic nuclear arms, intermediate-range nuclear forces, and defense and space systems. They build upon the concrete reduction proposals American negotiators have had on the table since early in the talks, and they take into account expressed Soviet concerns.

Our objective since the start of the Administration in 1981 has been to achieve real progress in reducing not only nuclear arms but conventional forces and chemical weapons as well. We've been firm and consistent in our arms control approach. Just as important, we have placed great value on maintaining the strength and unity of our alliances and ensuring that the security interests of our allies are enhanced in these negotiations. And we've demonstrated flexibility in taking legitimate Soviet interests into account.

I'm pleased to report to you that our strategy has been working. I believe we've laid the groundwork for productive negotiations in Geneva. The first sign of this was when Soviet Foreign Minister Shevardnadze presented to me at our White House meeting in September a Soviet counteroffer to our own earlier proposals. The Soviet negotiators then presented this in detail in Geneva, and our negotiators and our experts here at home have had a chance to analyze it carefully.

Based on this analysis, I decided upon the new U.S. proposals and instructed our negotiating team to present them in Geneva. Judged against our very careful criteria for reaching sound arms control agreements, we found that the Soviet counterproposal had some flaws and in some ways was one-sided. But as I made clear in my speech to the United Nations, the Soviet move also had certain positive seeds which we wish to nurture.

Our new proposals build upon these positive elements. One of them is the Soviet call for 50% reduction in certain types of nuclear arms. For more than 3 years, we've been proposing a reduction of about half in the strategic ballistic missiles of both sides. We, therefore, have accepted the 50% reduction by the Soviets.

At the same time, we're making it clear that we have a safer and more stable world. And if we're to have that, reductions must be applied to systems which are comparable, and especially to those which would give either side a destabilizing first-strike advantage.

We not only want to bring nuclear arms way down to equal levels in a stable way, we also want to decrease our mutual reliance for security on these extremely destructive offensive arsenals. Thus, we're seeking to discuss at the same time with the Soviets in Geneva how together we can try to help make the world a safer place by relying more on defenses which threaten no one, rather than on these offensive arsenals. Each of us is pursuing research on such defenses, and we need to be talking to each other about it.

I have written to both allied leaders and Soviet General Secretary Gorbachev about our new proposals. And I have informed Mr. Gorbachev how much I am looking forward to our meeting later this month in Geneva. He and I will have a broad agenda at our meeting, one that includes human rights, regional issues, and contacts between our peoples, as well as the Geneva and other arms control negotiations.

If we hope to succeed in our efforts to create a safer world and to bring about a fresh start in the U.S.-Soviet relationship, progress will be needed in all of these areas. And this can only be accomplished if the Soviet leaders share our determination. We're encouraged because after a long wait, legitimate negotiations are underway.

Now, we've had a proposal on the table in Geneva for quite a while. Now the Soviet Union has offered a counterproposal, and we, in turn, have a new proposal now reflecting some of the elements of both of the others. And this is what negotiation is all about.

I can't give you any more details about our new arms control proposals because we have to let the negotiators work this out behind closed doors in Geneva. But I want to leave you with the four key objectives our American negotiators are seeking: deep cuts, no first-strike advantages, defensive research—because defense is much safer than offense—and no cheating.

---

[1]Broadcast from Camp David, Md. (text from Weekly Compilation of Presidential Documents of Nov. 11, 1985). ■

Secretary's Interview on "Meet the Press"

Secretary Shultz was interviewed on NBC-TV's "Meet the Press" on November 24, 1985, by Marvin Kalb, NBC News; John Wallach, Hearst Newspapers; and Robert Novak, syndicated columnist.[1]

Q. Let's start, if you can fill us in, with the latest information on this hijacking. Could you tell us, if you know, how many Americans are on board? Any Americans been killed as yet? What can the United States do about it?

A. The United States is working very closely with other governments—the Governments of Malta, of Egypt, of Greece, of Italy, other governments, to deal with this as expeditiously and firmly as possible.

Terrorists deserve no quarter. Terrorists should have no place to hide. We must stamp out this terrorist activity. These people are not worth the time of day. They're not even people doing what they're doing. So we have an unambiguous, unequivocal attitude toward what's going on.

Now, as far as precisely what the situation is, you've heard your report. The number of Americans on that plane is not exactly certain so I don't want to help the terrorists any by giving a number or giving our estimates, but they are very much in the minority as far as the total passenger list is concerned.

Q. Any Americans been killed so far?

A. It's possible that that is so, but I don't want to make a confirming statement.

Q. The capture of the Egypt airline plane by the United States in the *Achille Lauro* affair was not appreciated by President Mubarak. Does that make it more difficult for the United States now to act in this case?

A. We are working very closely and cooperatively with the Government of Egypt on this case.

Q. On the other hand, there was a lot of speculation by members of your Administration that the triumph in the *Achille Lauro* case would inhibit hijacking. That doesn't seem to be the case, does it?

A. We have another hijacking but that doesn't mean we shouldn't be putting them down firmly, and we'll continue to do it.

This notion that somehow or other if you are firm with hijackers and terrorists, you'll only invoke more terrorists, I reject that totally. And the way to get after these people is to get after them with both barrels.

Q. Do you think that this is any threat to the Mubarak government? Do you think this has any connections in Egyptian politics?

A. I don't have any idea of who these people are and what connections they may have. I do know this: President Mubarak is very—working on this very hard, and we're working cooperatively with him.

Q. You said "both barrels." Is there a possibility that the United States might be involved in the sense of using military action to try to end this hijacking episode?

A. I have no comment to make whatever on precisely what our strategy will be or the strategy of other people will be except to say that no one should give any quarter, no place to hide for these terrorists.

Q. You said "what our strategy will be." This hijacking is already 20 hours in the making. Is there a strategy?

A. Of course.

Q. Is it connected with the Egypt C-130 that's on the runway?

A. It's none of your business at this point.

Q. During your meetings last week, and the President's meetings with Soviet leader Gorbachev, Foreign Minister Shevardnadze, did the question come up of Soviet-American cooperation against international terrorism?

A. We've discussed that subject, but it was not—didn't play any particular part in the Geneva meetings.

Q. Because in Beirut the Russians were also affected by terrorism?

A. That's right, and we saw some impact of that on their attitudes. We are also working with them and others on a possible UN resolution on this subject.

Q. Because the Russians seemed, after the American action in the *Achille Lauro*, to be taking a public position quite different toward American action against terrorism than they had taken in the past.

A. That's correct, and we'd like to encourage that.

Q. After the summit, after all the plaudits for President Reagan, the critics of your foreign policy are saying that the next time, the next summit in Washington can't just be another get-acquainted session. The *New York Times* editorial page—

A. First of all, this was not what I would call, or the implication of a get-acquainted session. This was a session, of course, in which these two leaders got acquainted with each other. They got acquainted in the right way; not talking about the weather in Geneva, but by talking about the difficult, substantive differences there are between our countries, and showing that it is possible for them to disagree about things but also to agree about some things.

Q. Okay. But the *New York Times* editorial page, Senator [Albert] Gore of Tennessee—

A. Never mind about the *New York Times* editorial page.

Q. Let me just ask the question, sir, if I might. They are saying that next time the President must come up—in the next summit in Washington—must bargain, must deal, must come up with an arms control agreement. Don't you have terrific pressure for the next summit to come up with the bacon?

A. We will have the same approach—I'm sure the President will—at the next or any subsequent major meeting that he had in this one. Namely, that if there is an agreement to be found that is in the interests of the United States to make, we're quite ready and anxious to make it. And if there isn't, no amount of deadlining will cause the President to make one, and that's the approach we took this time; that's the approach we'll take the next time, and some agreements were made this time.

Q. If I may return to this hijacking just very briefly. The Libyan Ambassador at Malta has been in touch with the Egyptian revolutionaries who hijacked this airplane.

A. They asked him to come aboard, and he did.

Q. Is there evidence of a Libyan connection to this hijacking?

A. There is a fairly large number of passengers—I think on the order of about 26—who were transit passengers. That is, they came from Libya to Athens, were held in the transit lounge, and then boarded the Egyptian airliner to go to Cairo since there are no direct Libya-to-Cairo flights. Those are two pieces of information, but I don't have a basis of drawing any conclusion from that.

Q. Would it surprise you if there were Libyan involvement, Libyan Government involvement?

A. I don't want to make any statement of implications without knowing what I'm talking about, and what I know is only what I just told you.

Q. The State Department a couple of months ago gave a clean bill of health to the Athens Airport in terms of security. Now, this has originated at the Athens Airport. What does that say about the State Department's report? Has there been further laxness at the airport? What's going on there?

A. A total investigation was made, not by the State Department but by the agencies that work on airports—it falls under the Department of Transportation; we took part in it. And the officials, the Greek officials, really paid attention this time in a way that they hadn't before and brought the Athens Airport security arrangements up to what was seen as a good international standard.

Whether there's been any relaxation since that time, I can't tell you.

Q. But it does show that terrorists can get through these standards that are set up for international airport—

A. It shows that the system in Athens, or perhaps anywhere else, is not perfect.

Actually, just take U.S. airports. We have picked up in the last 10 years or so something like 35,000 pieces of armament through these devices at airports, but that doesn't say that these things are perfect. We know they're not perfect.

Q. I wonder if I could get back to the summit for a minute? I'm confused, and perhaps other people are, too, as to whether the Soviets were informed of the violations that they have made on the SALT (strategic arms limitation talks) II Treaty? It's never been ratified but signed between President Carter and Mr. Brezhnev in 1979?

Were there violations pointed out to them in Geneva?

A. The problem of violations and compliance with treaties was brought out by the President very strongly and firmly in his direct discussions with Mr. Gorbachev, including at the plenary session where I observed them myself.

Q. There was a report that we had agreed in advance and informed the Soviets in advance that we were going to continue observing the unratified treaty even though they violated it. Is that true or false?

A. The report is totally false. What has been said publicly and privately by the President, by me, and by others ever since last June, continues to be the President's policy. Namely, he has decided not to undercut the SALT II Treaty and [is] continuing to review that decision, watching the pattern of Soviet violations, the Geneva negotiations, and other aspects of our relationship with the Soviet Union. The President has it under review; and if he makes a change, that will be announced.

Q. You said a few days ago that the Soviets have done some things on compliance to stop their cheating, their violating. Did Mr. Gorbachev give you any indication in Geneva that they would step up that effort?

A. No. There wasn't that much detail on the discussion. There was a statement about the general problem, and what this does to confidence in arms control.

Q. Do they have to do that now, step up those efforts in order for the President in December to renew the policy of not undercutting the SALT II accord?

A. The President has the question under constant review. He's had a report just 1 week ago from the Defense Department, which will be commented on by everybody.

Q. Don't the Soviets have to do something next? That's what I'm—

A. —and he will be observing and deciding what he wants to do.

Q. I just have a followup on this SALT II. I understand that the nuclear—under the terms of the SALT II agreement, the nuclear submarine *Sam Rayburn* was supposed to be cut up on November 28. I've heard a report that before the summit the cutting-up began and the submarine is now inoperative. Is that true or false?

A. I don't know.

Q. You don't know whether the terms have been carried out?

A. I don't know what is happening to that submarine. I don't keep track of things like that.

Q. Wasn't that a very important decision, whether that was done?

A. It was an important decision to do it; and once the President decides that it will be done and gives that order to the military authorities—

Q. Did he make the decision?

A. —I assume it'll be done.

Q. Has he made that decision?

A. He made a decision last June, which was announced, about—I think it was in June—about that submarine. And once he announces it, as far as I'm concerned that's the end of it, and other people carry it out and I assume they will.

Q. You are always fond of quoting Albert Einstein who said that "With the dawn of the atomic age, everything has changed except the way man thinks."

Do you feel that President Reagan, now that he has met the personification of what he used to call "the evil empire," do you think that his own thinking has in any way been changed?

A. His thinking about the nature and the differences between the two societies—the Soviet society and ours—is as it was, as it must be. The President speaks about realism and about the necessity for realism as we approach our relations with the Soviet Union, and it has been unchanged.

At the same time, the President has had a chance to meet directly with the new Soviet leader, Mr. Gorbachev, and his associates, and have an intense discussion with them. And he's done that because he thinks that with all of our differences and all of our difficulties, nevertheless, here we are two countries that either one of which could blow up the world, and we just have to see if we can't put together a more stable and constructive relationship and that's what he's trying to do.

Q. Talk to us about Afghanistan for a moment. Did you find at the summit that there was any possible give on the Soviet position in the sense of them being willing to agree to some kind of timetable for their withdrawal of forces from Afghanistan in exchange for setting up a neutralist government, or the ending of American aid to the rebels?

A. The President put forward our concerns about Soviet behavior in various regions of the world and the instabilities caused by them, and Afghanistan is certainly a leading example.

The President, as he addressed the subject of arms control, I remember, said that "Nations arm because they distrust each other," not the other way around. Therefore, we need to be sure that we address the reasons why this distrust takes place, and aggressive behavior in various regions of the world is one of the leading causes. And Mr. Gorbachev responded, and I think, in fact, agrees that these kinds of conflicts lie underneath as an important problem.

And so in his responses he talked about Afghanistan, at least to my ear, and we'll have to study the transcripts carefully and see how we can follow up. I thought he had some interesting and a little bit different kinds of things to say.

Q. How interesting? What was interesting about it?

A. I don't want to go into it in detail. I'd like to study it carefully. But the principal thing, of course, is addressing directly the problem of Soviet troops in Afghanistan and their withdrawal. That's the key.

Q. So the idea that a timetable may be implicit in whatever shift there may be in the Soviet position—the acceptance of a timetable?

A. We'll have to see what will take place. There will be a continuation of the U.N.-sponsored Afghanistan negotiations in Geneva, I think in December, and we'll want to see what we can do to support success in those negotiations.

Q. Was there any indication that at those talks the Soviets might be willing to provide for the first time some kind of schedule for withdrawals?

A. I thought there was some indication of it, but we'll just have to see. The principal thing is that Mr. Gorbachev and President Reagan both talked about the importance of political solutions to these problems.

Q. Twice since the summit, President Reagan has talked about our commitment, the U.S. commitment to supporting freedom fighters around the world. Is it now the U.S. policy to give support to Jonas Savimbi in Angola?

A. This is a subject that's been discussed a great deal, and what I can say is this: First of all, we support the freedom fighting of Jonas Savimbi and UNITA.

Second, we want to support their efforts in a way that's effective.

Third, as in other areas, we believe that if there can be a political solution, a negotiated solution to the problems of Angola as well as the problem of Namibia, linked as it is to the difficulties in southern Africa generally and in South Africa, that's the way to go, and we're trying to do that.

Q. Would you still take the position that you made in your letter to Minority Leader [Robert] Michel in the House of Representatives that the Congress should not vote funds for Mr. Savimbi because it might undercut those negotiations?

A. That's not the basis for my position, that the Congress should not vote for open aid to Savimbi. And I can tell you that among those who have thought carefully about this problem and are very knowledgeable, I don't know of anybody who disagrees with that.

Q. What about—just to finish that up, will you then oppose the Claude Pepper—Congressman Claude Pepper, Florida, legislation to that end? Would the Administration ask Congress not to pass it?

A. Yes.

Q. What is Mr. Gorbachev supposed to think if within 2 or 3 days after the summit, the proclamation of new understandings of each other, the President of the United States says outright that he is prepared to give money for what amounts to the overthrow of an established government in Angola, and that government is supported by the Russians?

A. He is supposed to think that the United States will support people who fight for freedom, and we will try to figure out how to support them in a way that will be effective and I hope he has that message, and I'm sure he does.

Q. If the Soviets do something to move toward withdrawal in Afghanistan, would that help shape American attitudes toward Soviet participation in other parts of the world, particularly the Middle East?

A. I think a constructive pattern in these regional areas would be a great contribution to stability throughout the world. Everybody would welcome it.

Now, as far as the Middle East is concerned, to have a ticket of admission, at least a country ought to have diplomatic relationships with Israel; at least it ought to address the way it treats Jews within its own country; at least it ought to take a look at the problem of people who want to emigrate from the Soviet Union, so these are some of the things.

Q. On that subject, the President said a couple of days ago he did not raise individual cases with Secretary Gorbachev, just types of cases. What does that mean?

A. The President had a lengthy and intense discussion of what we think of as the human rights question with General Secretary Gorbachev, and he feels that—once again, the best way to be effective is to let people know that he is concerned and not to go further into it.

Q. Can we then expect a continuation of the mode of detente of several years ago where we do not—the United States Government does not publicly criticize the Soviet Union for human rights violations?

A. We have been very clear, and I have—if you read the speech I gave in Helsinki last July, you'll see it spelled out in great detail. Now, our concern about human rights is fundamental. The nature of our societies differ greatly and this is the essence of the difference.

[1]Press release 269 of Nov. 24, 1985. ■

Secretary's Interview on "This Week With David Brinkley"

Secretary Shultz was interviewed on ABC-TV's "This Week With David Brinkley" on November 17, 1985, by David Brinkley and Sam Donaldson, ABC News, and George F. Will, ABC News analyst.[1]

Q. Mr. Reagan will meet Mr. Gorbachev during the coming days. You have already met him. You've already spent some hours with him, talking and, I gather, doing a little arguing. Tell us about it, will you—about him and about your meeting, what you think of him?

A. Our meeting was a strong conversation, and I thought he was very direct

about what he wanted to say, and so was I. It went on a long time. There were—the kind of conversation where you interrupt back and forth, and I thought it was a worthwhile exchange. I was glad to have had it.

Q. Did anything he said surprise you?

A. Not really, although it's always surprising, I suppose, to hear your country described in a way that you don't think conforms to the reality.

Q. On the subject of SALT [strategic arms limitation talks] II, on June 10 the President said we would continue the no-undercut policy, but we're looking for improved compliance from the Soviet Union. That's 5 months ago now, plus some. Has there been any improved compliance?

A. There have been some things take place by way of Soviet activities. However, the President's position remains exactly as it was then. His policy is that he will maintain interim restraint under the SALT II agreement, observing Soviet behavior, including what progress there may or may not be in the negotiations on arms control.

Q. But since June 10, the Federal Government has made a pronounced statement about the deployment of mobile missiles. That would seem to imply that their compliance is worse now than it was in June.

A. The deployment of a second missile is a violation of SALT II, in our opinion, and I think it's a pretty open-and-shut case myself. It's not a modernization of an existing missile.

Q. But you'll have a—

A. There isn't a prohibition on mobile missiles, although we think that mobile missiles should be prohibited because they give you a very tough verification problem, particularly if they can roam around throughout the vast regions of the Soviet Union.

Q. Are you looking for some satisfaction here in Geneva on compliance, such as on the SS-25?

A. It's certainly going to come up. The subject of compliance and verification will be one of the things the President will want to talk about.

Q. And what if he says, "Nonsense, it's not a violation." You say it's clear-cut. Then what? Do you turn around to the President and say it's time to abandon the no-undercut policy?

A. The President will have an exchange here. He is observing. He got a report from the Secretary of Defense. It will be discussed. And after the President takes into consideration all of the things that come to him, he'll make up his mind.

Q. Secretary Weinberger's letter to the President, as we all know now—it was leaked to the press—urged the President to hang tough, not make a deal here in Geneva on extending the provisions of SALT II.

One, are you saying he won't make such a deal here? And, two, you've just heard a Soviet official say that he thought you were offended that that letter was leaked. It was not helpful. Is that correct?

A. I have no sense of offense. I think so much leaks in Washington these days that what does offend me is the lack of discipline in the government in that so much and many damaging things do leak, and this is just a relatively minor example.

Q. All right. Now, are you then ruling out the possibility that if Mr. Gorbachev says, "Let's make a deal and extend SALT II," Mr. Reagan won't say, "All right."

A. The President will decide what he's going to decide, and I'm not going to try to prejudge what he will do.

Q. If I may just be clear on this, then you are not foreclosing the possibility that we could come out of this Geneva summit with both sides having agreed to extend for another year, at the end of this year, the provisions of SALT II?

A. I'm not foreclosing it, but I think it is not very likely. At any rate, the President's position I described, and when he decides to change it, one way or another, you'll know about it.

Q. Let me ask another question about the possibility of guidelines to help the arms negotiators in the coming round.

A. Right.

Q. You said the other day it was possible, but not probable. Have you raised that estimate a little bit now?

A. Not particularly. I don't have any information I didn't have the other day, but there are some things that their proposals and our proposals have at least in a rough way in common. And it may be possible that something can be drawn up that's useful; but, as I said before, it's possible but not probable.

Q. One of the many leaks in Washington recently is that some people in the government want the United States to make a pledge that in the next 5 years it will not exercise its option to give a 1-year notice for withdrawal from the ABM [Antiballistic Missile] Treaty. Is that part of your agenda?

A. I haven't heard that particular—I haven't run across that particular leak, but then there are so many I can't keep up with them. [Laughter]

Q. Could we ask which Gorbachev is the one that you think is controlling on basic research on SDI [Strategic Defense Initiative]? We've just heard a top Soviet scientist say that the policy is as described in the *Time* magazine interview, and there Mr. Gorbachev seemed to say research is all right.

But it was my understanding that he told you directly in Moscow that research was not all right. How do you see it?

A. He basically expresses himself against strategic defense, and in our conversation in Moscow we didn't try to define in a very precise way what that might mean.

The fact of the matter is that the Soviet Union is doing a great deal of research on this subject, and it isn't all just what somebody might write down on a blackboard, because you can see large buildings and you can notice that lots of people are working there, and things like that. So it isn't just purely laboratory.

Q. Do you sense that perhaps at this summit, if Gorbachev gives a little and the President is able to accommodate a little bit, you might be able to remove this obstacle of SDI from an ability to go forward in arms reduction?

A. The President is determined to find the answer to the question, "Is it possible to construct a shield that will protect us in some measure against ballistic missiles?" And we have a program that's designed and in operation, and, so far as I can tell, we believe that program will give us an answer to that question. And there is no way the President can be persuaded not to continue seeking that answer.

And I might say further, there is no one in the group of people that are advising the President who believes that he should do anything except continue to find that answer.

Q. Let me fix upon three words: "In some measure." You said it's possible to have a successful SDI "in some measure." Most people, I think, would concede already that there's some form of strategic defense for knocking down some incoming missiles or warheads, so you have the answer already, don't you?

A. It depends. I think some judge it by whether or not an impenetrable shield can be constructed. That's a way-out test.

Q. But you were suggesting that in some measure—

A. I qualified that deliberately, because I think that if, with a layered defense, with each layer only very moderately successful—that is, say only 20% successful—by the time you go through four layers, you take out enough incoming missiles to make a large difference about cutting down your opponent's first-strike capability, and that is very worthwhile.

Q. Almost every point of discussion between us and the Soviet Union in our preliminary meetings, including yours in Moscow, has been resisted. So tell me what—

A. Has been what?

Q. Has been resisted. Everyone's position has been pretty much frozen.

A. That's not the case at all.

Q. That's what has seemed to us. Who has thawed?

A. There has been discussion of a lot of things that probably you would classify of a lesser nature, but which have had a lot of back and forth, give and take, and considerable progress made. And it may be that the discussions will be completed by the time our leaders meet.

Q. Those are discussions we haven't heard about yet, so we look forward to them. In the meantime, I wanted to ask you, what do you think might reasonably be expected to happen here that would justify calling it a successful summit?

A. These two men are going to meet, and I think to a certain extent it's going to be a very personal thing, although they're certainly going to be supported by plenty of advisers on both sides. And if out of this meeting can come a clearer understanding of what is troubling each side, with some way shown where we might make a little progress on some of the most difficult issues—personally I think those are, from our standpoint, the Soviet aggression in many parts of the world, and I think the problems that human beings in the Soviet Union have, the lack of ability to emigrate, and so on—those are the deepest and most difficult issues that show the differences between our societies, but we'll want to talk about them. Of course, the problems of growing armaments, huge nuclear arsenals that we both have, are big problems; and the President would like to see some way of getting them down and getting them under control, and I think we all would. And if progress can be made on that in any manner, I think it will be a success.

Q. On one point: You mentioned their aggression. This is a rumor, as far as I know. Have you heard that they are looking around for some convenient way to get out of Afghanistan?

A. I read that all the time—

Q. So do I.

A. —that the Soviets say that, and I try to probe into it whenever I have the opportunity, and I've had quite a few opportunities in the last 4 or 5 months, and I don't get any sense that it's there. But we're certainly prepared to try to be helpful on that, and there are negotiations going on, conducted by the United Nations, and we'd like nothing better than to see them succeed.

Q. What do you make of this news conference they held here in Geneva yesterday, in which Soviet officials said that their losses had been mounting and they really wanted to try to find some way to negotiate a settlement there? Was that just propaganda to try to make them look more peace-loving than they are?

A. I think that if they want some way, it's easy to find it. There has been negotiation in Geneva under the auspices of the United Nations, and some things have been worked out. The big thing that has not been worked out is really to come to grips with Soviet troop withdrawal.

Until you have a commitment for Soviet troop withdrawal over a relatively short span of time, none of the other things necessary for a settlement can come into effect.

Q. Maybe you don't put much stock in what they said yesterday?

A. I didn't say that. I think if they're looking for a means, the means is there. And insofar as the attitude of the United States is concerned, if there are some aspects of this that we can contribute to, we'll be glad to do it.

The President set out a kind of program or process in his speech to the United Nations that the Afghanistan situation could fit into as well as others.

Q. About 6 weeks ago on this show, Bud McFarlane said human rights would be the lead item on the agenda at the summit for the United States.

I'd like to ask you about the mechanics of how this gets raised. The United States' position is that the Soviet Union is comprehensibly violating its obligations under the Helsinki agreement. But it seems that to comply with those terms of the agreement, it would have to dismantle its entire domestic structure of repression.

You go into a meeting, and you say, "Why don't you cut this out?" And they say, "It's none of your business. It's an internal affair, and we're complying with the obligations." What's the next question? How do you continue a discussion?

A. Actually, there has been some shift—at least it seems to me, in responses on this question over the period of time that I've been discussing it with Soviet officials—from a posture of, "This is not anything we're willing to discuss," to a posture of saying, "There's certain categories of cases that are legitimate, and we're willing to discuss them, and we're willing to do something about them if our security problems are not violated."

There are others they're not willing to discuss, and now there is the added element of accusations about our human rights problems.

Now, if what comes out of it is sort of a joint investigation about human rights problems, we'll welcome that. But what the President, I'm sure, intends to do is to try to talk in a way to Mr. Gorbachev that will lead him to understand why it is that we're so concerned about this problem.

Q. One of the possible agreements that's talked about is one in which the two sides agree to work against the spread of chemical weapons. Since the Soviet Union is using chemical weapons, according to the U.S. position, wouldn't that be the thing to go after, not some rather innocuous measure on the spread?

A. I think there are many things that should be gone after. We have tabled a comprehensive chemical weapons ban on production and use, in Geneva, and we think that ought to be

pursued. Obviously, use of chemical weapons is deplorable. It's also true that chemical weapons are spreading, and I think the proliferation of them represents one of the biggest problems we face, and I think they see that, too.

Q. Will there be a joint communique at the end of the summit?

A. It remains to be seen what will be the way of reporting the meeting.

Q. How do you have a joint communique with both sides talking, for example, about terrorism, which we say they fund and finance and organize, and both sides talking about chemical warfare, which we say they're committing, how do you have a joint statement on these subjects without us sort of papering over differences and relinquishing principles?

A. You'll have to wait and see how the meeting is reported, and I don't think Ronald Reagan is likely to paper over principles.

Q. We understand that earlier today you met with the U.S. Ambassador to Lebanon, Reginald Bartholomew. Did he give you any progress report that was hopeful concerning Terry Waite's mission there or the possible release of our hostages there?

A. He told me that there seems to be more pressure on the situation right now, and we will, of course, work with it to the best of our ability because we want to get those people back, and it's long overdue. And I asked Reg to come up and talk a little bit, because we had a sense of some motion, and I just wanted to talk to him firsthand.

[1]Broadcast via satellite from Geneva, Switzerland. Press release 263 of Nov. 18, 1985. ■

News Conference of November 14

Secretary Shultz held a news conference at the Old Executive Office Building on November 14, 1985.[1]

Q. What do you think is going to come out of the summit? Will there be any kind of strong agreements, any agreements at all?

A. Pretty soon we won't have to speculate any more, so that will be a relief for everyone.

Q. Is that your answer?

A. But I think that—well, there will be some things of a significant but not major sort that will be agreed on. We know that. On the other hand, the main point of the meeting is to have a good, thorough exchange between the heads of these two great countries, and that will take place. And we can hope, perhaps even expect, that it will be a fruitful exchange and worthy of continuance.

Q. Can we hope, perhaps even expect, that there will be some guidance on arms control? That there will be a little more out of this than you've led us to believe so far?

A. Whether on arms control you're referring to the space defense talks—there are lots of other arms control areas where progress and movement toward agreement varies from one to the other—but on the nuclear and space talks, there now has been a U.S. proposal, a Soviet counterproposal, a U.S. counter-counterproposal, and some interesting numbers have emerged from that. And if there can be some impulse to the negotiators out of this meeting, that will be all to the good. But I think we have to wait and see, and there isn't any way of predicting that at this point. Or, in other words, there has been nothing negotiated out that would suggest that we're somewhere near that point.

Q. What does it depend on?

A. I suppose it depends on whether or not the Soviet Union will see the light and see the reasonableness of our positions.

Q. The Soviets have been in Geneva all week briefing foreign press. They have been holding news conferences, going on television, the Ambassador's speaking later today.

What effect do you think all of this Soviet publicity had on expectations of the summit and on the U.S. bargaining positions?

A. You're a better judge of the publicity side than I am. From our standpoint, we're very serious about this meeting and about the other things that we're talking about in various other fora with the Soviet Union. We're trying to approach them all in a constructive way. We try to make our proposals at the place which is designated for them, and, on the whole, I think that's generally appreciated.

Q. Do you think it puts us in any way on the defensive in the case of world opinion, or a little bit on the defensive?

A. I don't feel particularly defensive, no. We have stated our positions. We are available to the press. But we don't have to go running all over the place buttonholing the place. So there's nothing wrong with that, and if they want to make themselves available, I think that's fine.

Actually, I think that the notion that there is public opinion out there, including American public opinion, perhaps especially American opinion, is a good perception. It has always seemed to me that when you have to appeal to the common sense of the American people, it's a good thing for you. So if the Soviet Union starts to feel that way, that's good.

Q. In line with that answer, do you see any value, then, perhaps in a joint appearance or joint press conference of the kind that General Secretary Gorbachev had with the French President in Geneva?

A. There will need to be worked out—and we're in the process of doing it—a way of reporting the results of the meeting, and just exactly how that will emerge remains to be seen. Obviously, you report to people in each country, and you report to people all around the world who are interested, and you do it through the press to a very considerable extent, and so we're trying to figure out what the best way is. But I don't think it's necessarily the best way to have two heads of state standing in front of I don't know how many thousand reporters fielding whatever question comes along. But, at any rate, that subject is under review by the two sides.

Q. You wouldn't discount the possibility of some kind of limited or controlled joint appearance before some group of press? You wouldn't rule that out at this point?

A. I don't like words like "controlled," and that's your word, not my word.

Q. Whatever.

A. But, at any rate, there will be a way of reporting the results of the meeting. No doubt many ways. As you know, among other things, the President intends to go to Brussels and give a report to our allies. Our allies in Europe and in the Pacific region, Japan,

are very important to us. Their contribution to the strength of our ideals and posture is very great, so we'll be reporting to them. And then the President, of course, will report to the American people and the Congress.

Q. What are the prospects now for some kind of guidelines on arms control being reached at the summit? We've had some hopeful signs from Paul Nitze, some not so hopeful signs from others. I'm wondering what you can tell us at this point.

A. It's possible, but not probable. And if you were in a statistical frame of mind, or if Jimmy the Greek were here, and we were talking with Jimmy the Greek, I suppose maybe the probabilities would be somewhere between .2 and .4.

Q. Apart from your hopes or anybody else's hopes, what do you think in a hardheaded way Gorbachev really wants to get out of this meeting? Another official of this Administration suggested it was to get a unilateral advantage for Soviet interests abroad. What do you think?

A. You have to ask Mr. Gorbachev what he wants to get out of the meeting. I think you can absolutely assume that he will pursue Soviet interests, and you can also assume that Ronald Reagan will pursue U.S. and alliance interests. And our objective is to see if there are places where the intersection of that pursuit of these interests comes together enough so that either some things can be agreed on that seem to be in mutual interests, or an atmosphere or some sort of thrust toward doing that in some other fora can be created there. That's the name of the game.

Q. But you must have some assessment as to whether Gorbachev genuinely wants to see if there aren't these areas where the mutual interests can prevail, or whether in fact he simply wants to come to Geneva to push unilaterally the Soviet interests and go away with some sort of hardnosed propaganda stand.

A. The game seems to be played on a propaganda level and on a substantive level, and there's an interplay between these things. And to the extent you remove a word like "propaganda" from the lingo and just talk about it in terms of appealing to the common sense of people in respective countries, it's good.

Now, I can't—I'm no authority on the way in which Mr. Gorbachev is approaching the meeting. I talked with him at some length and found him a very vigorous interlocutor. We had what I considered to be a worthwhile exchange, and there was no holding back on either side.

And I think that kind of exchange is positive. That's the way you find out what's on somebody else's mind and what's important to him. That's the name of the game here.

Q. When you had that session with him, he was pretty tough from what we were told later, at one point accusing the United States of carrying the war to the heavens, speaking of Star Wars, or SDI [Strategic Defense Initiative].

What happens in Geneva if Mr. Gorbachev comes in and makes an American concession on SDI the absolute prerequisite for any kind of joint statement or any kind of progress coming out of the summit?

A. I'm not going to speculate on what he may or may not do there, but if it's a question of good, strong advocacy of positions, Ronald Reagan is no slouch at that, as everybody has learned. And he will put forward U.S. positions and allied positions very strongly. There is strength of conviction. There is strength of purpose. There is inherent capability of ourselves and our alliance, and there's also reasonableness. So that's what Ronald Reagan will project: strength and reasonableness, and we'll see where we go from there.

Q. If you have that kind of a clash, could the summit not fail?

A. We will undoubtedly have important differences of opinion. Going into this meeting, we know we do, and I don't have any doubt whatever that when the meeting ends, there will still be important differences of opinion.

The question is whether they will be narrowed at all, whether some things can emerge that will be on the positive side, and whether the differences are highlighted in a useful way, and whether there's any sense of an agenda for the future. Those are the kinds of questions, and a lot of it will depend on the meeting between these two individuals.

At least as I see it, those of us who are scurrying around in the woodwork like me and trying to get things prepared have worked at it. We've worked very hard at it, and the President's worked very hard at it. It's been a good preparatory effort. And my observation is that the same can be said on the Soviet side, and we've had a lot of discussions together. And now all of that has been laid in, and we're moving to a different stage of this in which the two leaders take over, and it's their meeting. And we can all—I'll be a spectator, and a little closer than you, and I hope it works out.

Q. As a prelude to the summit, there's a report that the Soviets offered a first slice cut of 200 land-based missiles on either side in your meeting in Moscow.

One, is it true; and, two, is this acceptable?

A. The Soviets in their counterproposal last October, whenever it was, put out a broad range of things, and one of them did have to do with a small reduction of the kind you described. It wasn't discussed at all in my meetings in Moscow.

And, of course, we consider all of the things that have been proposed. There are some obvious problems with small, absolute-number reductions. When you start from inequitable levels, if you go down absolutely, you don't get to an equitable end point. Furthermore, small reductions usually get made from systems that are not that meaningful anyway. But, at any rate, it was put on the table, and I don't think it's any big deal.

Q. When you went to Moscow, it seemed that the United States had greater expectations than you had when you left Moscow.

A. No. I don't know what it seemed, but if you say, did I have greater expectations before I went than after, the answer is no.

Q. But in your talk with Mr. Gorbachev, in the *Time* interview, for instance, I mean, he seemed to indicate that he would accept research. The Soviets seemed to go back on that during your meeting in Moscow and questioned it. Why—

A. There are—you can quote Soviet leaders in varying ways on the question of research. They have said right along that, however you want to define it, pure research, obviously, can't be dealt with in any kind of agreement. And then what exactly that means one can argue about.

But from our standpoint, we are pursuing a research program designed to answer the question, "Can you defend yourself at all adequately against ballistic missiles?" That program is going forward in a manner consistent with the ABM [Antiballistic Missile] Treaty, in fact, consistent with what is generally

regarded as a relatively narrow interpretation of that treaty, and we feel that it is possible to find the answer one way or another on the basis of that process.

So what we're doing is consistent with the obligations that have been undertaken, and the President will continue to pursue that program.

Q. It has been suggested that you and other Administration officials are playing an expectations game and purposely low-balling chances for success at the summit so that if it is a failure, it won't seem so, or if you get little successes, they will seem big successes. Are you playing that kind of game?

A. No. [Laughter] I tell you, I gave a press conference in Moscow after my meetings, and the writeups of the press conference were all that somehow it was a big downer. So I was surprised. So I went to my counselor on these matters, Bernie Kalb—where is Bernie? There he is. I said, "Bernie, what kind of a story would you have written?" He said, "Oh, I probably would have written it about the way the guys said." [Laughter] But that was not intentional. [Laughter]

Q. The guy's had a little help.

A. Sometime I'll speak prose and won't know it. [Laughter]

Q. Now that you've had a chance to see Mr. Gorbachev close up and since you've worked many times with the President, how do you think these two men will get on in their talks, and do you think that there is a reasonable chance that in their private discussions, they might be able to reach a new understanding or any breakthrough, where their diplomats so far have failed?

A. I'm going to be fascinated to watch and see what the answer to that question is, and we're not going to have to wait much longer. But they are both, I would say, strong, engaging personalities. So we'll just see what happens.

Q. In all of this pre-summit activity, people on the left seem to be concerned that the President is going to abandon arms control concerns, while people on the right seem to be concerned that he's going to sell out human rights concerns. Is the President going to be equally emphatic on all of those areas?

A. We have said consistently, going way back to the beginning of this Administration, and set it out painstakingly, that our agenda and our concerns are broad. We have great concerns about Soviet behavior in various regions of the world. I think it's worth noting that in the United Nations yesterday there was a vote about Afghanistan by the widest margin ever, so we think that world opinion shares the concerns we have about Afghanistan, and so on. Regional issues—that's a big problem. It must be talked about, and it will be, and the Soviets are prepared to talk about it.

The problem of human rights: We are deeply concerned about that. We must be. It's part of our way of life. It's part of our tradition. Emigration—we're a nation of immigrants. We've got to think that it should be okay for people if they want to leave and go some place else, to do so. That's what we all did, or our forefathers did. The Helsinki accords, we believe, give a proper basis for discussing these things.

So these matters will be talked about and always will be. Now, there's always a question of what's the best way to do it. Now, there are a number of bilateral questions, and to some extent these are a little more readily resolved.

Because they're more readily resolved, you shouldn't get the feeling, or we shouldn't get the feeling that they're not important, because they can over a period of time add up to something that can help a little bit in atmospherics and maybe help in settling things that are broader and deeper and more difficult. And then, of course, there are the subjects of arms control.

And while, obviously, the nuclear and space talks are at the center of attention and properly so, there are a number of other arms control issues that we are concerned about, and they are, and there are places where we are in an official way discussing various issues with them, and all of these things will come up.

So the agenda at this meeting will be a broad agenda. That doesn't mean that there are going to be so many tick points to get across on each subject. I don't think that's in the nature of a heads of state meeting. But, nevertheless, all of these things will be discussed, and none will be dropped off the table as far as we're concerned.

Q. Since you talked about regional issues, and since—

A. Since I talked about what?

Q. Regional issues.

A. Yes.

Q. And since Richard Murphy is accompanying you to Geneva, are we to expect a major breakthrough regarding the international conference on Middle East, especially while Mr. Peres is now talking about international context, and so on?

A. I would be very much surprised if there were any breakthrough on an international conference in the Middle East. However, we will talk about regional issues, and certainly the Middle East is one of them that both countries have a major interest in.

I would remind you that the Middle East is a place that contains many difficulties, and one of them involves Iran and Iraq. That is a war that deserves attention, and that's a war that's been very deadly, where chemical weapons have been used, where there doesn't seem to be any outcome in prospect, and which is not in any inherent way a product of conflict between the United States and the Soviet Union. And I would hope that we might be able to talk about it constructively, but that again remains to be seen. But the regional issues will get plenty of attention.

Q. Going back to your bookmaker, Jimmy the Greek, would you spell out for us, as you did on the arms control question, what the odds would be for agreement on specific issues such as cultural exchange, civil aviation agreement, Pacific air safety agreement, chemical weapons, and so on? [Laughter] Would you give the same odds?

Q. Give us the morning line. [Laughter]

A. No. I don't think I want to get into the morning line across the board. [Laughter]

Q. What does 3—2—what does .2 mean?

A. Didn't you ever study statistics?

Q. No, I didn't.

A. Gosh, you're uneducated. [Laughter]

Q. Give us a feeling, please, how close you are—

A. Two chances out of ten—point 2.

Q. Give us a feeling of how close you are on those kinds of bilateral issues as opposed to the arms control issues that you discussed earlier.

A. There are some things that I think have some real significance, where I think we're pretty well there. There

are other things which are being worked on very hard, and which may very well get agreed to, and so there's a variation. So I could give you .95 on some. How's that? You got that? [Laughter] And others may be—[Laughter] So there's a range of probabilities here, but there will definitely be some things that have been agreed to.

Q. On SALT [strategic arms limitation talks] II, the Soviets are reported to be rather interested in continuing the no-undercut policy after the end of the year when the treaty under its terms would have expired. President Reagan in June said that we would continue under certain conditions for a time which wasn't specified.

What is the U.S. position regarding the extension of SALT II, no-undercut policy after December 31st, and do you think that it is possible, even likely, that the two leaders will be able to reach some agreement on this subject in Geneva?

A. The President's position on that is exactly as he stated it last June. He said then that he was going the extra mile. We broke up the boat, and he said that he would continue, and what he would be watching was parallel Soviet behavior, on the one hand, and progress in negotiations on the other. That was his position then, and that's his position right now. There hasn't been any change in it.

Q. Does December 31st make any difference to the United States?

A. I just simply said that the President's position now is exactly what it was then. There hasn't been any change in it.

Q. How about the—

A. That's all I'm going to say on the subject.

Q. But to follow that, if the President's position was also to study behavior of Soviet responses, and—

A. Yes, I said that.

Q. —if there is no satisfaction of the U.S. complaint about verification at the summit, would that then be a logical time for the President to reconsider and analyze again the prospects and consider proportional responses?

A. The President's position today is the same as it was then, and he's watching all these things, and if it changes, you'll be the first to know.

Q. [Inaudible]

A. And I'm sure that's true. [Laughter] And I don't mean you, I mean *you*. [Laughter]

Q. What is the prospect of a joint reaffirmation toward the ABM Treaty, and what would make it easy or difficult?

A. As far as we are concerned, we are adhering to the ABM Treaty, so we don't need to reaffirm it; we are adhering to it.

Q. Either in statistical terms or otherwise, could you give us your estimate of where we are toward an agreement for a second summit?

A. We have agreed with the Soviets that one of the things that ought to get a little reflection is the agenda for the future: Where do we go from mid-November—there's life after mid-November, and how are we going to get there? So the question of both substance and the means of talking about substance, namely, meetings of one kind or another, including heads of state, will be, I'm sure, dealt with. And precisely what the outcome of the discussion will be, I can't tell you at this point.

Q. Would you assess what impact, if any, these recent events will have on the talks, the events including the sailor who jumped in the Mississippi River and Mr. Yurchenko's return to the Soviet Union?

A. As far as the sailor is concerned, and for that matter the soldier who came into our Embassy in Kabul, the Soviet Union in our presence made certain undertakings to those two individuals, and so I think we're entitled to ask, "How are they doing?"

As far as the defector/redefector is concerned, he seems to be singing in Moscow as he sang here, and I don't think anybody takes seriously these things that he's now saying. So I don't see that it has any particular effect as far as we're concerned.

Q. If there is less hope now that there will be an arms reduction agreement, does that give the United States a greater interest in reaching agreements on confidence-building measures such as perhaps joint crisis centers or joint military command centers?

A. I don't know where the notion comes from that there's less hope now. Less hope than when? Actually, I think what has happened is a quickening of the pace of negotiations insofar as the nuclear and space talks are concerned.

Early last January we agreed to hold the talks. They got under way in the spring. We put a comprehensive set of proposals on the table, that sat there and got discussed through basically two rounds of negotiations. Then the Soviet Union came in with a counterproposal, and we came very promptly back with a counter-counterproposal. And in our counter-counterproposal, we picked up some of the ideas that were in the Soviet counterproposal. So that's, I think, a quickening of the pace, so I don't see where you get the "less hope."

There is—I think there is more taking place, but insofar as, "Will there be an agreement, when will it be," and so on, I think at least my basic rule is you don't have an agreement until you've got an agreement, and we're nowhere near that point at this stage of the game.

Q. How would you assess the Pentagon report on SALT violations? Have you seen it? Do you find it disquieting, and will it be brought up at this summit?

A. I think the problem of violations of agreements is a matter of tremendous moment, and it highlights the importance of that subject, and it highlights the importance of adequate means for verification, and that subject, verification, is very much a part of any discussions we have on subjects in the field of arms control or otherwise. So I think the Pentagon report underlines that—the importance of that subject and puts an exclamation point behind it.

---

[1]Press release 262 of Nov. 15, 1985. ■

Secretary's Interview on "Face the Nation"

Secretary Shultz was interviewed on CBS-TV's "Face the Nation" on November 10, 1985, by Lesley Stahl and Terrence Smith, CBS News.[1]

Q. As we all know, that ship with the Soviet sailor Medvid has now sailed, or is sailing, out of U.S. waters. Why did the Administration not seek to question the sailor one more time, once we knew that he had tried to commit suicide and that there were questions about his sincerity in not wanting to defect?

A. We went aboard that ship, after he was mistakenly returned to it, and insisted that he be taken off the ship, that it wasn't sufficient to interview him aboard; brought him onto a Coast Guard cutter; when he appeared to be sick, brought him ashore into a naval facility, and after he had had a good long sleep, questioned him intensively in the presence of a doctor, with a medical examination, a psychiatric examination, and repeatedly talked to him about his wishes. Well, all the people who were there are satisfied that he was perfectly in control of himself and able to make a decision, which he repeatedly stated, that he wished to go back.

Q. But during this time—

A. Why did he jump ship? Well, it would look as though he decided somehow that he wanted to come to the United States, and after he was subjected to whatever he was subjected to aboard that ship, he changed his mind.

Q. Who made—

A. In the interview in the psychiatrist's report, which is quite interesting to read, he repeatedly referred to "Mama and Papa," and he talked about life. So I have no basis for being explicit about what threats may have been suggested to him, but it's clear that he had his mother and father on his mind and, all things considered, decided what he wanted to do. And that was done very carefully, very intensively and properly, and we insisted on doing it.

Q. You know there was a published report this week that the United States intercepted an instruction from the Soviet Embassy here in Washington to that ship to drug Medvid, which certainly would have affected and changed his view. Is that true? Can you confirm that story?

A. I can't confirm that story, but I can say that when we insisted that he come off the ship, he was ill; and that's why we didn't just do the interview on the Coast Guard cutter. He was brought ashore, allowed to sleep, examined by a doctor, examined by a psychiatrist, and carefully—this was all very carefully done.

Q. Did you explain all of this to Senator Jesse Helms and the other members of the Agriculture Committee? And if not, why do you think they kept pressing for a second interview?

A. All of this has been explained very carefully, and why other people do whatever they do, I don't know. But I think, from the standpoint of what we did in the Department of State, we did a very careful job of seeing to it that this young man had every opportunity, in an environment where it was clear to him that if he decided he wanted to stay in the United States, he could do so, to make that decision.

Q. Was it the President's decision not to intercept the ship and take him off for another interview?

A. It was the consensus of all the people working on this—and in the end, it's a Justice Department matter what to do—but all the people, Departments of Transportation, Justice, State, and so on, agreed that there was no legal basis to hold the ship.

Q. The President himself raised the possibility that there might be some link or connection between this case, the redefection of Mr. Yurchenko, the KGB agent, and even the Soviet soldier in Kabul, some sort of deliberate "ploy," in his words, as pre-summit theatrics. Is that the way it seems to you?

A. I suppose it's possible, but I don't think we can say that it is with any kind of assurance.

Q. Do you think he was a plant, or do you think that he had a midlife crisis, as some people are suggesting, and got depressed and—

A. You mean the spy, now you're talking about, not Medvid?

Q. We're talking about Mr. Yurchenko, who redefected—

A. Yes, right.

Q. —and whether he was mishandled by his debriefers. Which side do you come down on?

A. I think he was a—he is a high person in the Soviet KGB, and my opinion is that he defected and, for some reason or another, changed his mind.

Q. Was the information he gave the CIA [Central Intelligence Agency] golden, or was it, as some people suggest, "chicken feed?"

A. I'm not going to comment on what he provided for us.

Q. What about the other side of that? What did he learn while he was here? Did he learn important things about our debriefing techniques or any other aspect about the way the CIA works that he can now take back to Moscow?

A. Obviously, he knows how he was handled because he was there, but he was not given any U.S. secrets at all.

Q. Why do you think the Soviets paraded him out and made this such a public thing? They very easily could have sort of hustled him back to Moscow and not made it so public. Do you think that they were trying to chill the atmosphere before the summit, or what's your theory?

A. Again, it's hard for me to know why they do the things they do, but I suppose they wanted to dramatize his redefection, since it has been dramatized that he had defected. Of course, what he said was just a packet of lies. He was not kidnapped; he was not drugged or any of those things, and I know nobody takes it seriously at all.

Q. We had another rather poignant story in the news this week with the hostages, the American hostages being held in Lebanon—

A. Yes, that is a—

Q. —sending a letter to the President and others describing their situation. Let me ask you this very quickly: If quiet diplomacy, as they say, is not working, and if the Administration says it can't negotiate on a thing like this, what do we do now? Is there any middle ground here?

A. We keep talking to those—trying to talk directly or indirectly—to those who are holding these innocent Americans—

Q. Do you know who they are?

A. —and to try to have the Syrians—we try to work out through whatever indirect contacts we have with the Iranians; we get after the Lebanese. We do everything we can think of, if there are others who seem to have a possibility of intermediation, such as the Algerians. We talk to everybody to try to make it clear to those holding hostages that they are holding innocent people, that they are not going to gain their objectives that way; they only bring opprobrium on their heads, and get them to release these people.

Q. You came back from Moscow this week telling people that Mr. Gorbachev was combative, that he interrupted you, and now we learn from the national security adviser [Robert C. McFarlane] that there will not be a communique after the summit, between Mr. Reagan and Mr. Gorbachev. Was the meeting that unproductive that you've decided now that there will be no statement, no mutual communique at the end?

A. What the national security adviser said was that it was unlikely. We have to report whatever happens at the big Geneva meeting. What form that will take remains to be seen; it depends upon what amount of things are able to be put together at that time.

Q. It's possible that the U.S. delegation reports one thing, or one way, and the Soviet delegation reports another. Wouldn't you say—

A. It's possible to do it that way.

Q. You sat and talked to this man for some time, Gorbachev, and we're all curious about him. What's he like? What sort of a person is he?

A. He's bright. You used the word "combative"—that's true. He interrupted, and I interrupted, and we had a good, vigorous, strong conversation. Personally—

Q. Was he like Khrushchev?

A. I didn't know Khrushchev; I didn't ever deal with Khrushchev. I dealt with Brezhnev; I dealt with Kosygin; I've dealt with Gromyko, Patolichev. I've dealt with quite a few of the Russian leaders. He is very much "on the front burner," smart—actually a good, strong, combative conversation. I liked it.

I think you learn something that way. It's much better than him reading something to me and my reading something to him, so it was worthwhile.

Q. What did you learn?

A. I learned that his view of the United States is very different from how I believe the United States is. I learned something about his various positions on all the subjects. We touched upon, in one way or another, practically anything you could mention.

I transmitted to him—and Bud McFarlane also was there; did a very good job of trying to get him to understand not simply what our positions are, but why our positions are the way they are.

Q. The American public has been, in a sense, subjected to a game of kind of "great expectations" here in recent days with a roller coaster effect. One day, they're told to expect a framework for agreement, or a statement of agreed ideas; the next day they're told, "No, very little."

Now, we can understand prepositioning. But you tell us, what is the very minimum that we should expect out of this summit?

A. I think that there has been a very steady and consistent appraisal of this by the Administration. We have said from the beginning that we have to be realistic about it, that there are great differences between our two countries, and that it is important, almost therefore, to have a strong conversation between the President and the General Secretary and to have subsidiary conversations, such as the one that I had. And we hope that there will come out of this a more constructive and stable kind of relationship; but it remains to be seen.

Q. Do you have—

A. It's necessary to work at it. There isn't any up-and-down strategy; it's a consistent strategy.

Q. Do you have reason to believe, from what you heard this week, for example, that we might get an agreement to have at least annual summits, and perhaps even semi-annual meetings between you and Mr. Shevardnadze?

A. It's certainly possible.

Q. It's something you want?

A. Actually, with Shevardnadze, I've met with him in the last 4 or 5 months four times, and I think it's been a good thing.

Q. I'd like to ask you about something the President said in his interview with *Izvestia*, when apparently he was imprecise, as officials say, in saying that he would give the Soviets a veto over his Strategic Defense Initiative (SDI).

A. He didn't say that.

Q. It was sort of—[Laughter]

A. No—

Q. As I understand, it was corrected.

A. His Strategic Defense Initiative is a research program designed to find out whether or not it's possible to defend ourselves against ballistic missiles. The President will never give up on that.

Q. But what about the question of deployment? When White House officials sought to correct or clarify what the President had said, they repeated several times that the President reserves the right to deploy the Strategic Defense Initiative.

Is that a signal that he plans to abrogate the ABM [Antiballistic Missile] Treaty eventually, that that's really what this Administration is aiming toward?

A. He has not only said what I just said about his Strategic Defense Initiative; he has also said that we are and will conduct ourselves in complete accord with the ABM Treaty. And insofar as what would happen if we find that it is possible to defend yourself against ballistic missiles, the President has said repeatedly that at that time, he's prepared to discuss and negotiate about it, in accordance with the ABM Treaty, not only with the Soviet Union but with our friends and allies.

Q. But you don't rule out eventually deploying it, isn't that correct? That's not being ruled out in anything you said or anything the White House has said?

A. One of the important things about this possibility is that if it's possible to defend ourselves, and we're able to put up a shield against ballistic missiles, wouldn't you feel a little more comfortable than with a strategy that depends upon somebody's forbearance against wiping you out? So we're not going to preclude that possibility.

Q. Which would mean abrogating the ABM Treaty?

A. No. What it means is that we want to talk with the Soviet Union and others about why a proper defense would not only be in our interest, but in their interest, and I think it's true.

Q. And if they don't agree, you're sort of signaling that you would deploy it. I mean that is what I keep reading in all of this.

A. We re not going to give up on something that we think will improve the security and safety of the American people.

Q. Isn't there a logical compromise here that could be struck right at Geneva in which the United States agrees to proceed with research on this, but since there is nothing to test right now anyway—that's what the scientists say on SDI—that they will defer and negotiate later about testing and deployment. Isn't that the heart of a possible compromise?

A. The ABM Treaty has a lot of things in it about this subject, and we will adhere to that treaty. In fact, the President has decided that we can answer the question that he has raised, within what people are referring to as a relatively narrow interpretation of that treaty, and that's where he is.

Q. Very quickly, because we are running out of time, will the President recommit to the SALT II Treaty at the summit?

A. What he has said is that adherence to the SALT II Treaty depends upon Soviet behavior and the ability to have our negotiations go forward toward lowering offensive arms levels—and that's the test.

[1]Press release 261 of Nov. 12, 1985. ■

U.S. and Soviet Interests in the Horn of Africa

by Chester A. Crocker

Address before the World Affairs Council on November 13, 1985. Mr. Crocker is Assistant Secretary for African Affairs.

I want to speak to you this evening about the Horn of Africa because it demonstrates some of the basic principles of American diplomacy in the Third World and the sharp contrast of those principles with those of the Soviet Union. The Horn is especially relevant for such discussion. It is a region of great strategic importance and, therefore, inevitably an area of world power involvement. It is also a region with deep and longstanding internal conflicts and fundamental economic and humanitarian challenges.

Thus, it is a perfect example of the situation about which President Reagan spoke in his recent address before the United Nations. It is an area in which the Soviet Union could, but does not, play a role in helping solve regional conflicts or in promoting regional peace.

The Horn of Africa is the northeast corner of Africa, composed of the nations of Sudan, Djibouti, Ethiopia, Somalia, and parts of Kenya. It has considerable strategic importance for the United States as it is relevant to both the security of the Middle East and to Africa. Physically, it is a key crossroads of air and sea routes. The Horn guards access to the Red Sea. It protects the southwest approaches of Arabia and sits astride the waters of the Nile on the southern flank of Egypt.

American interests in this area include safeguarding shipping lanes, particularly for oil tankers which fuel the economy of Western Europe. We seek access to airfields and harbors for our military forces should they, in times of crisis, be required to defend against Soviet expansionism in the Persian Gulf or the Indian Ocean or which challenges our friends in the region. We strive to halt Libyan adventurism and terrrorism, which poses a threat to every peace-loving country in the region. We seek to avoid the isolation of Egypt. We work to prevent radical pressures on Saudi Arabia and efforts to destabilize Sudan and Somalia.

The United States, for many years, has followed a consistent policy of promoting regional security, economic growth, and internal stability. These objectives are fully compatible with those of the peoples of the region.

By contrast, I can say, without exaggeration, that the Soviets, their Cuban allies, and their Libyan associates have systematically exploited internal divisions, civil strife, and historical cleavages to promote discord and dissension. The Soviet Union has not used its good offices or influence to promote a peaceful resolution of either internal or cross-border violence. Its major source of extending its influence and promoting its own interests has been through the export of weapons. At the same time, the Soviets ignore the massive economic needs of the people. Indeed, the Soviets stood by almost mute as their own client state, Ethiopia, wrestled with one of the greatest human tragedies of our time—the devastating drought of this past year, which all of us in America witnessed on our television screens and to which we responded with our hearts and our pocketbooks.

Soviet Regional Objectives

The Soviets have important objectives in this region, and we must be clear about what they are. For them, the narrow Straits of Bab el Mandeb at the mouth of the Red Sea are a potential chokepoint against Western Europe. Via the Horn, the Soviet Union seeks a foothold in Africa whence it can destabilize governments across the continent. The Soviets know that true nonalignment and economic and political growth will foreclose Soviet opportunities to remake the world in a Stalinist image.

These are not loose charges. The record is very clear. In pursuit of these objectives, the Soviet Union has developed a militarized diplomacy of tactical alliances; it has supported terrorism and dissidence against established governments and encouraged ethnic violence.

An alliance formed with Sudan in 1969 had faded away by 1976 following several Soviet-inspired coup attempts against the very Sudanese Government the Soviets professed to support.

The Soviets also established a strong military relationship with Somalia in the early 1970s and sought to exploit the

deep-seated tensions between Somalia and Ethiopia. They provided Somalia $435 million of arms—enough to convert this desperately poor land into an offensive threat to its neighbors. However, when Somalia and Ethiopia became engaged in a major war in the Ogaden region in 1977, the Soviets switched sides to exploit the superior strategic position of Ethiopia and the needs and personal orientation of Ethiopia's dictator, Mengistu Haile Mariam. Quickly, the Soviet Union began massive shipments of arms to its new client—shipments whose value has now exceeded $3 billion. It is symbolic of Soviet goals and Soviet means in its African policy that this war between Somalia and Ethiopia, which served to deepen the antagonisms between these neighbors, was fought with Soviet weapons on both sides. Furthermore, 2,500 of the 25,000 Cuban troops which fought in that war remain posted in Ethiopia's Ogaden frontier areas as a continuing tangible reminder of Soviet-Cuban adventurism—seeking unilateral advantages in the Third World—and of Ethiopian Government dependence on communist forces.

The Soviet Union has also established military bases in the Horn and adjacent areas. They first established bases at Berbera in Somalia but, after switching sides to Ethiopia, built an extensive facility in the Dahlak Islands in the Red Sea. Additionally, the Soviets are well-ensconced on the southern tip of the Arabian Peninsula at Aden and on the Yemeni island of Socotra in the Gulf of Aden. There are no American counterparts in this area to these extensive and exclusive Soviet military bases. Furthermore, we seek none.

U.S. Commitment to Fundamental Principles

We are, thus, talking about a region of unquestioned strategic importance and one where both superpowers are engaged. How the superpowers pursue their interests spells the difference between war and peace, between development and decay, for the peoples of the area.

In the Horn, the United States has remained committed to fundamental values as we protect our interests. Those principles are:

- We have helped by means of humanitarian aid, support for development, and—where opportunity exists, as in Sudan today—encouragement of democracy.

- Our support has been balanced and principled. Thus, we have placed emphasis on economic assistance and development, for this is what the region needs most. To this end, in nonemergency assistance we provided $337 million last year and took strong stands on reform which would provide greater equity and return to the majority. For example, price reforms in Sudan have given farmers far greater income and opportunity than they have enjoyed for years.

- Our military response has been clearly and unabashedly aimed at deterring aggression. We deployed American radar planes to Sudan to counter the naked aggression of Libya in Chad and again in response to the bombing of the Sudanese town of Omdurman. Similarly, we sent emergency military supplies to Somalia in 1982 to counter Ethiopian incursions.

- Our military assistance has been carefully designed to improve our friends' abilities to protect themselves but not to give them the capacity to make war on their neighbors. There is no incidence in this region of American military assistance having fueled aggression.

- Unlike the Soviets and their allies, we have never sought to exploit tensions within the region. On the contrary, we have offered our help and have conditioned our assistance on the pursuit of peaceful settlements in the region.

We have consistently urged resolution of the insurgency in southern Sudan. We made clear to the regime of President Nimeiri that we saw no military solution to this problem and that we would have to reexamine our military assistance program if a purely military solution was pursued. We have offered full encouragement to efforts by the new government in Sudan to find a peaceful settlement. We have consistently made clear to the parties to the conflict that we offer our help in bringing about a negotiated settlement to legitimate grievances.

Similarly, we have urged peace along the Ogaden border between Ethiopia and Somalia. While we have responded positively to Somalia's defense needs, we have never wavered from our support for Ethiopia's territorial integrity. Our assistance to Somalia poses no offensive threat to Ethiopia, and Ethiopia knows it.

When political change came to Sudan earlier this year, American principles were again in evidence. With President Nimeiri, we shared a conviction about the dangers of Libyan subversion and Soviet ambitions. Since his departure, we have welcomed the opportunity that now exists for greater democracy and reconciliation in Sudan. Thus, we have continued every form of our assistance to Sudan since the change in government. We have received the new government's assurances that it will not disrupt traditional ties of friendship to the United States or Sudan's commitment to regional peace or continuation of Sudan's hospitality toward refugees.

At the same time, we look with concern at the efforts of Libya and Ethiopia to subvert and frustrate the process of reconciliation and democratization in Sudan. Initial Libyan promises of petroleum and military items cannot hide the fact that their terrorists walk the streets of Khartoum. Libyan political operatives organize revolutionary committees dedicated to Qadhafi-style dictatorship, orchestrate political demonstrations, and subvert the newly freed press. We fear that Sudan may be forced down a path of internal instability and divisive politics which will undermine democracy and will threaten peace in the region.

Finally, when nature's calamitous hand brought drought and famine to the Horn, America's response was immediate and effective. The toll of human suffering was immense, indiscriminately striking down innocent people irrespective of the political orientation of their government. Our response was as unrestricted by geography or politics as the drought. American humanitarian aid was given to all countries affected by the drought—Ethiopia, Somalia, Sudan, Djibouti, and Kenya alike. In fiscal year (FY) 1985 alone, the U.S. Government provided over $700 million of emergency aid to the nations of the Horn, and another $150 million was donated by private citizens and corporations. This outpouring of assistance, both private and public, was truly a demonstration of what America is all about—compassion and respect for individual rights and opportunities.

The drama of this effort is, perhaps, well known. But the political significance is worthy of attention. In western Sudan, where millions were threatened with starvation because drought was compounded by the failure of the railroads and impassable nature of the roads, America, along with our European allies, stepped in with an air bridge, including American helicopters operating in the far reaches of western Sudan. In Sudan, the grain delivered by this bridge came to be known as "Reagan" and "Bush." And a new crop

of sorghum, grown from seeds delivered in this effort, is similarly called the "Reagan harvest."

Elsewhere in Sudan, as well as in Somalia and Djibouti, 1.3 million Ethiopians fleeing war, internal oppression, drought, and famine have found refuge. Hospitality toward refugees is a long-standing African tradition, and they have been well received. But resources to support refugees must come from abroad. Again, Americans responded generously. U.S. Government refugee aid totaled almost $200 million in FY 1985. And, as I earlier recounted, the level of U.S. private donations was unprecedented.

This is America. These are American principles at work. In the midst of political change and uncertainty in Sudan, "Reagan"—lifegiving sorghum—is delivered. In Ethiopia, where a Marxist government pursues policies of internal repression with Soviet weaponry, America is represented by desperately needed food, by caring American relief agencies, by unbelievably dedicated efforts to supply each and every needy region of the country with food—not weapons, not political dissension, not war.

Soviet Involvement in Ethiopia

How, by contrast, do the Soviets and their allies operate in the Horn? I have spoken of Libyan activities in Sudan. But the answer is clearest in Ethiopia, for it is in Ethiopia that the Soviets have gained their greatest foothold in the Horn. It is there, because of the sellout by a small band of Ethiopian Marxist ideologues, that the blueprint of Soviet ends and means is most visible. As President Reagan detailed during his recent address at the United Nations, Ethiopia stands not only as a bastion of Soviet influence but also as a case study of Soviet policy in Africa. Soviet influence and near domination have reduced this once proud and traditionally fiercely independent nation, with a history dating back to biblical times, to near vassalage. And the toll on the Ethiopians, as well as on the region, has been enormous.

Look at Ethiopia's internal condition. Since the Soviets became the dominant influence, Ethiopia's economy has seriously deteriorated. Even the once promising gains of the revolution have been undercut. Land reform, which all welcomed, has now been overshadowed by an emphasis on collectivization. Today, Soviet-style collective farms drain away the national agricultural budget but produce little. The economic policies pursued by Mengistu's regime have made it virtually impossible for international or bilateral donors to help Ethiopian development. As a result, Ethiopia is among the lowest per capita recipient of economic assistance of any country in Africa.

When the drought hit, deaths were exacerbated by bad policies which diminished food production in areas less affected by drought. But even more disturbing was the lack of willingness by the government to face the crisis and the Soviet influence that has, to this day, thwarted the Addis Ababa regime from full and open cooperation with Western relief agencies. Yet the Soviets stood by and offered no logistical help or food until after the West had made an enormous and well-publicized response. Out of the 1½ million tons of emergency food sent to Ethiopia since 1984, only 10,000 tons—less than 1%—came from the Soviet Union.

And what of Ethiopia's internal stability? In the years of Soviet influence, Ethiopia has been more terribly wracked by civil war than any time in modern history. The Soviets supply the arms and advisers, pushing their Ethiopian clients toward a military solution. And in doing so, in complete cynicism toward principle and in a situation where they had the potential to work for peace, they instead turn on the Marxist-oriented guerrilla groups that they once helped. The success of Soviet policy in Ethiopia can be measured by the casualties in the north and by the crowded hospitals in the capital city. One can only wonder if the Soviets find this grim harvest of death a means to keep Ethiopia hopelessly and endlessly dependent upon them.

And what of regional peace? Not only has Mengistu been a willing ally of the Soviet Union, marching down a path of terrible internal devastation, he was completely duped by Qadhafi into arrangements that have had grave consequences for the region. In 1981, Ethiopia joined Libya and South Yemen in a tripartite pact. Ethiopia was supposed to get large amounts of Libyan economic aid—a form of aid the Soviets refuse to provide—and help against their traditional enemy, Somalia.

In exchange, Mengistu abandoned the policy of mutual accommodation between Sudan and Ethiopia that is essential to peace and balance in the region and became the principal supporter of the southern Sudanese insurgents, enmeshed in Sudan's internal struggles.

And what has Ethiopia gained? In 1985, in true Qadhafi fashion, Libya abandoned support for the southern Sudanese in order to try to woo the new Sudanese Government. Apparently Qadhafi also promised to end his support for Somali dissidents based in Ethiopia in order to open his way into Somalia. Meanwhile, the promised Libyan economic aid to Ethiopia never materialized. Ethiopia has been left in deeper dependence on the Soviets and without a single ally on the Continent of Africa. Mengistu and his ideological cohorts have been as great a failure in diplomacy as they have been in economics.

Efforts To Improve U.S.-Ethiopian Relations

What has been true for some years, however, does not have to remain that way. The United States has been ready to engage with Ethiopia to bring about an improvement in relations between us on a basis that would not only improve bilateral relations but allow Ethiopia to regain its once proud role in the region—one in favor of peace, regional security, a strong OAU [Organization of African Unity], and African solutions to African problems.

Our efforts go back several years. We have repeatedly taken steps to engage the Ethiopian leadership in the kind of ongoing discussion of our differences that is necessary to build a better relationship. We offered such a dialogue through the normal channels of the Foreign Ministry, and through high-placed personages who professed a desire to see better U.S.-Ethiopian relations. Several efforts of this kind, each originally promising, ended in failure.

A year ago, we embarked on another such effort at dialogue. We sought discreet, serious, and substantive talks on the issues which divided us, e.g., those which stood in the way of regular economic assistance to Ethiopia, issues of regional peace and security, issues affecting Ethiopia's security, and bilateral political problems between our two countries.

For many months, the Ethiopians put off responding. Then they said they preferred to establish an agenda first. We developed as complete an agenda as one could ask and offered it to the government. They did not respond; we received nothing but obfuscation.

Last summer, there seemed to be a breakthrough. Congress, angered by reports of Ethiopian Government brutality and intransigence in obstructing

relief efforts, passed legislation that called for a presidential determination on whether the Ethiopian Government was following a deliberate policy of starving its own population. Suddenly, the Ethiopian Government started sending positive signals, including dispatching a delegation which professed a general desire for improved relations. When we asked, in this context, about our proposal for an indepth exchange on serious issues, which had remained unanswered for a year, the delegation promised that the Foreign Minister would reply during his presence here for the 40th anniversary of the United Nations. It saddens me to say that when the Foreign Minister came, he had no mandate from his superiors to engage on any of these issues. Fearful of a trade embargo, the government mounted a public relations campaign about a desire for better relations. But the Ethiopian leadership, apparently fearful of its Soviet mentors, would not permit any real progress in this direction.

That is the sad lesson of Ethiopia. Under Soviet domination, Ethiopia has lost its reputation for peace, its chances for development, its internal stability. It has become the one country in the region that makes no efforts toward peaceful solution of the region's many conflicts. Ethiopia today occupies two salients of Somali territory. These points lack any strategic significance. The Ethiopians know that withdrawal from those salients could set in motion a process of talks about peace on the Ogaden border, yet the Ethiopians refuse.

Ethiopia, alone of the African countries of the region, puts its full support behind military actions in southern Sudan and blocks those who try even to see the SPLM [Sudanese People's Liberation Movement] leaders to talk peace. Thus, Ethiopia becomes part of the problem rather than the solution.

How sad a contrast to the Ethiopia that was a founding member of the OAU and whose capital, Addis Ababa, in recognition of Ethiopia's role in the process, names the accords which ended an earlier Sudanese civil war.

I am heartened to report that our friendship with the Ethiopian people stands strong. The people—the farmers plagued by drought, the old, the infirm, the weak, the diseased, the children, the students, the urban dwellers, the militia, the military, government civil servants, and, we know, many senior officials themselves—know who helped Ethiopia in time of greatest need—not the Soviet Union, but the United States of America.

I am proud to state, as well, that our massive humanitarian effort in Ethiopia—providing over 50% of the food delivered and helping save millions of Ethiopian lives—was unconditional. We did not link the relief of human suffering to bilateral politics. When our diplomatic efforts were spurned, we continued to send food. I believe we did the right thing—as a matter of morality and of good foreign policy.

Today, I renew our offer of dialogue with the Ethiopian Government. We have much to discuss. There are issues of regional peace and stability; human rights, particularly the resettlement program; bilateral problems; the drought; and recovery. All of these issues must be addressed candidly. But, above all, I call upon the Ethiopian leadership to reassess its adherence to a partnership which has so far brought nothing to that war- and drought-stricken land.

Exploring Alternatives

There are alternatives, and the evidence is right before us in the Horn. We talk of deep-seated enmities. But two countries of the Horn, Kenya and Somalia, have addressed those enmities with statesmanship and determination. Over the last 2 years, there has been significant movement to overcome the border problems that plagued these two countries. Dialogue goes on between them; cooperation at the border has been enhanced; solutions are being found to nettlesome problems that once produced violence. We have been happy to help encourage this process. When our friends in the region are at peace, our interests are also served.

And there is an alternative to the economic misery in Ethiopia. Kenya also faced a major drought in 1984. It did not make the nightly news; not because it was not serious. Over a million people were at risk. But the Kenyan Government acted swiftly. It brought in grain; it worked closely with the concerned international community. It gave top priority to the emergency effort in the country's logistical system. You didn't see Kenya on your TV screen because Kenya acted in a manner in which there was no need for camps and almost no loss of life. Today, because of ample prices paid to farmers, Kenya is enjoying a bumper crop as the drought recedes.

And there is an alternative for longer term recovery. Somalia once followed the Soviet lead. It placed its economy under the stranglehold of Soviet systems and controls. Commerce declined, and Somalia's prospects seemed bleak. But recently, Somalia has taken steps to rid itself of these controls. Last year, some price controls were lifted, and trade was liberalized so that commerce might flourish. Despite the loss, for other reasons, of one of its principal markets, Somali exports jumped by 60%. And last week, in support of Somalia's development, Western donors and international institutions met in Paris and pledged $313 million for Somalia's development program next year.

This is our vision of the Horn. It is shared by our allies in Europe and Asia and our friends in the Middle East and Africa. The President issued the Soviets a challenge. The Horn is one of the regions where they could, if they were so inclined, respond. We call on the Soviets to:

- Work for peace in Ethiopia on the basis of regional autonomy, reconciliation, and respect for human rights. In return, we urge the leaders of the Eritrean and Tigrean movements to reciprocate and pursue all openings for a peaceful Ethiopia. But the Ethiopian leadership must set a framework for peace.
- Work for peace in Sudan. Urge Ethiopia to stop its support for Sudanese civil war and put its weight behind the process of reconciliation instead of destabilization.
- Urge the Ethiopian leadership to take the first steps toward peace along the Somali border by withdrawing from the towns of Balenbale and Goldegob.

For our part, we must remain involved in the Horn of Africa, and we plan to do so. Our principles for involvement are clear. To all the countries of the region, we hold out our hopes and our active cooperation in the cause of peace, stability, respect for territorial integrity, and improvement in the lives of all the people in all the countries of this region. ■

The African Economic Crisis

by John C. Whitehead

Oral statement before the Subcommittee on African Affairs of the Senate Foreign Relations Committee on October 24, 1985. Mr. Whitehead is Deputy Secretary of State.[1]

I appreciate this opportunity to discuss the African economic crisis, its roots, and what we, together with many of the African governments, can do about it. This is a propitious time for this hearing. Much has been happening in Africa in recent years. The opportunities for us to join in a more effective effort there are greater than during any time in the recent past. At the same time, the needs are more urgent.

The State Department, AID [Agency for International Development], and Treasury have been working very closely over the past several months on these issues. We have developed a significant new proposal for Africa and other poor countries which Secretary [of the Treasury James] Baker presented at the annual IMF [International Monetary Fund]-World Bank meeting in Seoul just 2 weeks ago. This proposal offers a comprehensive approach to Africa's problems of growth and development. It calls for a much more coordinated international effort and, particularly, for a stronger relationship between the IMF and the World Bank. Part of this proposal was adopted at Seoul, and we have strong indications of interest from the African beneficiary countries and from other potential donor countries on the broader aspects of our proposal.

Causes of the Crisis

Sub-Saharan Africa is in the most profound economic crisis of its history—a crisis many years in the making. The causes of this crisis—aggravated by the severe drought of the past several years—are many and complex. African countries came to independence, by and large, less developed than those countries on other continents. They have suffered from deteriorating terms of trade during the last several years. Altogether, sub-Saharan Africa's terms of trade have declined by approximately 13% since 1977, with each 1% costing these countries about $200 million in lost net export earnings.

But Africa's development potential has been further undermined by a series of policy factors which, in our view, represent equally fundamental roots of the problem. These include:

- Inappropriate domestic economic policies based on an overreliance on the public sector and inadequate attention to private sector development and free market factors;
- Disastrous neglect of the all-important agricultural sector, in which over 75% of Africans are employed;
- A population explosion: Africa now has the highest population growth rate in the world—over 3% per annum; and
- The rapid buildup since the 1970s of African external debt, with the resulting heavy economic burden of debt servicing. From 1973, to 1983 Africa's medium- and long-term debt rose from $14 billion to $66 billion.

As a result, Africa faces a crisis of growth. The average African today is poorer than he was in 1970. According to World Bank data, average per capita GDP [gross domestic product] in Africa has declined by about 4.5% since 1970. Unless current trends are reversed, African standards of living will continue to deteriorate. Without renewed growth,

Deputy Secretary of State

John C. Whitehead was born in Evanston, Illinois, on April 2, 1922. He grew up in Montclair, New Jersey, attended public schools there, and graduated from Montclair High School in 1939.

He attended Haverford College, from which he graduated in 1943 with a B.A. degree in economics.

During World War II he served in the U.S. Navy aboard the *U.S.S. Thomas Jefferson* and participated in the invasions of Normandy, southern France, Iwo Jima, and Okinawa. While still in the Navy, he was later assigned as an instructor at the Harvard Business School.

After the war he attended the Harvard Business School and received his M.B.A. degree with distinction in 1947. He later received honorary LL.D. degrees from Haverford College and Pace University.

He joined Goldman, Sachs and Co. in 1947 as a junior statistician and has worked there ever since. He became a partner in 1956 and senior partner and cochairman in 1976. During that period, Goldman Sachs developed into one of the world's foremost investment banking and brokerage firms. Mr. Whitehead announced in August 1984 that he would step down as cochairman and as a general partner of Goldman Sachs on November 30 but continue as a limited partner and as chairman of the firm's International Advisory Board. Since that time he has devoted the majority of his time to activities in the nonprofit sector.

Mr. Whitehead has served on the boards of directors of numerous companies, including American District Telegraph Company, Crompton Company, Crompton and Knowles Corporation, Dillard Department Stores, Inc., Household International Inc., Loctite Corporation, and the Pillsbury Company. As a leader in his industry, he has served as a director and chairman of the Securities Industry Association and as a director of the New York Stock Exchange. From 1968 to 1970 he was chairman of the Advisory Committee to the Securities and Exchange Commission's Institutional Investor Study.

Long active in a variety of educational, civic, and charitable activities, he is a member of the Board of Managers of Haverford College and of the Board of Overseers of Harvard University. He was previously a trustee of the Carnegie Corporation and the Carnegie Foundation for the Advancement of Teaching.

He was formerly the president of the International Rescue Committee, in which capacity he traveled widely around the world in the cause of political refugees. He was also a director of the New York City Partnership, the New York Chamber of Commerce, the Economic Development Council of New York City, the American Productivity Center, Junior Achievement, and Outward Bound. He remains a member of the Conference Board and the Council on Foreign Relations.

For many years he has been active in Republican political affairs and was for 10 years a councilman in his hometown of Essex Fells, New Jersey. A former cochairman of the Republican National Finance Committee, he has been an active fundraiser for local, state, and national candidates. He is a former member of the President's Commission of Executive Exchange.

Mr. Whitehead was sworn in as Deputy Secretary of State on July 9, 1985. ■

the threat of famine and starvation will continue. Without renewed growth, African countries will increasingly be subject to political upheaval and instability.

The Need for Economic Policy Reform

Our policy toward the Continent of Africa is based on a search for peace, stability, economic growth, and development. Those objectives are intimately related, are widely shared by most African governments, and are mutually reinforcing. The challenge today is to create an environment in which Africa can get back on the path of growth and pursue those objectives.

To encourage growth, some major policy changes had first to take place in Africa, and the donor community has had to change the way assistance was provided.

This need for policy change has, thus, been the focus not only of recent U.S. economic policy in Africa but of the World Bank, the IMF, other donors, and the African governments themselves. We have made policy reform one of the pillars of our assistance program in Africa and a major part of our dialogue in international financial institutions.

African governments have made it a central concern as well. There is a definite trend now toward policy reform designed to encourage the private sector and to reduce the role and size of state involvement in the economy. Let me cite some examples:

- Twelve African countries have taken strong steps in a effort to stabilize their economies by reducing government deficits and limiting credit to the public sector. In Zaire, the central government has converted a deficit equivalent to 6% of GDP in 1982 to an anticipated surplus in 1985.
- Fourteen countries have allowed agricultural prices to rise substantially toward market levels and have liberalized the marketing of agricultural products. In Somalia, all price controls on produce and internal agricultural marketing restrictions have been eliminated.
- Eleven countries have begun to reform their public commercial enterprises. Guinea expects to reduce the number of such enterprises from 150 to 15.

The United States has played a positive and influential role in this process. Aid to Africa has increased steadily under this Administration. We now provide a total of more than $1 billion a year in regular assistance to the 46 countries of sub-Saharan Africa—a fivefold increase over a decade ago. In addition, the American people and the U.S. Government responded in extraordinary ways to the devastating drought and the terrible specter of famine. Our emergency aid in FY [fiscal year] 1984 and 1985 was itself more than $1 billion; private American donations have amounted to more than $200 million.

What I want to emphasize, however, is that our assistance policies now focus on the need for recipient government policy reform. Since FY 1982, we have increasingly used our balance-of-payments assistance to Africa to promote trade liberalization, agricultural price changes, reductions in the number and influence of public commercial enterprises, an improved climate for private investment, and other reforms. Evidence of this can be found in Senegal, Sudan, Somalia, and Kenya. Last year, we launched the Africa economic policy reform program, which provided additional and more flexible forms of support to those African countries that were not major recipients of U.S. balance-of-payments aid and that were prepared to undertake significant reforms.

Our policy reform program was a precursor and has given impetus to the creation of a similar program: the World Bank's special African facility—a facility which, together with bilateral funds available for cofinancing, will have about $1.2 billion over 3 years to finance policy reform programs in Africa. We have coordinated our policy reform efforts closely with the World Bank and, as the Bank's facility enters an operational phase, we will have greater opportunities for such cooperation.

Impediments to Growth

As important as this fundamental shift in thinking and policy is, Africa's return to growth will not be as rapid or dramatic as any of us would like. Africa still depends, in large part, on exports of raw material for which prices remain depressed. With proper incentives, new export sectors, especially in agriculture, will develop; but this will take time. Meanwhile, Africa suffers from a major debt problem, and servicing that debt directly affects Africa's ability to promote the growth it so desperately needs. Indeed, without more resources for growth-oriented investment, Africa's recent reform efforts will stumble because of continued stagnation and the political resistance and instability stagnation breeds.

We already see the manifestation of this problem in several cases where reform has been significant. For example, in Zaire, which has adhered closely to the reform recommendations of both the IMF and the World Bank since 1982, debt service takes almost 60% of the domestic budget, crowding out needed services and infrastructure maintenance. If nothing is done, it will grow to more than 90% by 1990—clearly an intolerable situation. In Zambia, the government's inability to repay mounting debt is holding Zambia back, even though it has just adopted a major reform of its trade and marketing structures. Somalia, Liberia, Gambia, and many, many other African countries face this same problem.

We are at a critical turning point. We must enable this process of reform and growth-oriented policies to go forward, or we will witness further stagnation, loss of will, backlash, and potential instability. Our friends in Africa—those on whom we count for many things and who have joined us in taking sound steps to restructure their economies on free market principles—will be the ones most threatened.

U.S. Proposal

It is for this reason that the Administration has put so much effort into the proposal which Secretary Baker made at Seoul and which my colleague, [Assistant Secretary of the Treasury for International Affairs] David C. Mulford, will describe to you today in greater detail. This proposal would, in the first instance, increase substantially the amount of concessional financing that African and other poor countries could receive from the IMF through the Trust Fund. Our broader proposal calls for a greater role for the World Bank through increased structural lending and by putting more World Bank resources into the poorer countries. The success of this broader approach depends on a stronger relationship between the World Bank and the IMF, working together with African countries to develop comprehensive growth-oriented economic programs that both World Bank and IMF Trust Fund financing would support.

The proposal for channeling Trust Fund repayments to the poorer countries was adopted by the interim committee at Seoul. We are now receiving indications of support and interest for the broader proposals from both Africans and other donors. Much remains to be done to develop this broader proposal and to give it specific form. We plan to work hard with our African and OECD [Organization for Economic Cooperation and Development] friends and with the international financial institutions to make it work.

In the context of this broader approach, we would be prepared to consider additional resources for this effort in coming years if other donors also make equitable additional contributions. We know the magnitude of the task is great. I am convinced, however, that while a sustained effort by the international community and the United States will be required, this joint effort can ultimately provide the very engine of growth needed to reduce Africa's unhealthy dependence on foreign donor assistance. However, we can only go forward with such an additional effort when the mechanisms of coordination are established and the pace of structural adjustment in Africa makes the use of such resources productive.

Conclusion

I am encouraged that we can find solutions to Africa's current problems. African countries have already embarked on an economic reform process in a wide range of areas. The international community, in turn, is responding with more flexible forms of assistance targeted to structural change in favor of market forces. We are addressing the special problem of debt. The United States has played a leading, catalytic role in all these efforts. But, clearly, the task ahead is beyond the capability of a single country. As the Bonn summit experts' report stated: "The magnitude of the challenge calls for a renewed and strengthened international partnership with Africa."

We wholeheartedly accept this call for action, and we have begun.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

The Challenge of Negotiating by Democracies

by Kenneth L. Adelman

Address before the 16th Annual Leadership Conference Center for the Study of the Presidency in Grand Rapids, Michigan, on November 3, 1985. Mr. Adelman is Director of the Arms Control and Disarmament Agency.

This weekend is a good time to be discussing arms control and the media's participation in it. Just this past Friday our negotiators in Geneva began presenting President Reagan's new arms control proposal, which is both detailed and far-reaching. That presentation will continue over the next few days.

President Reagan's proposal seeks to nurture those positive "seeds" in the Soviet proposal a few weeks ago—particularly by using some of their concepts but applying them in a way that would be fair and equitable. Our new proposal attempts to reconcile and meet the major problems that have bedeviled this arms control endeavor for years. I want today to touch only briefly upon those major problems and then to focus on aspects that make arms control especially difficult for any President in our political system.

Looking at U.S.-Soviet arms control negotiations, what may first strike any objective observer is the extreme intellectual difficulty in fashioning proposals—as we have done over the past month—in a fair way to offset the two sides' force structures and approaches. The two sides could not be more different in these respects. The U.S. force structure stresses balance between the three legs of the triad—on land, sea, and air—and technological sophistication; U.S. doctrine emphasizes deterrence and a retaliatory strategy. The Soviet force structure places heavy emphasis on much larger land-based forces with more hard-target kill capability; Soviet doctrine emphasizes classical warfighting which includes preemption, or striking first if they believe war is imminent.

Also, the two sides could hardly be more different in terms of compliance, once an agreement is signed. As President Reagan has documented to the Congress over the past 2 years, the Soviets have clearly violated a number of arms control obligations they have undertaken, and probably violated many others. These include undertakings in nearly all the arms control treaties to date—including the ABM [Antiballistic Missile] Treaty, SALT [strategic arms limitation talks] II, the 1925 Geneva protocol, the 1972 Biological Weapons Convention, the Limited Test Ban Treaty, the Threshold Test Ban Treaty, and the Helsinki accords.

Soviet violations of arms control commitments they freely entered into cut to the quick of the arms control process itself. I am often asked, "why go for new agreements, when the Soviets are violating existing ones?" Good question. The answer is primarily because in the negotiations and in other channels, we should not give up seeking effectively verifiable limits that are in the interest of the United States and would reduce the risk of war—and because in these processes we can press the Soviets to comply fully with their existing obligations. However, their refusal to do so thus far casts a dark shadow over the future of arms control.

Another, and perhaps the greatest, obstacle to successful U.S.-Soviet arms control over these many years of effort stems from the character of the Soviet Union itself. It is clear to one and all that the Soviet Union poses the greatest threat to our values and to our security in the world today. The Soviet Union unmistakably has an expansionist international policy and a repressive domestic policy.

Arms control is designed, above all, to reduce the risks of war, especially nuclear war. This Soviet pattern of behavior only increases the risk of war. Soviet or Soviet-sponsored intervention and troublemaking in various regions—whether in Berlin in the late 1940s, Korea in the 1950s, Cuba in the 1960s, the Middle East and Africa in the 1970s, and Afghanistan in the 1980s—have raised the danger point of wider conflict in the world.

Moreover, aggressive Soviet behavior poisons the atmosphere for true arms control. The Soviet invasion of Afghanistan and intervention in the affairs of Angola and Ethiopia—along with its unrelenting buildup of military forces—effectively iced arms control in general and SALT II in particular in the late 1970s. Their expansionism and repression can only diminish the

American peoples' enthusiasm for striking deals with them.

Today I would like, as I said, to examine most closely the set of problems in arms control that confront our Presidents in managing arms control negotiations with the Soviet Union. President Ford faced these problems, as have other postwar Presidents. President Reagan faces these problems acutely today. Here, as in many other areas, the greatest strengths of our democratic institutions can also cause the most difficulties to those of us out there, on the front lines, trying to make progress in arms control.

The Public's Attitude Toward Arms Control

The American people, as in so many areas, typically vacillate in their attitudes toward arms control, surging from crashing disappointment to euphoric hope: disappointment at times when meaningful outcomes seem nigh unto impossible to achieve. Hope at times because democratic societies have a fantastic ability to overcome obstacles and achieve the unexpected.

Former Secretary of Defense Harold Brown understood the disappointment, which he shared after all his years dealing with arms control, when he wrote:

> Measured against these glittering possibilities, the achievements of arms negotiations to date have been modest indeed... In all, not much to show for 35 years of negotiations and 20 years of treaties.

On the other hand, Alexis de Tocqueville shared the hope, the great potential of democracies, when writing in *Democracy in America* 150 years ago. "Democracy," he observed:

> does not give the people the most skillful government, but it produces what ablest governments are frequently unable to create; namely, an all-pervading and restless activity, a superabundant force, and an energy which is inseparable from it, and which may, however unfavorable circumstances may be, produce wonders.

With all of this potential, why are we so discouraged, so frustrated? Disappointment stems naturally from unrealized and, in many cases, unrealizable expectations. Some Americans expect that arms control negotiations can produce a significant and lasting "peace accord" with the Soviet Union, one that can be settled fairly quickly and last forevermore. It is remarkable how often the media, even the best of the lot, interchanges "arms control agreement" with a "peace accord"—even though arms control is only one ingredient of peace, and not the most central one. For arms control cannot usher in a less totalitarian type of government and more open society in the Soviet Union. Arms control alone cannot temper its expansionist tendencies.

Arms control negotiations—like other international talks, but probably more so—require "political patience," and lots of it. That is a commodity rare indeed in our "go-go" society. For America's impatience is as old as it is endemic. Our national impatience runs strongly in our veins and is manifested in Congress. De Tocqueville saw this other side of the coin—noting that our system: "...can only with great difficulty regulate the details of an important undertaking, persevere in a fixed design, and work out its executions in spite of serious obstacles. It cannot combine its measures with secrecy or wait their consequences with patience."

Persevering "in a fixed design" is a major difference between our democratic, free-enterprise system—which rewards risktaking and thrives on innovation—and a totalitarian, centralized system—which rewards risk aversion and thrives on predictable control.

Surely, the Soviets have previously watched the pace of changes in U.S. arms control proposals over the years with a fair amount of pleasure, which frequently have not even prompted new approaches from the Soviet side. They typically wait for us to move closer to their positions, which we invariably do, while they basically stand pat. The Soviets happily watch our twists and turns in negotiations among ourselves, pocketing benefits to themselves while persevering in their own objectives.

To stay the course on our goals is to be serious about arms control. You no doubt appreciate how the recent Soviet counterproposal contains several unacceptable and extremely one-sided elements designed to increase, not strategic stability, but rather Soviet superiority in key elements.

In a nutshell, the Soviet counterproposal did nothing to narrow the gaps between their position and ours. Rather, their counterproposal would have us choose between clear U.S. strategic inferiority or clear U.S. withdrawal from the defense of our allies. That's no choice at all. No U.S. Administration would ever accept either alternative. It's a no-go from square one.

Still, for the first time, the Soviets have seemed willing to entertain at least the idea of deep reductions in nuclear arsenals. This is the key "seed" that, as the President has said, we are nurturing with our new ideas. Significantly reducing the nuclear arsenals that exist today has been one of President Reagan's prime arms control objectives since taking office. By sticking to this course, the Soviets may now be getting the President's message. We hope so, but we have yet to see.

To be successful over the long haul, we must curb some of our instinctive American impatience. No significant agreement lends itself to speedy results—even those without all the intricacies and complexities of nuclear accords, and without the natural caution that both sides have when negotiating over items at the core of their national security.

The Austrian State Agreement of 1955, for example, took more than 10 years of hard negotiations to conclude. Impatience there may have doomed Austria to less than the complete removal of Soviet occupation troops and less than the establishment of a fully democratic, neutral state in the heart of Europe. A free, neutral Austria was worth 10 years of often maddening negotiations with the Soviets. The Limited Test Ban Treaty negotiations spanned 5 years, the Nonproliferation Treaty took more than 3 years, SALT I took over 2 years, and SALT II over 7 years.

Information Leaks that Sabotage Negotiations

The inability of democracies to keep a secret, for long anyway—as also recognized by de Tocqueville—is as endemic as our impatience. Leaks in arms control sabotage success in negotiations. The likely prospect of leaks often spurs administrations to preemptively announce any new offerings to get it right on the record. The President has resisted temptation, particularly last week, as he wanted our negotiators in Geneva to be the focal point for the Soviets to learn of our proposal. Unfortunately, however, leaks still occurred.

Leaks of this kind have become standard fare, and not a very positive one, to those who desire extensive substantive progress in arms control talks. Sure, all the publicity adds a dramatic flare, but such is precisely what arms control does not need. Public fanfare invariably leads to dashed hopes

and deepening suspicions that the arms control endeavor is more one of public relations than of national security.

The problem here is a colossal one. A glaring deficiency in democratic systems is the unavoidable urge, if not necessity, to exaggerate in order to make an impact. Flamboyant rhetoric and startling conclusions come where subtlety and even ambiguity would be much more apt. Our flamboyance and openness contrast with Soviet stodginess and secrecy. Looking at us, the Soviets face a cacophony of voices, of facts and views, an information-overload. Looking at the Soviets, we face an unsettling scarcity of inside knowledge and hard data.

Due to such a contrast, verification is a problem almost exclusively for the United States. The Soviets should and, I believe do, know that we comply with agreements. They can learn easily about U.S. actions and programs through our press and Congress. It's all there for them to read, see, and hear.

These—or really any type of—freedoms are nonexistent in the Soviet Union. We cannot thus count on any congressional hearings there, on leaks there, on any *Aviation Week* there, on investigative reporters there, or on memoirs there. Rather, we must rely almost exclusively on our intelligence capabilities to verify their compliance. That is tough, and is simply not enough for many arms control measures.

Compliance and Verification Problems

Even more worrisome and nettlesome is verification's twin sister, compliance. The two are related, and each is critical. Arms control is empty without compliance. What to do about Soviet violations of arms control accords remains perhaps the most confounding of all arms control problems.

- The usual diplomatic deliberations of the Standing Consultative Committee and higher-level diplomatic protests are necessary but surely not sufficient. Too often, they become a dialogue of the deaf when the Soviets choose, as they frequently do, not to be responsive.
- Responding with military programs can be useful, and President Reagan has directed a review of defense measures that may be appropriate and necessary.
- Cancellation of our obligations in treaties that the Soviets violate is another possible recourse, but one politically painful in our country and at times, I believe, clearly unwise.

For years, it was surmised that strong domestic and international reactions would invariably follow a Soviet violation, which would prompt the Soviets to avoid or, at least, end any violations. People once believed in this "massive reaction" theory of treaty adherence. But the muffled voices coming after the President's report identifying clear Soviet violations sadly shows this theory to have been wrong.

But the bottom line remains unchanged: Effective responses must be found; Soviet cheating must stop. Otherwise, arms control simply is doomed. For a treaty limitation respected by open societies and violated by closed societies is no treaty limitation at all. It is not arms control at all. Instead, it is unilateral disarmament in the guise of bilateral arms control.

The Discontinuity of Changing Leadership

Another problem democracies face, in what de Tocqueville called "persevering in a fixed design," centers around our leadership changes. Presidential changes, which were frequent in the 1960s, and 1970s, break continuity and inhibit tough, consistent approaches to arms control which are so essential to achieving a sound agreement.

In the initial decade-and-a-half of strategic arms discussions, five different U.S. Presidents faced the same General Secretary of the Soviet Union. Arms control was characterized by a fair amount of discontinuity on our side, especially since three of the past four

Arms Control Negotiations

PRESIDENT'S STATEMENT, NOV. 14, 1985[1]

I met today with the senior American negotiators at the Geneva nuclear and space arms talks, Ambassadors Max Kampelman, John Tower, and Maynard Glitman. The meeting provided an opportunity for our chief negotiators to brief me on the just concluded round of negotiations in Geneva and on their perspectives for future developments in the talks.

This past round in Geneva, the third in the negotiations which began this past March, has been useful. It was marked by the Soviet presentation, in late September, of a counterproposal to the concrete reductions offers which the United States had put forward at the outset of the talks. Drawing on the counsel of our negotiating team and of our experts in Washington, we analyzed this Soviet counteroffer very carefully, making clear both its positive elements and the areas in which it fell seriously short of the criteria which we have established for an effective and equitable arms reduction agreement. As I have emphasized before, these necessary criteria are deep cuts; no first-strike advantages; research on defense, because defense is much safer than offense; and no cheating—that is to say, full compliance.

Building upon these criteria, as well as the positive seeds in the Soviet counterproposal, I instructed, on November 1, our negotiators to table a new set of proposals in Geneva. These new U.S. proposals cover all three areas of the negotiations: strategic nuclear arms, intermediate nuclear forces, and defense and space arms.

These new developments in the Geneva negotiations demonstrate that a serious give-and-take process can now take place. We welcome this, and we are determined to do our part to bring about the real nuclear reductions that the world desires and deserves. If there is equal determination and flexibility on the Soviet part, this can be done. I, therefore, hope that my coming meeting with General Secretary Gorbachev will give further momentum to this process.

Finally, I expressed the gratitude of all Americans to Ambassadors Kampelman, Tower, and Glitman for their highly professional and very patient negotiating efforts in Geneva, and my own appreciation for the wise counsel they have provided to me. Their continued efforts and advice will be vital in the days and months ahead, as we strive for radical, equitable, and verifiable cuts in nuclear arms.

[1]Text from Weekly Compilation of Presidential Documents of Nov. 18, 1985. ■

Presidential elections have been marked by challengers who had vigorously opposed the incumbents' arms control approach, and who won.

While such changes are the norm in democracies in the 1980s, a role reversal occurred. Instead of rotating American leaders there has been a pattern of fleeting Soviet leaders. President Reagan had to deal with three different Soviet leaders in his first 3 years in office. All those Soviet leaders were afflicted with serious ailments. The disruption here was not so much newcomers opposing their predecessors as it was stagnation in Soviet policy.

Today, however, the Soviet Union has a younger and much more dynamic leader. As witnessed by General Secretary Gorbachev's actions and public affairs efforts, the stagnation in Soviet policy has ended. A stronger regime in Moscow can preside over the tough arms control decisions necessary for a good agreement. But a stronger regime in Moscow can—if it so decides—constitute a greater rather than lesser threat to the interests of free societies. Beware of too much vigor by the Soviets.

Struggling Inside the U.S. Political Factor

Last—in any list of factors challenging our Presidents in managing arms control—surely is the bureaucratic and political factor. A Washington wag has it that negotiating with the Soviets is nowhere as maddening as the ordeal of negotiating within the U.S. Government. This is said only half in jest, the smaller half to be sure. The struggle occurs on many fields: within the Executive Branch itself, between the Executive Branch and the Congress, among various interest groups, and out in the general public.

Congress, of course, has a major role not just because of the requirement for Senate advice and consent for any treaty, but also because of its power over the purse and its formidable power to bring pressure to bear. Participating in the midst of the political interplay in Washington is like playing multidimensional chess.

Free and open exchanges are part of what makes us a healthy nation. Divergency of viewpoints on arms control should always persist, and no doubt will. President Reagan consistently welcomes a full range of views on arms control from his top advisors. He surely gets his wish fulfilled, and in spades.

But this is an area where a large degree of consensus on the big issues is needed if arms control is to serve our security interests. On the big issues, the differences among contending parties in Washington is miniscule—at any time—compared to the gap between U.S. and Soviet positions.

Much of the media play about arms control being in disarray simply misreads why more progress has not been made. It is part of the "blame America first" phenomenon described by my former boss, Jeane Kirkpatrick. The fault lies not in our governmental system, but rather in Soviet intransigence.

Another problem that can impede arms control progress is the growing tendency for Congress to link support for individual weapons systems with the vicissitudes of arms negotiations. This approach has grown remarkably popular in Congress, far more popular than it deserves to be.

An extreme example was embodied in the June 1984 Aspin amendment. This was at the time when the Soviets had walked out of the nuclear arms control talks. The amendment provided the Soviet Union an opportunity in effect to kill the MX missile—a strategic system supported by four U.S. Presidents and a distinguished bipartisan panel (the Scowcroft commission) as essential to our national defense. And, what did Moscow have to give up in return? All Moscow had to do under the amendment's term was to send a delegation to Geneva to resume a negotiation that it had no business of interrupting in the first place.

Defense programs—whether the MX, the Pershing II, or ASAT [antisatellite system]—should be designed and supported to meet U.S. security needs. They should be funded or discarded solely on that basis. If those security needs change because of sound arms control agreements made with and respected by the Soviet Union, so much the better. We can then change our defense programs—but not until then.

The President must work and negotiate with Congress. But there is a big price to be paid when these negotiations—not with the Soviets—but with the Congress go too far. Presidential control over both arms control and strategic planning thereby ebbs. Both are deprived of the coherence and continuity they desperately need.

No arms control negotiation can be successful without central management. Indeed, no negotiation of any kind can be. If the President fails to gain congressional approval of basic strategic programs, the Soviets are encouraged to be obstinate even longer. The Soviets are tough negotiators to begin with—taking what they can and giving as little as possible, or preferably nothing, in return. Actions which weaken our negotiating hand can, and usually do, strengthen theirs.

No amount of American imploring or unilateral concessions—such as killing the MX, or decreasing funding for strategic defense, or stopping ASAT tests—is likely to get the Soviets to negotiate more seriously. If we hand the Soviets strategic superiority by our own neglect in defense programs, we cannot retain strategic parity through diligence in arms negotiations. Unilateral concessions on our side result in unilateral advantages on their side. The Soviets take such concessions not as a sign of good will but as a sign of a lack of will.

While I have focused today on key problems democracies face in arms control and, to be sure, other negotiations, the freedom which democratic institutions protect is our most cherished asset, our greatest strength and our brightest light to oppressed people around the world.

Despite the problems found in the practice of freedom, none of us would trade the system for the world. Winston Churchill summed it up nicely in the House of Commons in 1947: "It has been said that democracy is the worst form of government except all those other forms that have been tried from time to time."■

Making Arms Control Work

by Kenneth L. Adelman

Address before the Associated Press Managing Editors Association in San Francisco on October 31, 1985. Mr. Adelman is Director of the Arms Control and Disarmament Agency.

I would like, today, for you to picture this: Russia proposes a freeze on weapons and weapons technology and an agreement renouncing first use. Germany debates the proposal. Many label it a trick to mislead Western opinion.

The year was not 1983 or 1985. It was 1898. The SDP [Socialist Democratic Party] Congress in Germany eventually welcomed Czar Nicholas' proposal to the extent that it recognized the need to stop accumulating weaponry. But the SDP also said that to take the proposal "seriously it is necessary for the Russian Government to set a good example . . . by ceasing to accumulate weapons, by ending the cruel persecution of those who do not share its political beliefs, and by granting the Russian people those rights and liberties" necessary for civilization.

Some things never change. But some things do. Nuclear weapons now present a new specter hanging over civilization.

Unfortunately, rational public discussion on arms control matters has been the victim of increasing emotion, rhetoric, and propaganda. This has been particularly true with respect to the U.S. Strategic Defense Initiative (SDI).

But other issues frequently fall victim as well. The Soviet Union has open access to the public debates in free societies. It marshalls its public diplomacy and propaganda tools to serve its own objectives, while allowing no such openness or give-and-take within its own society.

As the world focuses on the ongoing negotiations in Geneva, and on the upcoming meeting between President Reagan and Secretary General Gorbachev, reason should prevail over emotion. No easy solutions exist to the tough arms control problems we face and that so-called quick fixes are illusory at best, exceedingly dangerous at worst. The essayist, H. L. Mencken, once quipped: "There is always an easy solution for every human problem—neat, plausible and wrong."

The primary security objective of the United States and—I believe, of democracies everywhere—is to reduce the risk of war while preserving our most precious national hallmark: Americans—especially those who work in the press—have a vested interest in freedom. There can be no impartiality in the global battle between open and closed societies, between democracy and totalitarianism. There, free people around the globe stand together.

Keeping the Spotlight on Arms Control

Arms control is one important element of our security policy, but only one. It complements other necessary measures such as maintaining forces for an adequate deterrent.

Indeed, history shows that strength deters and weakness is provocative. Adequate defenses provide the foundation on which effective deterrence and arms control must rest. Inadequate defenses are conducive—not to arms control and mutual restraint—but to instability and aggression.

As was the situation in 1898, to which I referred earlier, so today arms control must be part of a broader policy and framework—the broader policy to stop aggression and spread human rights and freedom. The rivalry between East and West is not the result of personalities, of simple misunderstandings, of arms buildup, or of economic competition. That rivalry stems from fundamental moral and political differences that are reflected in differences over a wide range of international, regional, human rights, defense, and other problems. Weapons are the symptom of this struggle, not its cause. Weapons do not bring war. Aggressive policies do.

Thus, arms control cannot be the sole element in the East-West dialogue. The Soviets would like to make it so since highlighting arms control plays into their strong suit—military power—and allows them to put themselves, in this realm at least, on an equal plane with the United States. Putting the spotlight on arms control serves the Soviet interest in increasing pressure from the American public, Congress, and allies to make unilateral concessions, while the Soviets themselves face no such pressures since they have no such free publics, parliament, or allies.

Keeping the spotlight on arms control also serves the Soviet interest in keeping the light off human rights issues and regional issues—particularly, Soviet aggression in Afghanistan and their direct or indirect aggression in Africa, Central America, and South Asia. Arms control is the sole area where they can reasonably expect the United States to give up some gains, whereas in human rights and regional issues, the world reasonably expects the Soviets to give up their repression of their most creative citizens and their conquests of the 1970s—in Afghanistan, Nicaragua, Angola, Laos, Cambodia, et cetera.

The Soviet Union's expansionist behavior and disruptive policies fuel mistrust and undermine the arms control process. It is impossible to forget that the Soviet invasion of Afghanistan and intervention in the affairs of Angola and Ethiopia—combined with its unrelenting buildup of nuclear and conventional forces—derailed detente and effectively stalled arms control in the 1970s.

Soviet failure to comply with undertakings it has freely entered into also fuels mistrust and undermines arms control. The Soviets' questionable activities under a number of treaties and its clear violations of some are deeply troubling. The violations include:

- A new large radar being constructed at Krasnoyarsk in central Siberia that is contrary to a fundamental prohibition of the 1972 ABM [Antiballistic Missile] Treaty;
- Development of yet another new type of ICBM [intercontinental ballistic missile] and encryption of information on missile tests—both contrary to the obligation not to undercut the SALT [strategic arms limitation talks] II accord; and,
- Involvement in chemical weapons use in Afghanistan and Southeast Asia contrary to the longstanding international norms against such conduct as embodied in the 1925 Geneva protocol.

To be serious about arms control is to be serious about compliance. For one side to respect an obligation and for the other side to violate it—this is not arms control, but rather unilateral disarmament in disguise.

Will the Strategic Balance Remain Stable?

What do we believe can be reasonably accomplished through arms control? Reducing the risk of war requires addressing the areas of political conflict; but the military postures of the two sides are vitally important. In the nuclear age, even more than earlier, the structure of forces will not just shape

Presidential elections have been marked by challengers who had vigorously opposed the incumbents' arms control approach, and who won.

While such changes are the norm in democracies in the 1980s, a role reversal occurred. Instead of rotating American leaders there has been a pattern of fleeting Soviet leaders. President Reagan had to deal with three different Soviet leaders in his first 3 years in office. All those Soviet leaders were afflicted with serious ailments. The disruption here was not so much newcomers opposing their predecessors as it was stagnation in Soviet policy.

Today, however, the Soviet Union has a younger and much more dynamic leader. As witnessed by General Secretary Gorbachev's actions and public affairs efforts, the stagnation in Soviet policy has ended. A stronger regime in Moscow can preside over the tough arms control decisions necessary for a good agreement. But a stronger regime in Moscow can—if it so decides—constitute a greater rather than lesser threat to the interests of free societies. Beware of too much vigor by the Soviets.

Struggling Inside the U.S. Political Factor

Last—in any list of factors challenging our Presidents in managing arms control—surely is the bureaucratic and political factor. A Washington wag has it that negotiating with the Soviets is nowhere as maddening as the ordeal of negotiating within the U.S. Government. This is said only half in jest, the smaller half to be sure. The struggle occurs on many fields: within the Executive Branch itself, between the Executive Branch and the Congress, among various interest groups, and out in the general public.

Congress, of course, has a major role not just because of the requirement for Senate advice and consent for any treaty, but also because of its power over the purse and its formidable power to bring pressure to bear. Participating in the midst of the political interplay in Washington is like playing multidimensional chess.

Free and open exchanges are part of what makes us a healthy nation. Divergency of viewpoints on arms control should always persist, and no doubt will. President Reagan consistently welcomes a full range of views on arms control from his top advisors. He surely gets his wish fulfilled, and in spades.

But this is an area where a large degree of consensus on the big issues is needed if arms control is to serve our security interests. On the big issues, the differences among contending parties in Washington is miniscule—at any time—compared to the gap between U.S. and Soviet positions.

Much of the media play about arms control being in disarray simply misreads why more progress has not been made. It is part of the "blame America first" phenomenon described by my former boss, Jeane Kirkpatrick. The fault lies not in our governmental system, but rather in Soviet intransigence.

Another problem that can impede arms control progress is the growing tendency for Congress to link support for individual weapons systems with the vicissitudes of arms negotiations. This approach has grown remarkably popular in Congress, far more popular than it deserves to be.

An extreme example was embodied in the June 1984 Aspin amendment. This was at the time when the Soviets had walked out of the nuclear arms control talks. The amendment provided the Soviet Union an opportunity in effect to kill the MX missile—a strategic system supported by four U.S. Presidents and a distinguished bipartisan panel (the Scowcroft commission) as essential to our national defense. And, what did Moscow have to give up in return? All Moscow had to do under the amendment's term was to send a delegation to Geneva to resume a negotiation that it had no business of interrupting in the first place.

Defense programs—whether the MX, the Pershing II, or ASAT [antisatellite system]—should be designed and supported to meet U.S. security needs. They should be funded or discarded solely on that basis. If those security needs change because of sound arms control agreements made with and respected by the Soviet Union, so much the better. We can then change our defense programs—but not until then.

The President must work and negotiate with Congress. But there is a big price to be paid when these negotiations—not with the Soviets—but with the Congress go too far. Presidential control over both arms control and strategic planning thereby ebbs. Both are deprived of the coherence and continuity they desperately need.

No arms control negotiation can be successful without central management. Indeed, no negotiation of any kind can be. If the President fails to gain congressional approval of basic strategic programs, the Soviets are encouraged to be obstinate even longer. The Soviets are tough negotiators to begin with—taking what they can and giving as little as possible, or preferably nothing, in return. Actions which weaken our negotiating hand can, and usually do, strengthen theirs.

No amount of American imploring or unilateral concessions—such as killing the MX, or decreasing funding for strategic defense, or stopping ASAT tests—is likely to get the Soviets to negotiate more seriously. If we hand the Soviets strategic superiority by our own neglect in defense programs, we cannot retain strategic parity through diligence in arms negotiations. Unilateral concessions on our side result in unilateral advantages on their side. The Soviets take such concessions not as a sign of good will but as a sign of a lack of will.

While I have focused today on key problems democracies face in arms control and, to be sure, other negotiations, the freedom which democratic institutions protect is our most cherished asset, our greatest strength and our brightest light to oppressed people around the world.

Despite the problems found in the practice of freedom, none of us would trade the system for the world. Winston Churchill summed it up nicely in the House of Commons in 1947: "It has been said that democracy is the worst form of government except all those other forms that have been tried from time to time."■

Making Arms Control Work

by Kenneth L. Adelman

Address before the Associated Press Managing Editors Association in San Francisco on October 31, 1985. Mr. Adelman is Director of the Arms Control and Disarmament Agency.

I would like, today, for you to picture this: Russia proposes a freeze on weapons and weapons technology and an agreement renouncing first use. Germany debates the proposal. Many label it a trick to mislead Western opinion.

The year was not 1983 or 1985. It was 1898. The SDP [Socialist Democratic Party] Congress in Germany eventually welcomed Czar Nicholas' proposal to the extent that it recognized the need to stop accumulating weaponry. But the SDP also said that to take the proposal "seriously it is necessary for the Russian Government to set a good example . . . by ceasing to accumulate weapons, by ending the cruel persecution of those who do not share its political beliefs, and by granting the Russian people those rights and liberties" necessary for civilization.

Some things never change. But some things do. Nuclear weapons now present a new specter hanging over civilization.

Unfortunately, rational public discussion on arms control matters has been the victim of increasing emotion, rhetoric, and propaganda. This has been particularly true with respect to the U.S. Strategic Defense Initiative (SDI).

But other issues frequently fall victim as well. The Soviet Union has open access to the public debates in free societies. It marshalls its public diplomacy and propaganda tools to serve its own objectives, while allowing no such openness or give-and-take within its own society.

As the world focuses on the ongoing negotiations in Geneva, and on the upcoming meeting between President Reagan and Secretary General Gorbachev, reason should prevail over emotion. No easy solutions exist to the tough arms control problems we face and that so-called quick fixes are illusory at best, exceedingly dangerous at worst. The essayist, H. L. Mencken, once quipped: "There is always an easy solution for every human problem—neat, plausible and wrong."

The primary security objective of the United States and—I believe, of democracies everywhere—is to reduce the risk of war while preserving our most precious national hallmark: Americans—especially those who work in the press—have a vested interest in freedom. There can be no impartiality in the global battle between open and closed societies, between democracy and totalitarianism. There, free people around the globe stand together.

Keeping the Spotlight on Arms Control

Arms control is one important element of our security policy, but only one. It complements other necessary measures such as maintaining forces for an adequate deterrent.

Indeed, history shows that strength deters and weakness is provocative. Adequate defenses provide the foundation on which effective deterrence and arms control must rest. Inadequate defenses are conducive—not to arms control and mutual restraint—but to instability and aggression.

As was the situation in 1898, to which I referred earlier, so today arms control must be part of a broader policy and framework—the broader policy to stop aggression and spread human rights and freedom. The rivalry between East and West is not the result of personalities, of simple misunderstandings, of arms buildup, or of economic competition. That rivalry stems from fundamental moral and political differences that are reflected in differences over a wide range of international, regional, human rights, defense, and other problems. Weapons are the symptom of this struggle, not its cause. Weapons do not bring war. Aggressive policies do.

Thus, arms control cannot be the sole element in the East-West dialogue. The Soviets would like to make it so since highlighting arms control plays into their strong suit—military power—and allows them to put themselves, in this realm at least, on an equal plane with the United States. Putting the spotlight on arms control serves the Soviet interest in increasing pressure from the American public, Congress, and allies to make unilateral concessions, while the Soviets themselves face no such pressures since they have no such free publics, parliament, or allies.

Keeping the spotlight on arms control also serves the Soviet interest in keeping the light off human rights issues and regional issues—particularly, Soviet aggression in Afghanistan and their direct or indirect aggression in Africa, Central America, and South Asia. Arms control is the sole area where they can reasonably expect the United States to give up some gains, whereas in human rights and regional issues, the world reasonably expects the Soviets to give up their repression of their most creative citizens and their conquests of the 1970s—in Afghanistan, Nicaragua, Angola, Laos, Cambodia, et cetera.

The Soviet Union's expansionist behavior and disruptive policies fuel mistrust and undermine the arms control process. It is impossible to forget that the Soviet invasion of Afghanistan and intervention in the affairs of Angola and Ethiopia—combined with its unrelenting buildup of nuclear and conventional forces—derailed detente and effectively stalled arms control in the 1970s.

Soviet failure to comply with undertakings it has freely entered into also fuels mistrust and undermines arms control. The Soviets' questionable activities under a number of treaties and its clear violations of some are deeply troubling. The violations include:

- A new large radar being constructed at Krasnoyarsk in central Siberia that is contrary to a fundamental prohibition of the 1972 ABM [Antiballistic Missile] Treaty;
- Development of yet another new type of ICBM [intercontinental ballistic missile] and encryption of information on missile tests—both contrary to the obligation not to undercut the SALT [strategic arms limitation talks] II accord; and,
- Involvement in chemical weapons use in Afghanistan and Southeast Asia contrary to the longstanding international norms against such conduct as embodied in the 1925 Geneva protocol.

To be serious about arms control is to be serious about compliance. For one side to respect an obligation and for the other side to violate it—this is not arms control, but rather unilateral disarmament in disguise.

Will the Strategic Balance Remain Stable?

What do we believe can be reasonably accomplished through arms control? Reducing the risk of war requires addressing the areas of political conflict; but the military postures of the two sides are vitally important. In the nuclear age, even more than earlier, the structure of forces will not just shape

the capability for conflict but will affect the likelihood of conflict as well.

Strategic stability is critical. And we must now ask, will the strategic balance remain stable in the face of the steady buildup of both Soviet offensive weapons—particularly those that threaten the retaliatory forces of the West—and the enormous Soviet investment in defensive programs?

This has been the central issue in strategic arms control negotiations since they began in 1969. We thought we basically remedied that matter favorably in 1972 with the ABM Treaty. It turned out not to be so.

When the United States and the Soviet Union concluded that treaty, with its stringent limits on defensive systems, we set down a marker for strategic arms reductions to follow. In fact, our chief negotiator and one of my predecessors, Gerard Smith, said at that time that the United States put "the U.S.S.R. on notice that if an agreement providing for more complete offensive arms limitations were not achieved [by 1977], U.S. supreme interests could be jeopardized and should that occur, would be the basis for withdrawal from the [ABM] Treaty."

But that assumption has not been fulfilled. The Soviet Union long resisted any agreement to reduce strategic offensive arms or even to effectively limit them. While the strategic arsenals on both sides have grown, that increase has been disproportionate on the Soviet side. They now have nearly four times the number of strategic ballistic missile warheads than in 1972. Their capability to quickly destroy hard targets in a disarming first strike has increased by a factor of ten or more.

This growth contrasts starkly to what we had hoped for when the ABM Treaty and SALT I were concluded. As former Defense Secretary [Harold] Brown once reflected: "We build, they build. We stop, they build."

Another assumption underlying the ABM Treaty was that both sides would adhere to it. Yet, as I noted, the Soviets have violated the limits on new large phased-array radars. They did this though they must have realized the United States would surely detect it—the Krasnoyarsk radar being several football fields large—and that it could not conceivably be reconciled with the terms of the treaty. This planning had to begin around the mid-1970s, not long after the conclusion of the ABM Treaty.

The nature and extent of Soviet defensive programs, even those that raise no compliance problems, raise other profound concerns about strategic stability. Over the past 20 years, the Soviets have spent roughly as much for strategic defense as for strategic offense. Besides passive defenses, they have deployed extensive air defenses; they have extensive civil defense; they have the world's only ABM system, which is deployed around Moscow, and

U.S.-U.S.S.R. Negotiations on Nuclear and Space Arms

PRESIDENT'S REMARKS, OCT. 31, 1985[1]

I have instructed our negotiators in Geneva at the nuclear and space talks to present a new U.S. proposal designed to advance the prospects for achieving real reductions in nuclear arms, enhancing stability, and addressing the legitimate concerns of the United States and our allies as well as of the Soviet Union.

I have also asked our negotiators to seek Soviet agreement to extend this round of the negotiations into next week so that our negotiating team can make a full presentation of our proposal and have a real give-and-take with the Soviets on its details.

Finally, I have written to the leaders of allied nations and have transmitted a personal letter to General Secretary [Mikhail] Gorbachev on this subject.

History has shown that progress is more surely made through confidential negotiations; therefore, I'm not going into any details about our proposal. Suffice to say that our proposal is serious, it is detailed, and it addresses all three areas of the negotiations. It builds upon the very concrete reductions proposals, which our negotiators had tabled earlier, as well as the Soviet counterproposal.

The Soviet counterproposal was first presented to me by Foreign Minister [Eduard] Shevardnadze at our White House meeting in September, following which it was tabled at Geneva by the Soviet negotiators. Since that time, our arms control experts have analyzed the Soviet counterproposal extremely carefully. This analysis now completed, I have met with my senior advisers, decided on our response, and have instructed our negotiators to make this move.

During our careful review, we measured the Soviet counterproposal against our concrete proposals for deep, equitable, and verifiable reductions which we already had on the table and against the criteria which we have long held for attaining effective arms control agreements. We have made clear that, measured against these criteria, the Soviet counterproposal, unfortunately, fell significantly short in several key areas.

At the same time, as I indicated in my address to the UN General Assembly last week, the counterproposal also had certain positive seeds which we wish to nurture.

Our new proposal builds upon these positive elements and calls for very significant balanced reductions of comparable nuclear systems, particularly those that are the most destabilizing. It's my hope that our new proposal will enable both of our nations to start moving away from ever-larger arsenals of offensive forces. At the same time, we seek in Geneva to undertake with the Soviets a serious examination of the important relationship between offensive and defensive forces and how people everywhere can benefit from exploring the potential of non-nuclear defenses which threaten no one.

I'm pleased that we seem to have made a successful start on this long process. The Soviet response to our earlier proposals and the new proposal which we're making are important milestones in moving these negotiations forward.

Additionally, I hope we can achieve progress in the other key areas of the broad agenda which Mr. Gorbachev and I will discuss in Geneva—human rights, regional issues, and bilateral matters.

Strengthening the peace and building a more constructive, long-term U.S.-Soviet relationship requires that we move ahead in all of these areas. I believe progress is, indeed, possible if the Soviet leadership is willing to match our own commitment to a better relationship.

[1]Text from Weekly Compilation of Presidential Documents of Nov. 4, 1985. ■

the world's only operational antisatellite system.

The Soviets have long been investigating some of the same advanced technologies for strategic defense that are now being examined in the U.S. research program. These include high-energy lasers, particle-beam weapons, radio frequency weapons, and kinetic energy weapons. The Soviet programs—as made clear in a recent U.S. publication "Soviet Strategic Defense Programs"—long antedate those of the United States.

Thus, it seems dubious that the Soviets ever really accepted the concept and assumptions underlying the ABM Treaty.

SDI: A Better Way of Deterrence

In this light and others, our research under the Strategic Defense Initiative looks toward a more promising basis for deterrence in the future, toward greater stability through radical reductions in nuclear offensive arms and through more and more reliance on defense and protection and less and less on offense and retaliation. If a better way of deterrence is possible, do we not have an obligation to search for it? I believe we do.

Yet within a few hours of the President's 1983 speech, the Soviet Government-controlled news agency, TASS, issued a statement which was the beginning of a propaganda campaign to stop the United States from pursuing the Strategic Defense Initiative.

The Soviet propaganda line against SDI is as predictable as it is hypocritical. The Soviets hope to foster a situation in which the United States is pressured unilaterally to restrain its research effort, even though such research is fully consistent with existing treaties. They wish to stop something which is fully consistent with the ABM Treaty—namely our SDI program—while they continue something which is clearly prohibited by the ABM Treaty—namely the Krasnoyarsk radar. This approach would leave the Soviets with a virtual monopoly in advanced strategic defense research; obviously they see this as the most desirable outcome.

Such a virtual monopoly would be most dangerous for the West. It has been recognized for many years that offense and defense are vitally related to each other, that it is essential to keeping the peace. Unilateral restraint by the United States in the defense area would jeopardize this balance and could, therefore, potentially undermine our deterrent ability.

The United States and its allies can expect the Soviets to continue to protest strongly and publicly about SDI and alleged U.S. designs to "militarize space," all the while denying that they are conducting similar programs and portraying themselves as a promoter rather than an obstacle to progress in arms control.

Perhaps the most poignant domestic criticism of SDI is the judgment of so-called experts that it simply won't work. Such "expert analysis" has been rendered before and found wanting before. For example:

- Thomas Edison forecast, "Fooling around with alternating currents is just a waste of time. Nobody will use it, ever. It's too dangerous. . . . Direct current is safe."
- Simon Newcomb noted in 1903, "Aerial flight is one of that class of problems with which man will never be able to cope."
- Lee Deforrest argued in 1926 that, "While theoretically and technically television may be feasible, commercially and financially I consider it an impossibility, a development of which we need waste little time dreaming."
- Admiral William Leahy, Chief of Staff to President Truman, warned in 1945 that, "The (Atomic) bomb will never go off, and I speak as an expert in explosives."
- One scientist argued in 1932 that, "There is not the slightest indication that [nuclear] energy will ever be obtainable. It would mean that the atom would have to be shattered at will."

If the point of the criticism is that SDI wouldn't work today, then I plead: "Guilty as charged." That's precisely why the President has ordered a research program—to see if it can work in the future. This approach is quintessentially American—holding out an objective which is right and beneficial and then working diligently to make it happen. SDI has become an American challenge.

U.S. Proposals in Geneva

In the talks on strategic arms, the United States has proposed reductions of nearly 50% in strategic ballistic missile warheads and in missiles on each side. We have proposed significant limits and tradeoffs between areas where the Soviets have an advantage (destructive power of ballistic missile forces) and where the United States has an advantage (heavy bomber forces with associated cruise missiles). We need to reduce weapons that exist today, particularly the most threatening and destabilizing systems.

The Soviet Union would have us believe that this central issue has all but disappeared—as if the threat from large existing MIRVed [multiple independently-targetable reentry vehicled] ICBMs, of which the Soviets have over 800, is somehow less important than a program of research into new defensive systems which do not even exist today, which will not exist for many years at best, and which will not come into being at all unless they can meet the stringent stability criteria we have set.

The United States is also trying in Geneva to eliminate the entire class of longer range INF [intermediate-range nuclear force] missiles, or to limit them to the lowest equal level possible. The threat of the Soviet's triple-headed INF missile, the SS-20, goes to the heart of our commitment to our allies.

In the defense and space negotiations we are seeking to explore with the Soviets how to effect a stable transition to a more defense-reliant deterrent posture—if the new technologies being investigated by both of us support such a change.

Our proposals in Geneva are paralleled by other U.S. and Western arms control initiatives in other fora. We have advanced ideas and programs to strengthen the bulwarks against the further spread of nuclear weapons—a critically important area where we, the Soviets, and many other countries cooperate well, as evidenced from the successful conclusion of the Non-proliferation Treaty Review Conference last month.

We have advanced proposals to stem the proliferation of chemical weapons and to effectively eliminate them everywhere, to reduce conventional forces in Europe, to construct confidence and security building measures to reduce the risk of war in Europe through accident or miscalculation, and to make progress on verifying nuclear test limits. We have, with our NATO [North Atlantic Treaty Organization] allies, agreed to significantly reduce the number of U.S. nuclear weapons in Europe. President Reagan's arms control agenda is—I believe—the most comprehensive one of any President in our history.

The Soviet Counterproposal

We now have, at long last, a Soviet counterproposal in Geneva. In the first two rounds, the Soviets by and large failed to engage in constructive negotiations at all. They tabled no new proposals; nor did they reaffirm their previous positions.

We welcome the Soviet decision to do something even if it does not really bridge the gaps between us, which their counteroffer clearly did not do.

The most striking thing about the Soviet counterproposal is the number of elements in it that have been rejected by the United States and by our allies time and time again throughout the 1970s and 1980s. Someone once said that Russian peasants sell the same cow twice, but Russian negotiators sell the same dead cow almost yearly. Many of these, like their inclusion of so-called U.S. forward-based systems, seem to periodically rise up again—like the Phoenix—and reappear in their same self-serving form. The Soviet package combines a blatantly one-sided mix of bans, freezes, and reductions that would prove positively dangerous to the security of the United States and our allies if ever accepted.

The major problems in the Soviet counterproposal can be summarized easily.

First, it is unequal and unfair. It sounds good by claiming to propose 50% reductions in each side's relevant delivery vehicles. But there is a catch. These are defined in such a way as to include all U.S. nuclear weapons as well as some dual-purpose systems meant to defend our allies in Europe and Asia, but none of the Soviet systems aimed at our allies. It would grant no significant reduction in the large SS-20 threat while erasing our limited counter to that threat.

Accepting such a definition would render us the stark choice of either having to accept strategic inferiority or to sacrifice our defensive commitments to our allies. We should do neither. We will do neither.

Secondly, the Soviet counterproposal would make the strategic balance less, rather than more, stable. They propose that no more than 60% of the 6,000 total permitted weapons be on any one leg of the triad, that is, on ICBMs, SLBMs [submarine-launched ballistic missiles] or aircraft. These numbers again sound good, but they are designed in a way that does not get at the central problem of large, land-based MIRVed ICBMs that threaten retaliatory forces. The Soviet Union's advantage in hard-target, killer ICBMs would actually be increased.

Finally, the Soviets make all offensive limitations contingent on banning our Strategic Defense Initiative including, as they say, "scientific research." This Soviet condition remains unchanged. But its repetition does not make it any more realistic or acceptable, especially in light of their own extensive programs on advanced defensive technologies. What they surely want is to continue their program while stopping ours. The Soviets know, of course, that their package cannot and will not be accepted by the West.

While there is some good news and a great deal of bad news in the Soviet counterproposal at Geneva, their beginning to move, in and of itself, is a positive sign. If they are serious, if they are willing to bargain realistically, then progress can be made. We are ready for give-and-take.

Conclusion

We should not look for "breakthroughs" by the time of the November meeting, but we do look for some progress. Before that time, we can expect even more Soviet propaganda—and possibly some new Soviet thrust on arms control. Their officials have been far more active in the media rooms than they have been in the negotiating rooms. They want to gain the propaganda momentum before the November meeting. We hope that the Soviets are prepared to get down to the tough business of arms control. The chief Soviet negotiator, Mr. Karpov, correctly noted that it takes "two for a tango," and we welcome the fact that the Soviets have finally ventured out on the floor.

Let us venture on the floor together so that we can find the necessary common ground to handle the nuclear dilemma that so bothers us all. Just as we are exceedingly proud of our predecessors, let us live and work so as to give plenty of cause for our successors to be even prouder of us. ■

Secretary Visits Canada

Secretary Shultz visits Canada on October 28 to meet with Secretary of State for External Affairs Joseph Clark. Following are his toast and a joint news conference by the two Secretaries.

TOAST,
CALGARY, ALBERTA,
OCT. 28, 1985[1]

We certainly appreciate—the President does, I do, all of us do—the wise counsel and advice that we are getting from you [Joseph Clark] and the Prime Minister [Brian Mulroney]. We sat together in New York last week during the UN meetings, talked about the upcoming Geneva meeting, the arms control, some of our bilateral problems, and I think it is very rewarding for us to have the advice and the counsel and the point of view that you bring. So, the President seeks that, not simply because you are a neighbor but because he finds it worthwhile and we truly do appreciate it.

Joe Clark and I have now met six times over the last year to discuss U.S.-Canada relations and to exchange views on current international developments. Our discussions have always been candid, detailed, and mutually informative, as befits close friends and good neighbors.

Meeting in Calgary is a special pleasure for me particularly on this anniversary as you described. We know Alberta as Canada's fastest-growing province, and one which has benefited from the robust leadership of Premier Peter Lougheed over the last 14 years. We salute him as a tireless advocate of Alberta's and Canada's economic interests, and we wish him well as he leaves office after such distinguished service.

When we Americans picture Alberta, we think of hard work, competition, and straight talk—the very qualities which turned these prairies into parts of the breadbasket of the world and the source of such a large share of North America's energy resources. When the International Olympic Committee chose Calgary as the home of the 1988 Olympics, it looked beyond your physical splendors and playing fields and saw the requisite civic pride and "can do" attitude so necessary for the success of the games. We look forward to friendly

and spirited competition in those games, just as we look forward to another chance at the Stanley Cup. It's a question whether we will win the Stanley Cup again before you win the World Series. Of course, Joe is a little worried about getting into the World Series and having it snowed out.

These themes—vigor, competition, and frankness—characterize the bilateral relationship which our two governments are continuing to build.

President Reagan and Prime Minister Mulroney last March called for a "new partnership" to help reinvigorate our economic relationship, to tackle common environmental problems, and to bolster our defense relationship.

We have made commendable progress in many of these areas and when the Prime Minister and President meet next March they can point with pride to a healthier and more productive relationship between our two countries. This is an effort which has enlisted the support of key top-level representatives of both governments—as shown by the five visits of U.S. Cabinet officers to Canada within the past 2 months and the four Canadian Ministers who have visited Washington over the last 6 months. This is not business as usual—it is an especially active effort to advance our common interests through a process of more intense dialogue and the forging of personal as well as professional ties between officials from both Ottawa and Washington. These links have been mirrored at the state and local levels on both sides of our common border.

Our success in achieving an enhanced market approach to energy trade is a clear example of how our bilateral relationship has improved over the last year. We note this accomplishment with satisfaction, while recognizing that further work needs to be done in the energy area, and maybe it will be done later this week.

We have now come to an historic juncture in the relations between our two countries. Prime Minister Mulroney has proposed that we explore the prospects for a broad-based, mutually beneficial bilateral trade agreement. President Reagan has warmly welcomed this initiative, and the Administration has begun consultations with the Congress. On the basis of these early talks and with our statutory requirements for consulting with Congress and the private sector in mind, we believe it will be possible to begin formal bilateral negotiations early in 1986.

The road to a bilateral trade agreement will be steep, but it is worth the climb. Hard work and good faith will be required to attain the goal of freer trade and strengthened economies.

We have laid out a challenge to each other, and the rest of the world will be watching our progress. We have said that it is not enough to have the largest two-way trade on the globe.

It is not enough that the greater part of our trade crosses borders duty free. Rather than congratulate each other on our accomplishments, we have chosen to recognize that dealing with tough issues—remaining tariffs, nontariff barriers, subsidies, and market access—will help us pave the way for greater economic efficiency and prosperity in both countries in the next century.

Now that we have accepted the challenge to work toward a bilateral trade agreement, we should be frank in discussing what is and is not intended in such an agreement.

First, as is inherent in any agreement between independent, sovereign countries the agreement must be mutually beneficial with no preponderance of advantage to either side.

Second, benefits from the agreement must be substantial. The gains from trade must outweigh the costs of inevitable economic dislocations. When we see academic studies estimating that a trade agreement could eventually boost Canadian per capita income by up to 10%, we see the prospect for substantial benefit to Canada. When we realize that Canada's remaining tariffs are among the highest in industrialized countries, we see prospects for substantially increased U.S. exports.

Lastly, the agreement will not remove all economic and trade disputes between our two countries. There will be ongoing problems. That is the very nature of our existence as two independent countries on the same continent.

In sum, we are talking about a new undertaking, truly a "new partnership," between old friends. We are talking about working through our differences, not whitewashing them. We will continue to disagree on many issues, knowing that we have a unique record for discussing problems before they fester, seeking compromise where possible, and respecting the values and intentions of the other party when differences remain.

And now, I express my appreciation to my colleague Joe Clark for the high quality of his public service and for his warm hospitality. And to Albertans and all Canadians I raise my glass in gratitude and friendship.

JOINT NEWS CONFERENCE, OCT. 28, 1985[2]

Q. Just 3 weeks ago, a man named Peter Widdrington, the Chief Executive Officer of John Labatt's Corporation—I quote him in saying that "Canada has not done its homework on free trade. That we are not ready to enter negotiations with the U.S." Can you make any comments?

Secretary Clark. I am inclined to speak about the marketing of beer, but I don't think I will reciprocate. No, we believe that we have made extensive preparations. I think the United States' side has made extensive preparations. We are naturally continuing consultations in this country. I think that you might find that Labatt's has an interest in the negotiations, and that may well explain the comment. But I am confident we are well prepared as we enter into whatever negotiations that might ensue.

Q. Mr. Clark, we heard the problems that the United States has with lumber, with steel, other problems with free trade. I want you to comment about doing anything further while these issues—where we are trading with them—are unresolved and we are running into increasing problems. I would like perhaps to hear from Secretary Shultz, too.

Secretary Clark. One reason we are interested from our side in looking at a larger trading arrangement is precisely because there has been a plethora of individual problems, some of which we think could be better handled by some new arrangements. But, I make the point, that we are dealing with those individual circumstances, whether they are lumber, steel, or strawberries, or whatever, one by one and in a way unlinked and separated from the question of negotiations that we might enter into. The facts are clear. There are some risks to Canada now from protectionist pressure in the United States. We have a duty to take account of those risks, to try to put a better system in place. There are some immense opportunities for Canada in the larger market for Canadian produce and Canadian productivity that would exist in the United States. We have an obligation to respond to the opportunity. That is what we are looking to.

Secretary Shultz. I subscribe to his answer.

Q. My question is for Secretary Shultz. Here in Alberta, our Premier

spoke repeatedly about "window of opportunity," that if we didn't make progress within a short time frame, that we might lose it. I am wondering if you could comment on whether that window is half open, or nearly shut, or what?

Secretary Shultz. I think the window is wide open. We believe in the United States—we, this Administration, the President in particular—that open trading is good for us, that we will benefit by opening still further the opportunities for trade with Canada, which historically have benefited us tremendously. We have a huge two-way flow now, and trade takes place when both parties to the trade want it to happen. It never takes place when it's only to one person's advantage. So, it is not a zero sum game. It is plus-plus, and we think we will benefit from it.

Q. Mr. Clark, does the fact that negotiations on lumber, and the other subjects [inaudible] are held hostage by negotiations on bilateral trade?

Secretary Clark. I think that the Canadian economy—Canadian employment in the forestry sector for example—is in a sense hostage now to the absence of a more efficient system than now exists. And as I said, we will have two goals: The first is to face up to the actual threat that now exists to Canadian employment. It's necessary to have a more effective response. Secondly, there are great opportunities, great possibilities for Canadians, across Canada, we think, and it is for that reason that we want to at least try to reach an approach with the United States.

Q. Mr. Clark, Mr. Shultz, how close are you to being able to name chief negotiators for the 1986 negotiations?

Secretary Shultz. From the standpoint of the United States, there is a statutory requirement before we officially enter the negotiations, that we have a thorough-going consultation with the Congress and with private interests. I believe this is a good thing, because it allows us to generate broad-based support for what is to be undertaken. And, I think, myself, that it is important to go through that process and have it behind us and then name a negotiator. But we will find a person of eminent qualifications, who will understand the political process that is involved and have the confidence of the many economic interests that are necessarily represented in a complicated trade negotiation.

Secretary Clark. As for Canada's part, we have set no deadline for the designation of a chief negotiator. We are involved, and have been for some time, in extensive consultations with other governments and industry sectors. Those are going to continue. The negotiating team that is put in place when that time arrives, will naturally fit into that system of negotiations. This is going to be, apart from being an historic process, quite an unusual one, in that it will require from our side a very extensive degree of consultation, perhaps greater than we have found before in a trade negotiation. And I frankly expect it will be one of the more public negotiations, because I expect that you fellows will be there with microphones, introducing whomever is our negotiator to the joys of the scrum.

Q. There is a lot of concern about cultural industries and cultural sovereignty, the *Time* purchase of Prentice Hall and so on. I would like each of you to comment on whether cultural issues are indeed on the table in these negotiations.

Secretary Clark. There are some Canadian culture industries which are very much anxious to find new markets for whatever cultural products they are involved with, and naturally, I wouldn't want to close the door on their opportunity to find markets in the United States for Canadian expression. As I have said again today at noon, the question of culture is obviously an important one, that we take seriously. I have indicated in the House of Commons that prior to becoming involved in any negotiations, I will be consulting personally with representatives of the cultural industries across the country, both so that I will understand their position and so that they will have a greater feeling of confidence about their own role in any negotiations, if those particular sectors are involved.

Secretary Shultz. I think the answer is yes. The industries, so to speak, if you want to call them that—you mentioned Prentice Hall, the publishing company—are things that need to be talked about. What the outcome of the discussion is, is another question. But I know the Prentice Hall issue is up front here in Canada right now. I gave Secretary Clark a list today of recent acquisitions by Canadians of U.S. publishing houses. It's a long list; it covers two pages, single spaced. So, as I said in my comments at lunch, opening up trade has got to be a two-way street.

Q. Given the strong protectionist pressure in the Congress, can you explain your optimism that this idea of a trade agreement, how will it go anywhere? I mean, you are asking the Members of Congress to move in the opposite direction from the one they are moving in now. Why are you optimistic that they will do that?

Secretary Shultz. When we all came back from a summer vacation this year, it was widely said everywhere, by all the people who know everything, that protectionist sentiment was sweeping the country, sweeping the Congress, and President Reagan, in his naive free trade attitudes, would be swept by it. As it turned out, those views are wrong. President Reagan has stood up to them. He denied shoe quotas. He has expressed his view very strongly. There was a vote recently in the House of Representatives, which is very heavily of the opposite party, and while a textile protectionist trade bill passed, it didn't pass by a two-thirds majority. In order to beat the President, you have got to generate over a third of the votes in both Houses. So, he is clear in his mind that protectionism is bad for America and he is preaching that gospel. And those who think he can't be effective should look at his track record. So, don't count us out. We are going to do the right thing for America.

Q. Mr. Shultz. Secretary Clark made reference at lunch to the possibility that certain industries that Canada views as cultural may not be seen that way in the United States. Are you concerned that Canada has tried to define its culture too broadly and put too many areas off the table before the talks begin?

Secretary Shultz. It's up to Canada to define things as it chooses. And, of course, it is up to us. We have to negotiate. As I pointed out with respect to publishing houses in the United States. So, it shouldn't come as a surprise that we would think it might be all right for a U.S. company to make an acquisition. But, at any rate, a negotiation is not settled when it starts. It's settled as a process unfolds and as people examine issues and learn. I might say, with respect to the question of preparation, you are never prepared at the beginning for absolutely everything that takes place. That's impossible. What you have to have is a sense of a process, capable people, and then, a way of being in communication with the affected industries so that they express themselves and you come to understand

it. And then gradually it works out. We've been through this in the successive rounds of trade negotiations that have opened up world markets, beginning with reciprocal trade efforts of Secretary of State Cordell Hull. It has been a long march back to open markets, and we don't have any intention of marching back in the other direction.

Q. Mr. Clark, the pilot of the aircraft that dropped those flags on the U.S. icebreaker, *Polar Sea*, a couple of months ago is apparently being charged by the Ministry of Transport for dropping hazardous objects—bunch of Canadian flags. You expressed shortly after that episode you didn't think charges would be laid. Could I ask you now how you feel about whether they should be laid, and if they will proceed?

Secretary Clark. Don, you say, "apparently." I will find out what the facts are that he is being charged. I will then defer to my colleague who is responsible for that part of the Government of Canada to comment, but I may well talk to him before he talks to you.

Q. You mean Mr. Mazankowski?

Secretary Clark. You know more about this story than I do, Don, and I can't—I learned some time ago, when I was reporter for the *Edmonton Journal*, that people who answered blind get in trouble, so I won't.

Q. I have a question for both Secretary Shultz and Mr. Clark. In 1986, the NORAD [North American Aerospace Defense Command] Agreement will be renewed. I was wondering if Canada anticipates any problems in negotiating that agreement, in light of the SDI [Strategic Defense Initiative] and what adjustments the Americans, the United States, would be interested in, in light of SDI and various other strategic concerns?

Secretary Shultz. They are separate issues, and we would hope the agreement would be renewed. As far as SDI is concerned, it is my understanding that the Canadian Government has taken the position that as a government, it doesn't participate, but it has no objection to private firms taking part in bidding on research contracts and so forth. And, of course, what we are talking about here is a research program designed to answer the question: Is it possible to find a shield that will protect you against incoming ballistic missiles? And we think in the United States, the President thinks, that it is tremendously important to find the answer to that question, because if it is possible to construct even a partially better defense, then it will be possible to reduce tremendously the possibilities or the threat of a first strike. And that is an extremely important thing for the safety of all of us. So, SDI is a completely different matter, and we think it is a matter of great importance to not just the United States but to the whole world.

Secretary Clark. Very briefly, they are separate questions. I anticipate no particular difficulty in the negotiations regarding a renewal. As you know, we referred the matter to the Standing Committee of the House of Commons. We have followed the practice consistently since the election of the Conservative Government of taking steps that involve Parliament and the people of Canada in the discussion of foreign policy. That hadn't happened before. We think it is a step forward. We think that among other things, it will result in a much broader understanding in the country of what is and what is not involved in the discussion of NORAD.

Q. Could I ask you a supplementary? Are you suggesting, then, sir, that we would not look at SDI until such time as NORAD—until such time as it is proven that such a shield could develop?

Secretary Clark. They are separate questions, as Secretary Shultz made clear, and I think it is broadly understood in the country. I have no doubt, Parliamentary committees being what they are, that questions relating to SDI will come up in discussions on the NORAD renewal. But they are separate questions.

Q. Mr. Clark, the most recent poll suggests the party is not as popular in the Province of Ontario as it used to be. Ontario was the one opponent to the idea of freer trade. Is that going to pose an obstacle in going ahead with negotiations with the United States?

Secretary Clark. I, in fact, have been impressed so far by the degree to which the discussions on freer trade have not become divisive on either partisan or regional lines in the country. I think that is very important that it continue to be the case. The Premier of Ontario has some views that do not precisely mirror my own. That is his right. He has some concerns about Ontario industry. We share those concerns. My understanding of his position is that he thinks it makes sense for us to enter into discussions and to try to see if we can achieve an arrangement that is better for Ontario, better for Alberta, better for Canada. We intend to involve him quite actively, and other Premiers, in the process of those discussions.

Q. Mr. Shultz, how important are the Canada-U.S. trade negotiations to both those the United States has with Japan and the European Economic Community?

Secretary Shultz. Canada is the most important trading partner of the United States by far, a much larger volume of trade than we have with Japan or with all of the European Community combined. So, from the standpoint of importance to the United States of trading arrangement, our trading arrangement with Canada and the relatively open trading arrangement we now have is of tremendous importance. We, I am sure, will want to respond positively to the invitation of Prime Minister Mulroney to negotiate further on this.

Q. I meant, actually, more in relationship to any further extension of free trade negotiations as you may have with those other countries, like, how important is this as a precedent to what the United States may do with other countries?

Secretary Shultz. I suppose, when people see something in place that works, they ask themselves, maybe it will work for us, too. But other than that, I don't see that it has any special implication.

Q. Mr. Shultz, your remarks at noon appear to suggest you have already taken a preliminary poll in Congress toward free trade. Are you satisfied that at this point you have the one-third endorsement that you need, and if not, what would the percentage of the fraction be at this point?

Secretary Shultz. When I spoke of the one-third, it had to do with votes on specific pieces of protectionist legislation. And the one I was referring to had to do with the textile industry, which is already protected. The question of entering negotiations with Canada is of a different nature. And we have a statute under which these negotiations are authorized, after careful consultation with the Congress and with private groups, and we will undertake that process. But there is in the United States a strong fund of recognition that our trading relationship with Canada is

basically good. And, so, we proceed with a lot going for us in that regard.

Q. If I could just clarify that for a moment, then, at this point how would you assess congressional support for this? Could you give me a percentage of how many members of Congress would vote for this right now?

Secretary Shultz. I can't tell you the answer to that question. We have been going around talking with Members of Congress and the general tone of discussion and responses is quite positive. But we are not going about taking a poll.

Q. Would each of you expect a free trading agreement to need a long period of transition and management of the consequences for the industries affected?

Secretary Clark. I think there is no doubt that any trading agreement that might be entered into would feature both of those elements.

Secretary Shultz. I think what would tend to happen is that you have different arrangements for different industries. So that it may be there—is an industry with particularly sensitive problems in Canada or in the United States, and, so, you would say, well, then the gradual movement toward the reduction of tariffs would take place over a period of time. So that those who would be affected can make an adjustment, whereas there might be other cases in other industries where there isn't really that much of a problem and you might as well just do it right away. So, it would be orchestrated. And that is exactly the sort of thing that negotiators would have to work at.

Q. Mr. Shultz, I would like to ask—you talked in your pre-lunch remarks about beginning negotiations in early 1986. Can we infer from this that you are going for a fast track approach with Congress, and can you tell us something about the mechanics that you foresee and whether you have any date on when these negotiations could realistically begin?

Secretary Shultz. We hope that we will be able to have done the consultations required by the statute during the month of—by the time the month of November and December, along in there—here worked themselves through. I can't say that is a definite thing, but that is our object, and we are working at it quite hard. Under those circumstances, I think what I said at the luncheon was sometime in early 1986 we would hope that we could get started. Now, those are guesses, estimates on my part, and I hope that they will turn out to be right. I wouldn't have said them if I didn't think there was a very good chance of it. But, obviously, it is not as though something is locked in concrete.

Q. I believe you spoke this morning in your private session about East-West issues. Can you tell us how you think the current incident going on down around New Orleans involving the Soviet freighter and the man who tried to defect might affect U.S. relations with the Soviet Union? And what is the United States prepared to do if the Soviets continue to refuse to let us interview this man in the kind of conditions that we are looking for?

Secretary Shultz. We have been working at this problem through diplomatic channels through the weekend, and my information is that right now there is an interview being conducted under circumstances that we insisted on. And I believe, at the same time, that it is essential, in looking at the coming meetings in Geneva, that we always make a point of doing what's right. So, in a case like this, what is right is that we see to it that the individual involved has a chance to express himself in an environment free of coercion. And, so we must do that without consideration of people saying, "Oh, my, if you do that, perhaps the Soviets will get mad and you won't have a meeting." Well, nonsense. The way to be sure that we have a good meeting, and I am sure the same applies on their side as well, is to be sure everybody knows we are going to do what is right. That is in the nature of conducting this thing properly. But I think—I hope—it is very much in the process or working itself out.

Q. [Inaudible.]

Secretary Clark. To take the first question I believe that it is very clear that President Reagan and the American Administration are looking for freer trade. This has been a longstanding undertaking for the President and the American Administration. There are pressures in Congress today which exist and which threaten Canada, but I am confident it will be possible for us to find the means to change our overall relations in a way to protect ourselves, generally, against this kind of activity. Insofar as cultural industries are concerned, there are several Canadian cultural industries that are looking at an American market larger than currently exists, and there are others which feel themselves threatened by the possibility of [trade] arrangements. It is for this reason that I am going to have direct conversations with cultural industry spokesmen to ensure that I know their situation, industry by industry, and that they are confident about the Canadian position.

Q. Mr. Shultz, I understand Arctic sovereignty was discussed this morning. I would be interested in hearing your thoughts on whether the United States, you think, should recognize Canadian sovereignty, or whether it might have to wind up in a venue like the World Court.

Secretary Shultz. I couldn't really hear all the words in your question, but I gather it had to do with the sovereignty issue in the Arctic.

Q. I am wondering about your thought on whether you think that the United States should recognize Canadian sovereignty?

Secretary Shultz. Of course, we recognize Canada's sovereignty. At the same time, there are problems about straits and passages that are important to us. And that we are engaged in a process of discussion, and we are gathering our thoughts together, and I think it's our nickel. We will make a response to some observations the Canadians have made to us. So, we hope that we will work this through properly.

---

[1]Press release 252 of Oct. 31, 1985.
[2]Press release 251 of Oct. 31. ■

Legislative Proposals Regarding Diplomatic Security

by Ronald I. Spiers

Testimony before the Subcommittee on International Operations of the House Foreign Affairs Committee on November 13, 1985. Ambassador Spiers is Under Secretary for Management.[1]

On Monday, November 4, the Bureau of Diplomatic Security and the Diplomatic Security Service were officially established, bringing to fruition the principal organizational recommendations of the Secretary's Advisory Panel on Overseas Security, chaired by Admiral B.R. Inman.

The Inman panel's report, which contained over 100 recommendations, was a comprehensive update on a security situation that has changed significantly over the past few years.

Nearly every day the media carries a virtual catalogue of the latest terrorist acts. Official Americans and American facilities overseas are frequently targets of mob violence, terrorism, criminal acts, and espionage.

The nature and intensity of the threat varies from region to region, from country to country. While in Lebanon we face nearly every imaginable threat—from car bombs to artillery, kidnapping, assassination, and random violence—in Jamaica our chief worry is crime. In Africa, political instability often produces security concerns for our personnel. In Europe radical leftists and several Middle Eastern terrorist groups carry out acts of violence against Americans and American facilities.

Our experience has shown that existing threats will not disappear. In fact, new threats will be layered on top of the existing threats. We have seen this clearly in Lebanon, for example. Our principal concern in Beirut used to be assassination and kidnapping of our personnel. We are still concerned about this, but now we also have to protect our personnel against car bombs and artillery fire. We need a dynamic program to protect our people and facilities against this expanding array of threats. We believe the Inman panel's recommendations form a solid foundation for such a program.

The Chain of Command

The central theme of the Inman panel's report was that in order to manage and direct security overseas and at home effectively, there must be clear cut chain of command for overall authority and responsibility of our security programs. The Inman panel clearly preferred that these programs rest with the Secretary of State. The report went further to say that the fundamental problem of the existing situation was the lack of centralized authority; that the program was, in fact, overly fragmented and without a clear chain of command. Secretary Shultz recently stated "neither the Congress, nor the American public understands or can be expected to condone confusion in security responsibility, authority or hierarchy."

The establishment of the new Bureau of Diplomatic Security and the Diplomatic Security Service exemplifies the Secretary's commitment to ending such confusion. Overseas, as the Secretary testified before the House Committee on Foreign Affairs last July, "the Ambassador ultimately has to be the responsible party." He went further to say, "We have tried to make it absolutely clear that the Ambassador is responsible for security, and we have got to take this seriously and that's where the responsibility lies." The establishment of the Bureau of Diplomatic Security is intended to attain that objective.

Improving the Professionalism of Security Personnel

One of the principal goals of the Bureau of Diplomatic Security is to raise the level of professionalism among the Department's security personnel. It should have a clearly defined mandate, outlined in legislation, and structured along the lines of other Federal law enforcement, security, and intelligence agencies, such as the U.S. Secret Service and the Office of Naval Intelligence. The director of the Diplomatic Security Service would be a professional security. law enforcement, or management official.

In order to ensure the professionalism and effectiveness of the Diplomatic Security Service, comprehensive training is essential. A great many of the panel's recommendations dealt directly and indirectly with improving the training of our personnel both here and abroad. This would include professional training for security personnel and intelligence analysis, and security awareness programs for the Foreign Service in general. This program would help foster a more realistic view of the threats overseas, and of our individual responsibilities.

We plan to revise our recruitment literature to reflect more accurately the threat of terrorism and crime while serving our country abroad. We are providing "hands on" training in evasive driving and firearms familiarization to employees stationed at high-threat posts; we have identified resources needed to implement this program. We are expanding and improving on the "Coping With Violence" course offered to all personnel assigned overseas from all agencies.

The Inman panel stressed the necessity of a standard of accountability for those responsible for the implementation and enforcement of the security program. We have already acted on this recommendation using the existing statutory authority held by the Inspector General of the Foreign Service and the Foreign Service Grievance Board. Further, an accountability review process is incorporated into the legislation currently being cleared within the executive branch.

Combatting Terrorism Through Diplomacy

Another very important aspect of the panel's report was the improvement of our efforts to combat terrorism through diplomacy. We have slightly modified the panel's specific recommendation that the diplomatic initiatives of the Office for Counter-Terrorism be transferred to the Office of the Under Secretary for Political Affairs. In order to give these diplomatic efforts the focus and priority they deserve, we have instead chosen to establish the Office of Ambassador-at-Large for Counter-Terrorism. We feel this is a clear indication to other nations, friendly and unfriendly, of the importance placed upon these efforts by the Administration.

The panel recommended that all operational and administrative responsibilities of the Office for Counter-Terrorism—emergency planning, crisis management exercises, and anti-terrorist

training assistance—be part and parcel of the new bureau. This has been done. The Office for Counter-Terrorism will focus on developing within the international community an offensive against terrorism.

The panel recommended that we ensure that each post is prepared to deal with emergencies, including terrorism. This would include review and regular testing of the emergency action plans and a significant expansion of the Washington office conducting crisis management simulations. This recommendation was accepted, and implementation has begun.

Protecting Foreign Officials

The protection of foreign officials in the United States was the subject of 17 of the panel's recommendations ranging from improving the competence, training, and professionalism of protective details to establishing an interagency working group to facilitate cooperation between the Department and the Secret Service.

The panel was originally inclined to recommend transferring the protective security functions *in toto* to the Secret Service. This was also the position of the Secretary. However, the Secret Service has made a strong case that any expansion of its authority in this area would undermine its primary responsibility of protecting the President. Nevertheless, our nation has an obligation to protect foreign diplomats and missions in the United States. We are therefore prepared to accept this responsibility.

The Department of State has a particular interest in ensuring that we fulfill our responsibility for protecting foreign diplomats. Many nations see a relationship between the level of protection they provide our officials overseas and the protection we accord their officials here. By providing better protection here, we can help to ensure that our officials are properly protected while they are serving overseas.

We routinely exchange information and ideas with the Secret Service. However, the existing division of responsibility between the State Department and the Secret Service will continue, certainly for the immediate future.

Physical Security Recommendations

The Inman panel made a variety of recommendations concerning the physical security of our overseas missions. The recommendations on physical security measures are now being addressed in the interagency Overseas Security Policy Group, chaired by the Department's Director of Security. A multiagency residential security plan has already been prepared and approved. approved.

The panel made 12 recommendations concerning the adequacy of both the local contract guard forces protecting the perimeter of our missions and residences, and the Marine Security Guard program which provides internal security for our posts. The panel concluded that we must improve the training and competence of our local guard forces. Funding for these guard forces is now being consolidated in the new Bureau of Diplomatic Security.

The Department has already sent training teams overseas to instruct local guard forces. We are preparing a manual for our guard forces worldwide. We are providing regional security officers (RSOs) additional training on the management of local guard forces.

The panel recommended the assignment of Marine Security Guards to all embassies and other posts with major classified holdings. The panel also recommended increased training for the Marines and for the post security officers. Marines are now being assigned to all sensitive posts. At those posts where, because of size or limited American presence, it is not feasible to post Marines, we are reducing the amount of classified and sensitive equipment. We support Marine Corps requests for additional resources needed to implement this recommendation.

Security Construction Program

Finally, I would like to address the proposed building program. The security construction program is the cornerstone of our security enhancement effort. It is designed to protect our facilities and personnel against both terrorists and espionage. Our present capital construction program is woefully inadequate. The serious security and safety concerns identified by the Inman panel at over half of our embassies and consulates overseas point out the urgency of this massive security construction program. We must renovate or replace those buildings which do not meet minimal security standards. Significant additional resources will be needed to carry out this program.

We are improving the physical security of our facilities abroad. The National Academy of Sciences is now developing design criteria for physical security for the "Embassy of the Future." Security specialists are designing new construction materials and techniques which will minimize the effects of a bomb blast. Perimeter security standards are being promulgated.

To implement the vital security recommendations outlined in the panel's report, we must undertake a massive security construction program. Our initial planning for this work centers on almost 200 individual facilities. We will have to construct many new chanceries, consulates, and offices and rehabilitate or relocate many others. Some may be closed. This will be a multibillion-dollar program.

To date, there have been some other significant accomplishments of which the bureau is proud. The "Coping With Violence" seminar will be expanded to a second day by January 1986. The training of the instructors has begun with the Marine Corps providing a training workshop for 12 participants, six of whom will be members of the Diplomatic Security Service. The target date for this workshop is early January 1986. A week long curriculum has been developed for post security officer training.

Threat alerting procedures are now more timely and effective. A uniform residential policy has been approved and disseminated. We have enhanced our technical security and countermeasures. Security engineering officers or security officers will be assigned to every Eastern European embassy and all consulates with significant classified holdings. The numbers of Marine Guard detachments and Seabees have been increased worldwide. The Department's counterintelligence staff has been doubled and the training of its personnel has been enhanced. Communications, automated systems, and information security programs have been upgraded; and we have plans to improve our protective services for foreign diplomats and visiting foreign officials.

We have accomplished a great deal, but there is still a great deal to be done. We hope we can count on your continued support.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Developments in the Philippines

by Paul D. Wolfowitz

Statement before the Senate Foreign Relations Committee on October 30, 1985. Mr. Wolfowitz is Assistant Secretary for East Asian and Pacific Affairs.

I am pleased to be able today to continue our close dialogue on developments in the Philippines and their impact on our longstanding and vital interests there. I believe that this dialogue is crucial to ensuring continued effective cooperation between the Administration and the Congress in addressing one of the most serious foreign policy challenges we face, not just in East Asia but worldwide.

The Philippines, one of our closest and most important allies, is in deep trouble. Serious, interlocking political, economic, and security problems directly threaten the long-term stability and well-being of that country. U.S. interests of immense importance are at risk, but it is not just our interests alone that are at stake. A communist takeover in the Philippines would threaten the stability of the East Asian region and the many countries in it who have so successfully focused their efforts in recent years on economic development. Most of all, it would threaten the Philippine people themselves, permanently destroying all hopes for democracy.

Thus, there are many others who have a stake in a successful outcome and a responsibility to help bring it about. Above all, no solution will be possible without great effort, responsibility, and even courage on the part of all Filipinos. But historical circumstances and our own strengths as a nation give the United States a large role to play, a role which we have not shirked.

Our policy toward the Philippines is an active and dynamic one designed to deal with an evolving situation. As befits a longstanding ally, we intend to continue working closely with the Philippine Government to find solutions to their problems. At the same time, we have made unmistakably clear to the Philippine leadership the need for early and dramatic progress toward fundamental reforms if we are to be of effective assistance.

Specifically, we support the revitalization of democratic institutions, restoration of a free market economy, and reinvigoration of military professionalism as the best approach to putting the Philippines back on the right track. In this regard, we have recently strengthened our approaches to the Philippine Government at the highest levels in support of an urgently needed program of reforms. In the coming months we will continue to look to this committee for your counsel and support in helping to fashion an effective strategy for dealing with the Philippines' crisis.

American Interests

Important American interests are in jeopardy in the Philippines today. These interests include:

- A stable, prosperous, and democratically oriented Philippines: our nations have deep ties, both historically and through the present flows of immigration, travel, trade, and culture. The democratic institutions in the Philippines were nurtured under American leadership, and this gives us an even larger stake in their success or failure.
- Prevention of a communist takeover: in addition to shattering all hopes for democratic solutions to the nation's problems and inflicting suffering on the Filipino people that would probably make the present situation with all its flaws, look good by comparison, a communist takeover would be a significant blow to stability in the entire East Asian region.
- Strategic access to the naval and air force facilities at Subic and Clark: these facilities are of crucial importance in maintaining our forward deployment posture in the Pacific and Indian Oceans and offsetting the expanded Soviet military presence in Asia. These facilities have also helped to preserve a degree of stability which has permitted states in the region to avoid diverting excessive amounts of scarce resources to military efforts and to concentrate instead on economic development which is crucial to long-term stability. Alternatives to our present facilities exist but would be much more expensive and considerably less desirable and effective.

As important as these facilities are, however, let us be clear that our policy toward the Philippines cannot be, and is not, made hostage to our interest in the bases. There is no conflict between our interest in the bases and our interest in democratic reform. We are not afraid of democratic change. To the contrary, we believe that reform is essential to prevent a communist victory that would end, at one and the same time, both our hopes for democracy and our access to these important military facilities.

- Successful regional cooperation in Southeast Asia: regionally, a strong ASEAN [Association of South East Asian Nations] that includes a healthy Philippines allied to the United States is a key barrier to communist pressure in Southeast Asia and a model of what economic freedom and democratic progress can accomplish.

U.S. Policy

In seeking to protect these fundamental interests in this troubled period in the Philippines, we have sought to promote peaceful change through the revitalization of institutions which will enable the country more effectively to cope with its current interlocking crises. Our objective is a strong, stable, dynamically growing Philippines which is democratically oriented. We are confident that the deep mutual interests of our two nations and peoples will permit us to work with such a government constructively to enhance mutual security and economic development in the region.

We have concentrated our efforts for reform in three areas—political, economic, and military—each of which can contribute significantly to the rebuilding of institutions, stopping the growth of the insurgency, and creating a positive climate for the protection of our interests. We have not tried to impose our own agenda but, instead, we have supported a constructive Philippine agenda, one that is being pursued energetically by responsible, politically active elements of Philippine society. The solutions must be Philippine solutions, as the problems are Philippine problems.

Nevertheless, our deep ties, our important mutual interests, and the expectations of the Philippine people themselves all require that we help in every way consistent with our role as friend and ally.

You have asked me to concentrate on developments this year, and, thus, I propose to review each of these areas—political, economic, and military—and describe what I consider to be some salient developments as well as our own efforts.

Political Reforms

The requirement that the agenda of reform is and should be a Philippine agenda applies with particular force in the area of political reform. It is appropriate, however, for us to make clear our deep conviction that the invigoration of democratic institutions offers the best means of restoring public confidence in government and provides the best alternative to the unacceptable recourse to armed insurgency.

We have discussed in earlier sessions some of the significant steps taken in 1983 and 1984, including:

- Changes in the presidential succession machinery;
- Increased freedom of the press;
- Rise of a citizens' movement for free elections;
- The much fairer and more open parliamentary elections of the spring of 1984; and
- The Agrava Board's impartial investigation of the Aquino assassination.

At present, local elections for governors and mayors are scheduled for the spring of 1986, and an election for president and vice president is scheduled for the spring of 1987. Fair elections are essential components for restoring stability and growth.

The court, which throughout the year has been trying those accused in connection with the Aquino assassination, has completed presentation of evidence and arguments. We anticipate that a verdict will be rendered in the near future. The perception of the Philippine public as to whether justice has been done will have an important bearing on whether stability and public confidence can be restored.

As you know, we believe that full prosecution and punishment of those responsible is very important. Where feasible, the United States has cooperated both in the very successful fact-finding effort of the Agrava Board, whose work contributed significantly to revived faith by Filipinos in their own institutions, and, this year, in provision to prosecutors of any relevant evidence in the possession of U.S. Government employees.

The Economy and Economic Reform

In 1984 the Philippine GNP [gross national product] declined by 5.5%. Although final figures for 1985 are not yet available (the decline is about 4.5% for the first half of 1985), we estimate that this year will end with a decrease of between 3% and 5%. However, inflation, which reached an annual rate of over 60% in November 1984, is now down to an annual rate of about 8% during the first 9 months of 1985 and has been only about 6% in recent months. Both current account and balance of payments have shown marked improvement.

This year we have also witnessed the collapse of the sugar economy in the west-central Philippines, with consequent major social disruption and poverty in the plantation areas.

It is our judgment that intrusive and erratic government interference in the economy, together with control of important segments of the economy by personal monopolies and monopsonies, have contributed significantly to the overwhelming economic problems now faced by the Philippines. These problems, aggravated by declining world prices for Philippine export commodities, came to a head with the significant loss in political confidence precipitated by the Aquino assassination in mid-1983.

Over the past year we have been engaged in a full and frank dialogue with the Philippine Government concerning fundamental reforms which can contribute significantly to reviving the economic energies and potential of the country. The Philippines is blessed with considerable natural resources, a hard-working people, high literacy, and an able entrepreneurial class. We strongly believe that a reorientation toward a free market system and a restoration of confidence can, in combination, unleash considerable productive economic energy and investment. Some recent developments should be noted:

- The Philippine Government entered into a standby agreement with the IMF [International Monetary Fund] in December 1984 which set financial criteria; decontrolled the exchange rate; and undertook measures to reform the tax system, the coconut and sugar sectors, and financial institutions and public corporations.
- By mid-1985, the Philippines had come into full compliance with the financial criteria of the IMF program.

More recently, disbursement of the third tranche of the IMF standby has been delayed while the IMF, the IBRD [International Bank for Reconstruction and Development], and the Philippine Government try to come to grips with the difficult policy issues involved in reform of the coconut and sugar monopolies. It is too early to make a judgment on the likely effectiveness of proposed reforms still under discussion. If the spirit and letter of the proposals are fully implemented, we believe benefits would flow to producers at all levels of these industries. However, we have not yet seen any substantial reform implementation.

We have lent our strong support to these efforts, believing that both the short-term financial stabilization program under the IMF agreement and longer term structural reform of government economic policies are necessary if a renewal of sustained economic growth is to be achieved.

Responding to Philippine efforts to reintroduce market forces and fair competition in key agricultural commodities—rice, wheat, flour, and fertilizer—we provided effective readjustment incentive through the signature last summer of a PL 480 title I agreement for $40 million in U.S. agricultural commodities. The self-help provisions of that agreement provide for reintroduction of market forces in these areas, previously subject to administrative controls and government monopolies.

Although some initial steps have been taken to implement these reforms, serious questions remain about the government's intent to establish competitive market conditions for these commodities. The level of our economic assistance will be influenced strongly by the implementation record for these as well as other basic reform measures.

The attitude of the private sector is also a critical factor for economic recovery. Continued bank lending and trade financing are both dependent upon the Philippines remaining in satisfactory compliance with IMF guidelines. Much-needed investment, both domestic and foreign, is inhibited by an investment climate which investors perceive to be unstable. American investors observe that Filipino entrepreneurs are not themselves investing at this time as they await a return of political confidence and improved government economic policies. These factors are known to the political and economic leadership of the Philippines and provide a powerful incentive for attention to an agenda of reform which we can support.

The Military Situation and Military Reforms

While my colleague from the Defense Department, Assistant Secretary [for International Security Affairs Richard L.] Armitage will comment in greater detail on recent military developments, no report on the Philippines would be complete without some assessment of the security situation.

I would note first that all the available indicators point to continued growth this year of the CPP/NPA [Communist Party of the Philippines/New People's Army] insurgency in overall strategic terms. Increasing NPA presence and influence have become particularly apparent this year in the central Philippines (the Visayas) and in provinces near the capital of Manila. Communist "taxation" is on the increase. The AFP [Armed Forces of the Philippines] has scored a number of tactical victories in local encounters, but these limited successes have had not a significant impact in slowing the momentum of the insurgency as a whole.

Nevertheless, in 1985 the government leadership and the military establishment have demonstrated an increased awareness of the seriousness of the insurgency and have taken steps to deal with it more directly.

Important elements of the AFP leadership have sought to restore the confidence of the Philippine people in their armed forces by returning to the basic military values of discipline and service. They have publicly acknowledged that the armed forces had become afflicted with "arrogance, abuse of authority, laziness, and corruption." The United States welcomes this increased Philippine Government attention to combating the insurgency and the recognition that rebuilding the professionalism of the armed forces will be essential to that effort. However, we believe much more progress is needed if the military is to develop the capability to counter the communist insurgency and begin the difficult process of regaining the confidence and support of the Philippine people.

As concerned civilian and military figures in the Philippines have noted in public and private, there are continuing problems in the areas of armed forces leadership, opportunities for upward mobility, and accountability for incompetence, corruption, or abuse of authority which have not yet been fully addressed. Until the resolution of the current trial of military officers and men who have been implicated in connection with the Aquino assassination, it appears unlikely that any significant restructuring of armed forces leadership or authority will take place.

This remains a significant impediment to full realization of the reforms which have been initiated. In our continuing dialogue with the Philippine Government, we have strongly conveyed our concern for rapid progress on elimination of military abuses and enhanced professionalism.

An effective effort against the insurgency requires far more than just military means. The Philippine Armed Forces do not need any lectures from us on that score. In fact, one could say that they wrote the book on how to fight an insurgency successfully in their struggle against the Huk rebellion in the 1950s. And they followed the same prescriptions in largely putting down the Moro insurgency in the 1970s through a campaign that was as much political and economic as it was military. What they need to do now is to take that book off the shelf and apply its lessons, no matter how demanding they may be in terms of professionalism, discipline, and courage.

We Americans must recognize, however, that such a campaign cannot succeed with only political and economic measures and that an effective military requires more than just professionalism—it needs equipment as well. That may seem elementary. But for the Philippine military—which has had its budget cut heavily in the last few years and which gets a smaller share of GNP (roughly 1%) than any other country in Southeast Asia—it is not something that can be taken for granted.

Those who propose to cut our relatively modest military assistance to the Philippines for the sake of reducing the incidence of military abuse or promoting political reform do a disservice to both goals. The reform that has begun within the Philippine military deserves to be encouraged. Starving the military, to the contrary, will, at best, divert their attention from essential tasks and, at worst, force them to commandeer resources from an unwilling population.

The process of rebuilding the Philippine Armed Forces is long overdue and will take a long time to complete. Those who will gain from delay are not Marcos' democratic opposition but only the NPA. Indeed, if the democratic opposition does gain power some day, they, too, will need effective protection against the communists and will wish that the process of rebuilding the Philippine military had been started earlier.

The Continuing Dialogue

It is not our intent to produce a deepened crisis in the Philippines but to assist in those measures which will revitalize essential institutions which either the present government or its successor will need to defeat the insurgency, restore economic growth, promote respect for human rights, and give the public confidence and hope in the future.

In this connection, we have maintained and expanded frank and open relations with all responsible elements of the Philippine body politic and have engaged in a continuing dialogue with the Philippine Government regarding our mutual concerns.

Senator Laxalt's recent visit at the personal behest of the President was a part of this continuing dialogue. The trip signified no fundamental change in our appraisal of the situation. It was, however, an important part of the ongoing process of contact and consultation between the leaders of our two countries. As a senior member of the Senate and a close personal confidant of President Reagan, Senator Laxalt was able, we believe, to convey U.S. concerns and present U.S. policy in the most authoritative way possible.

The Senator discussed our concerns fully. However, he delivered no hostile messages, and there was no rejection of our views on President Marcos' part. President Marcos indicated that some positive steps would be taken in the areas of elections and improved military performance. We are studying carefully the comments of President Marcos to Senator Laxalt. Obviously, the key to success will depend not on words but on the actions which the Philippine Government takes to correct the economic, political, and military problems that now exist in that country.

In sum, our Philippine policy has multiple dimensions, all designed to rebuild and reenergize institutions which will be required to restore stability and growth. One indispensable element of this policy is assistance resources, provided by the Congress, some of which fulfill honorable commitments in connection with our important military facilities and all of which enable us to work more effectively for constructive change.

We believe that our policy is a sound one. We do not underestimate the problems or the vital interests involved. Nevertheless, we are determined to stay the course and not be deterred by easy cynicism. No "quick fixes" or cheap solutions are available.

Nevertheless, I am confident that the Filipino people, with such assistance from us as they feel appropriate and we can appropriately provide, will successfully overcome current problems and launch the new generation on a renewed era of growth and democratic progress in productive association with neighbors and allies. We will mutually gain from such an outcome, and the entire region will be more secure and stable.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S.-Pakistan Relations: The Economic Dimension

by W. Allen Wallis

Address before the Federation of Pakistan Chamber of Commerce and Industry in Karachi on November 19, 1985. Mr. Wallis is Under Secretary for Economic Affairs.

After 2 days of government talks on economic and commercial issues in Islamabad, I welcome this opportunity to meet with leaders of Pakistan's business community to share ideas and enjoy good fellowship. I had a similar opportunity in Lahore on Sunday and found it informative, constructive, and interesting, as I am sure this occasion will be also.

Shared Objectives and Interdependence

The renewal of the security assistance relationship between the United States and Pakistan in 1981 began a train of events that has resulted in broadened and strengthened relations between our two nations. Those relations are based on mutual respect, shared political and economic objectives, and a recognition of each other's interests. It is a relationship of growing interdependence, as decisions taken in Washington and Islamabad have important implications for the interests of both our governments and peoples.

Our shared objectives include the following:

- Opposition to Soviet aggression and repression in Afghanistan;
- Reduction of tensions in the region; and
- A desire for peace, stability, and prosperity for all nations in the region.

Pakistani Economic Growth: A Key to Stability

The stability of Pakistan, a nation living under the constant threat of Soviet aggression and expansionism, is critical to the fulfillment of these objectives. Our security assistance provides Pakistan with equipment necessary to meet this threat, and it also demonstrates our confidence in Pakistan and our commitment to Pakistan's security and territorial integrity. This is a vital component of Pakistan's stability.

Another vital component to Pakistan's stability is a healthy economy. The people of Pakistan aspire to economic progress and its benefits. But Pakistan has a special burden: it must achieve economic growth at the same time that it is striving to enhance its defenses in the face of the constant Soviet threat and at the same time that it has the world's largest refugee population—nearly 3 million.

Pakistan is meeting this challenge, and the American people have deep admiration for what Pakistan is accomplishing. Since the Soviet invasion of Afghanistan, despite the heavy costs associated with responding to that threat, Pakistan has recorded real economic growth of about 6% per year—a creditable performance by any standard. Pakistan's agricultural base has strengthened, and new industries have increased Pakistan's manufacturing capabilities.

Pakistan's Challenge: Domestic Resource Mobilization

Much of this growth has depended on capital from outside, on funds remitted by the millions of Pakistanis working abroad, and on official transfers from international sources.

There is a new challenge facing Pakistan today, as overseas remittances are declining and international financing is becoming tighter. The challenge immediately ahead is to mobilize domestic resources to provide the investment needed for the economy to continue to grow vigorously. The challenge is to adjust to declining capital inflow from abroad. How Pakistan responds to this challenge will determine what the longer term prospects are for Pakistan's economic welfare and will have an important impact on political stability.

The United States has a large stake in the resolution of this issue, and we stand prepared to support your efforts. Our private sector will respond if Pakistan improves its industrial base and mobilizes resources through greater reliance on market forces. The strength of our government's commitment is illustrated by President Reagan's pledge to seek a new multiyear program of security and economic assistance for Pakistan when our current $3.2 billion program concludes in September 1987. But the challenge is, first and foremost, yours. It is a challenge to do at least five things:

First, overhaul the mechanisms of domestic resource mobilization;

Second, unleash the resources and initiative of the private sector;

Third, increase the self-financing of those public corporations which cannot be readily divested;

Fourth, rely to a greater extent on user charges for public services; and

Fifth, eliminate wasteful subsidies which only lead to inefficiency.

I am confident that Pakistan's greatest asset, its talented people, will accept this challenge with the same vigor that has resulted in Pakistan's impressive economic performance in the first half of this decade.

America's Challenge: International Trade Policy

Just as the United States has a large stake in the outcome of Pakistan's efforts at domestic resource mobilization, so also does Pakistan have a large stake in the results of the Reagan Administration's efforts to preserve and strengthen the international open trading system and to avoid a worldwide slide into protectionism.

During the past 4 years, President Reagan has charted a course for the U.S. economy that has fostered new

competition in our economy through deregulation, tax incentives, and reduced inflation. The results are impressive. I will mention three.

First, new products and services have been spawned by established firms and by hundreds of thousands of new firms.

Second, our gross national product has increased by nearly 13% after allowing for inflation.

Third, our unemployment rate has fallen from 10% in 1982 to 7% today, and 7 million new jobs have been created.

At the same time, however, our trade deficit has risen to more than $100 billion annually. Despite this huge deficit and the increasing calls for protectionist legislation, President Reagan has stood firmly in support of free international trade. The basis of his commitment is that historical experience has shown that the dislocations and costs resulting from protectionism are disastrous. The President witnessed the effects of protectionist trade policies in the 1930s—the Great Depression—and none of us want to see this happen again.

President Reagan recognizes also that he has a responsibility and a duty to ensure that American companies and workers are not subject to unfair competition. He is aware that our adjustment to changes in our comparative advantages can be disruptive, with domestic political consequences.

The President's program for addressing these concerns is contained in the trade policy we are now vigorously pursuing. It has three main components:

First, a new round of international trade negotiations designed to reduce trade barriers and to strengthen the rules under which international trade in goods and services is conducted;

Second, elimination of unfair trading practices by foreign countries that injure American exporters; and

Third, negotiations with our trading partners (especially Japan) to open their markets.

A New GATT Trade Round

It is the outcome of the first item, a new international trade round, that is of most importance to Pakistan, because if this effort is successful, it will expand trade opportunities for all nations.

The United States has three key objectives for this new round:

First, to strengthen and improve the trading rules to create a more open trading environment;

Second, to expand the exchange of goods through the reduction of trade barriers, thus raising standards of living; and

Third, to establish rules for free and fair trade in services, investment, and intellectual property.

These are our goals, but in addition we are prepared to negotiate all of the concerns of all our trading partners. But they must participate to have their concerns addressed.

The support of developing countries such as Pakistan for a new round is essential if we are to strengthen the world trading regime and thereby strengthen Pakistan's trading prospects. Your concerns with the trade policies of the United States and other developed countries cannot be adequately handled in isolation; a successful new trade round will create the environment under which all our concerns can be dealt with.

U.S. Textile Import Policy

You are especially interested, I know, in U.S. policy on textile imports. You must realize that our trade policies are determined by the interplay of economic interests among domestic political groups. That is true of trade policies in all countries.

The American Government must ensure that the structural adjustment we are now undergoing is not unduly disruptive. The U.S. textile industry in 1980 employed 848,000 workers. Today, it employs 746,000—a loss of over 100,000 jobs in 5 years. Our textile industry supplied 89% of the U.S. market in 1980 but only about 77% today. Pakistani textile imports to the United States last year increased from $119 million to $176 million—just short of 50%. The total U.S. market has been growing only about 1% per year.

The U.S. textile industry—manufacturers and workers—can be found in almost every state in the United States. They have sought U.S. Government help in easing the adjustment as their market share has fallen substantially, with severe economic disruption in many parts of our country. The decision to provide them some relief is a political decision I believe most governments would consider it their responsibility to take.

For 23 years nations have dealt with textile trade in a unique and special manner. Despite the enormous adjustment problem the United States has had to face in response to textile imports, and despite the long history of international regulation of textile trade, the United States has been the market most open to textile exports from developing countries such as Pakistan.

Between 1982 and 1984, textile imports into the United States increased 64%, into Japan only 14%, and into the European Community less than 1%. Lack of access to other markets has caused textiles from all over the world to surge toward the United States, thus aggravating the problem for the United States and creating pressures for protection.

For Pakistan, U.S. textile import quotas have provided guaranteed access to the U.S. market during a period of intense competition from other countries. If such access had not been guaranteed to Pakistan through our quota system, I can only speculate about what would have happened to Pakistan's share of our market. The quota system has protected you from some tough competitors, principally in East Asia.

Despite intense pressures on the Reagan Administration to restrict textile imports further, I want to make clear to you President Reagan's firm opposition to the protectionist legislation now pending in our Congress, including the Jenkins bill to which your president referred when he introduced me.

But we need your help, and the help of other textile suppliers, to convince those who call for protectionist legislation that the world marketplace is, indeed, moving toward freer and fairer trade. We can make that move through multilateral trade talks. It shocked us greatly last week in Geneva that Pakistan joined India, Brazil, and a few other countries in obstructing preparations for a new round, even though countries which carry on 95% of the world's trade want to proceed.

Conclusion

As we look to new negotiations of the Multi-Fiber Arrangement and a new GATT [General Agreement on Tariffs and Trade] round of international trade talks, we need to keep open minds and to recognize that our specific concerns must fit into a larger framework.

Freer and fairer trade—whether in services, high-technology products, or

textiles—is in both our interests, and it is in the international multilateral context that we can find the solution that unlocks new markets for efficient industries.

The stakes for both of us in these talks are high, just as they are in other aspects of our relationship. We are linked by a long-term commitment and shared objectives, and we must recommit ourselves to working together to strengthen this relationship. This requires understanding each other's concerns and basic honesty in confiding what can and cannot be done to resolve our problems. It is in this spirit that I have talked with you today, and I can assure you that it is in this spirit that I have listened to your government in Islamabad and will listen to you this evening. ■

The United Nations at Forty: Economic Successes and Failures

by W. Allen Wallis

Address before the Business Council for the United Nations on November 6, 1985. Mr. Wallis is Under Secretary for Economic Affairs.

Just over 2 weeks ago, President Reagan spoke before the General Assembly of the United Nations. At the beginning of his address, he compared the UN's laudable ideal of sparing succeeding generations from the "scourge of war" with the painful reality in which "too many dreams have been shattered, too many promises have been broken, too many lives have been lost."

Today, I wish to discuss with you another of the noble objectives embodied in the UN Charter—"to promote social progress and better standards of life in larger freedom."

Notice that the drafters of the Charter linked freedom to social and economic progress. President Reagan, in an eloquent statement on this theme at the General Assembly, said:

> Only when the human spirit can worship, create, and build, only when people are given a personal stake in determining their own destiny and benefiting from their own risks do societies become prosperous, progressive, dynamic, and free.
>
> We need only open our eyes to the economic evidence all around us. Nations that deny their people opportunity—in Eastern Europe, Indochina, southern Africa, and Latin America—without exception are dropping further behind in the race for the future. But where we see enlightened leaders who understand that economic freedom and personal incentive are key to development, we see economies striding forward—Singapore, Taiwan, and South Korea; India, Botswana, and China. These are among the current and emerging success stories because they have the courage to give economic incentives a chance.

Too often during the last 40 years the United Nations and its member nations have forgotten these basic truths. Many nations embraced theories of development based on central planning and government coercion. When unsound domestic policies of this type have led to economic stagnation, as inevitably they must, many of these same developing countries have turned to the international arena and sought to establish a new international economic order. In its extreme form, the new international economic order would establish an international welfare state in which economic power would be shifted from individuals to governments and intergovernmental bureaucracies and in which wealth would be redistributed internationally rather than be created through economic growth.

The Success of the Market System

Actually, the new international economic order would not be new at all. For as far into the past as historical records extend, there have been rulers and bureaucracies that have sought to control commerce and increase their own wealth and power at the expense of their citizens.

The really new ideas in economics and politics are little more than 200 years old. Adam Smith, in *The Wealth of Nations*, was the first writer to explain how a competitive, free market will lead individuals, while freely pursuing their own self-interest, to order their activities in ways that lead to a pattern of production, consumption, and distribution that cannot be equaled by even the most omniscient and omnipotent economic planner. Economists ever since Smith have been impressed with the capacity of the market system to promote economic growth and spread its benefits broadly without coercion. As the President noted, experience has shown that those nations that have trusted the market most have prospered most.

The market, so successful within nations that have relied on it, is equally effective in organizing economic relations among the peoples of different nations. Greater reliance on market principles not only would promote social progress and economic development but also would increase prospects for achieving other goals of the United Nations—for example, preventing war, protecting human rights, and strengthening the rule of law.

This point was elucidated eloquently by [Singapore's] Prime Minister Lee Kuan Yew in a brilliant address to a joint session of Congress recently. Prime Minister Lee noted that, before the Second World War, the "desire for a better life had caused squabbles over markets and the expansion of empires in order to build larger markets and acquire resources." But, he noted, while these efforts to expand territory or gain assured markets did not bring prosperity, prosperity did come later in a very different way. As Lee put it:

> . . . political leaders in former colonial territories watched in wonderment as the British, French, Belgian and Dutch Governments dismantled their empires . . . and grew more prosperous. Their former subject peoples had expected them to decline into relative poverty after they lost their empires, like Spain and Portugal. The secret lay in GATT [General Agreement on Tariffs and Trade] and the IMF [International Monetary Fund], which ensured that trade and investments continued and expanded after decolonization.

Put more bluntly, the nations of the world have seen that to secure the prosperity that comes from access to markets and raw materials, free trade is far more effective than armies.

Coordination of economic activity through markets involves voluntary exchange, not coercion or central management. There are many countries in the world whose values and social systems diverge sharply from our own. The market system will not dissolve these differences, and free trade will not create universal harmony. Rather, trade permits economic cooperation to take place in spite of differences, even among

people who hate each other. In that way, the market system makes a contribution toward the goal of eliminating the scourge of war.

The market system also is supportive of another basic ideal expressed in the UN Charter, that of "faith in fundamental rights, in the dignity and worth of the human person, in equal rights of men and women and of nations large and small." By allowing men and women to pursue their own economic self-interest, the market system maximizes individual freedom. In a market system the individual—not government—is paramount.

In command-and-control economies, by contrast, the energy and productivity of the individual are appropriated by the state. Economic coordination is secured by government coercion that intrudes into individuals' decisions on where to work, what to buy, and even how many children to have. Government coercion is the antithesis of individual freedom and human rights.

The market system is not synonymous with anarchy. A market system needs a rule of law that protects private property and enforces contracts. The development of international markets advances a third objective of the UN Charter, the establishment of "conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained."

There are encouraging signs that, after being overlooked too long, these principles now are being quietly acknowledged and cautiously put into practice. In their national policies and bilateral relations with the United States, many developing countries have turned toward market mechanisms. The two most populous countries in the world—China and India—have begun slowly to deregulate, decentralize, and liberalize their economies. The more dynamic economies of Asia have already shown that full participation in the open trading system is the key to economic advancement.

It is not only in Asia that success stories are found. In Africa, nations like Botswana, Malawi, Mali, Senegal, and Zaire have increased the scope given to market forces. The Nigerian Government recently opened a public debate on economic policy, and it is emphasizing the important role the market should play.

The UN Debate on International Economic Issues

Unfortunately, these positive developments have hardly penetrated the sterile debate on international economic issues at the UN General Assembly and the UN Conference on Trade and Development (UNCTAD). For instance, despite progress on debt that is quietly supported by debtor nations, their UN delegations continue to parrot timeworn calls for global economic conferences and negotiations. The call is continued without regard for whether such conferences would have practical benefits for developing countries.

Since the need for debt relief varies widely from country to country, conferences are not likely to address the individual needs of debtors but are likely to be harmful. By treating alike countries with solvable, short-term problems and countries that have more fundamentally mismanaged their economies, conferences convey the impression that all the participating debtors are poor credit risks.

Although there is growing recognition that sound domestic policies are critical to economic development, reports of the UN Second Committee and UNCTAD continue to imply that development can occur only if developed countries donate unrestricted and ever-increasing amounts of charity. These major UN bodies seem unable to come to grips with the central role of domestic economic policies in economic development. Fortunately, their performance is in sharp contrast to the excellent advice and technical support for developing countries provided by such specialized UN agencies as the World Bank and the International Monetary Fund.

Although developing countries clearly gain from the open trading system—and could gain even more from further trade liberalization under a new trade round—UN debate in New York focuses on demands for unilateral trade concessions from developed countries to developing countries. Free trade is not a one-way street, and political realities will not allow markets to remain open forever to exports of newly industrializing countries without at least the prospect of reciprocal rights and benefits among trading partners. Nor are high trade barriers in the interest of the developing countries themselves. Again the world is fortunate that there is a specialized UN agency—the GATT—where it is still possible to address many trade issues in a realistic fashion, soon in the context of a new round of multilateral trade negotiations. But even in the GATT, too many developing countries resist progress on a new trade round and cling to ancient dogmas.

Despite growing acknowledgment that private direct foreign investment is an attractive alternative to debt financing, some representatives of developing countries in the United Nations continue to seek rigorous codes to restrict transnational companies. The UN rhetoric reinforces the notion that most developing countries are hostile to foreign investors, thus discouraging investment and, along with it, the associated transfer of technology and know-how.

Resources in the United Nations continue to be devoted to the many activities of the UN Centre on Transnational Corporations. Unfortunately, the center accomplishes nothing because it insists on playing politics. It refuses to apply a uniform set of criteria that would encompass both public and private enterprises, regardless of whether they are from the West or the East. If the center contends that transnational corporations are evil, then Soviet transnational corporations must be just as evil as those of the United States. But, of course, there is a more fundamental problem with the center's activity—namely, that it has sought only to condemn and restrict transnational corporations instead of fostering the benefits they can bring to the development process. If we are to restore confidence to international investors, it will be necessary to bring balance to UN activities in this field.

Toward a More Realistic and Effective UN Role

Now and then we see glimmers of light. Individual delegates from developing countries are beginning to recognize that the confrontational tactics and ideological extremes of the past have done nothing to bring their nations the economic development they seek. At a recent UNCTAD meeting, an African delegate sat through hours of discussion analyzing a report written by a Soviet national employed by the United Nations. The report disingenuously argued that the trade surplus the East bloc was running with LDC [less developed countries] countries contributed greatly to LDC development. Finally, the African delegate threw up his hands in disgust and said, "We have had enough analysis

on the Soviet-LDC trade. What we want to know is how we can market our commodities in your country." He got no satisfactory answer, of course, because the Soviet Union and its economic partners have neither the desire nor the ability to serve as important markets for developing countries.

Members of the large group of developing countries which gathers unders the G-77 banner are coming to realize that their economic needs and problems are not uniform. They see that they must seek solutions tailored realistically to their individual problems. There also are modest signs of resistance among developing countries to continuing to march in lockstep support of unrealistic, ideological positions that in UNCTAD, ECOSOC [Economic and Social Council], and UNIDO [UN Industrial Development Organization] have prevented pragmatic problem solving.

We see the brightest spots in the work of some of the UN technical organizations. For example, the Food and Agriculture Organization (FAO) and the World Food Program have provided focal points for international efforts to deal with the African hunger crisis. They have distributed record amounts of emergency food aid and played an important role in coordinating the efforts of donors, in addition to their regular food aid in support of economic development. The World Health Organization (WHO), the International Atomic Energy Agency (IAEA), the International Civil Aviation Organization (ICAO), and the International Maritime Organization (IMO) have sought practical solutions to real problems. WHO works to limit the spread of global health problems; it eliminated smallpox from the face of the earth, a monumental accomplishment. IAEA supports our commitment to nuclear nonproliferation. ICAO has been the central point for reducing the threat of terrorism to civil aviation. In the aftermath of the *Achille Lauro* piracy, we will look to the IMO to help halt terrorism at sea.

The effectiveness of the various UN organizations and agencies in the future will depend on the success of U.S. and Western efforts to undertake reform throughout the UN system. The United States for one, pursues this objective vigorously. We have had some minor success. In UNCTAD, for example, we now see some progress being made under improved leadership, although, admittedly, against a backdrop of the usual unfocused and duplicative work programs which have been the hallmark of UNCTAD. The Secretariat has been forced to recognize that it does not exist solely to advocate G-77 political causes, no matter how impractical they may be. It is learning that an ideologically neutral Secretariat can be an effective prodevelopment Secretariat. We have seen, for example, major improvements in the latest UNCTAD Trade and Development Report, an analysis of world economic conditions; for the first time in many years, the report was written objectively enough to be taken seriously.

Unfortunately, it sometimes seems that we take two steps backward for every three forward. We spend inordinate amounts of time in childish bickering over fatuous resolutions that are irrelevant to development problems.

Conclusion

To sum up, the United States has a straightforward goal in its work in the United Nations on economic and social issues. We want the United Nations to come to understand that development is possible only if it is grounded in individual initiative, private property, a rule of law, and freedom. We want to ensure that the activities of the United Nations return to the fundamental principles set out in the UN Charter. We want to channel the economic and social programs of the United Nations into activities that really do promote "social progress and better standards of life in larger freedom," that support the rule of law, and that strengthen human rights.

We recognize that, as the President pointed out, there are deep and abiding differences among the nations of the world. Market-oriented approaches to international economic and social relations will not dissolve these differences, but they can reduce the chances that economic and social tensions become politicized and lead to conflict. By promoting greater reliance on the market, the United Nations would reinforce its other efforts "to save succeeding generations from the scourge of war."■

U.K.-Ireland Agreement Concerning Northern Ireland

PRESIDENT'S STATEMENT, NOV. 15, 1985[1]

I am delighted to join with Speaker [of the House of Representatives Thomas P.] O'Neill in welcoming the important Anglo-Irish accord announced today by Mrs. Thatcher and Dr. FitzGerald. We applaud its promise of peace and a new dawn for the troubled communities of Northern Ireland. I wish to congratulate my two good friends—and outstanding Prime Ministers—who have demonstrated such statesmanship, vision, and courage.

The peoples of the United Kingdom and of Ireland have made a great contribution to the political and intellectual heritage of the United States and to our economic and social development. We are particularly pleased that these two neighbors—faithful friends of America, so close to the United States in their ties of history, kinship, and commitment to democratic values—have joined on a common causeway toward hope and harmony in Northern Ireland. All Americans—and above all, those of Irish descent who have prayed for an end to violence in the land of their ancestry can take pride in this important step forward.

We view this agreement as a clear demonstration of British and Irish determination to make progress concerning Northern Ireland and in their bilateral relations. Given the complex situation in Northern Ireland, all may not applaud this agreement. But let me state that the United States strongly supports this initiative, which pledges to both communities in Northern Ireland respect for their rights and traditions within a society free from violence and intimidation.

On a number of occasions, we have joined the Irish and British Governments in condemning violence and discord in Northern Ireland and calling on all Americans not to assist, either with money or moral support, those misguided efforts that prolong the nightmare for terrorism and hatred. Our call is even more compelling now that a framework for peace has been agreed upon. I wish to reconfirm and reinforce

our condemnation of terrorism wherever it may take place.

Now that a framework has been established, the work of constructing a durable peace must proceed. This will involve rebuilding what has been destroyed by hatred and violence and giving hope to those who have been tempted by despair. We have often encouraged Americans to let their foreign investments and vacation dollars, and the employment opportunities that accompany such spending, find their way to the Emerald Isle. I am proud that Northern Ireland enterprises in which American money is involved are among the most progressive in promoting equal opportunity for all.

The British and Irish Governments have pledged their cooperation in promoting the economic and social development of those areas, in both parts of Ireland, which have suffered from the instability of recent years.

It is entirely fitting that the United States and other governments join this important endeavor. As President Carter said on August 30, 1977: "In the event of a settlement, the U.S. Government would be prepared to join with others to see how additional job-creating investment could be encouraged to the benefit of all the people of Northern Ireland."

There are many in Congress who have shown their concern and sympathy for the people of Northern Ireland. And I will be working closely with the Congress, in a bipartisan effort, to find tangible ways for the United States to lend practical support to this important agreement. The Speaker, who has kindly joined me at the White House today, and I have already discussed how the United States could assist in promoting peace, friendship, and harmony between the two great Irish traditions.

In closing, permit me to underscore our heartfelt support for this courageous and determined effort to promote peace and reconciliation in Northern Ireland.

[1]Text from Weekly Compilation of Presidential Documents of Nov. 18, 1985.■

Secretary's Visit to Northern Europe

Secretary Shultz departed Washington, D. C., on November 2, 1985, to visit Finland (Nov. 3–4), the Soviet Union (Nov. 4–5), and Iceland (Nov. 5–6). He returned to Washington on November 6.

Following are news conferences held by the Secretary in Moscow and Reykjavik.

NEWS CONFERENCE, MOSCOW, NOV. 5, 1985

We all have just concluded around 14 hours of intensive discussion, with General Secretary Gorbachev this morning, with Foreign Minister Shevardnadze yesterday and this afternoon. In addition, a small group from our delegation met with a small group of theirs and tried to define further some of the issues that we have been talking about. We came here to exchange views, and we did so in a systematic manner: in painstaking detail with the Foreign Minister, and on a more general basis, or discursive basis, with the General Secretary. This has allowed each of us to explore all the possibilities and to explore the nature of problems and opportunities that involve our two countries, I might say not only in the sense of preparing for the meeting in Geneva between President Reagan and General Secretary Gorbachev, but more generally to examine our relationship, thinking of this meeting, and even such a major event as the one taking place in Geneva, as part of a process that we would like to see continued. In evaluating our discussions, I would say that there was nothing surprising in them. We anticipated a frank and thorough review of the issues; that's what we had. And I think this kind of across the board survey is important in its own right, and a useful part of the process of assembling of more constructive relations between our two countries.

As we broke up late this afternoon, as we had had a custom of doing, we now always pick out a few words to use to characterize these discussions, and I think we would agree that this meeting, set of meetings, have been an important part of the preparations for the Geneva meeting. They've been frank; we have identified respective positions; we've seen some positive developments; we also see that there are many serious differences between us, which, I suppose, only suggest the need for the meeting that we anticipate. And so as we broke up we wished for success in the upcoming Geneva meeting and beyond, and pledged to each other that we would work hard for continuing preparations, inspired, so to speak, by the importance of this endeavor. If you have any questions, I'd be glad to try them; if they're too difficult, I'll ask Ambassador [Paul] Nitze or Mr. [Robert] McFarlane or Ambassador [Arthur] Hartman to [inaudible].

Q. You spoke of some positive developments. Could you possibly identify them for us?

A. I think first of all, a deep exchange of views in itself is a positive development. We have tried to work at all the issues, and there are quite a range of them. I can't say that anything definitive was settled as such, although we did, I think, narrow our differences in some, but as I said there are deep differences remaining.

Q. Would you say now there is an understanding—not in writing, but a general understanding—that to pursue the dialogue you spoke of, there ought to be more than one summit meeting, that perhaps, a year or so after this meeting, it would be a good thing for them to meet again?

A. There has been no real exploration of that although obviously the question of where do we go from here—and undoubtedly a part of where we go from here involves subsequent meetings, not only of the heads but of others. So that question is before us, but nothing has been settled about it.

Q. Could you tell us a little bit about your meeting with Mr. Gorbachev, and what the two of you discussed, with as much specificity as possible?

A. I can easily do it with as much specificity as possible, but I think on the whole I'd prefer not to go into the detailed substance of these exchanges, as they're part of a process that we're working on. But it went on for quite a long while—the General Secretary had to break off a little before 2:00, as he was dedicating a Lenin statue here—but so we had close to 4 hours of—I think the only way to describe it is vigorous discussion. And he's accustomed to interrupting and expressing a view, and

so when in Moscow, do as those in Moscow do: we interrupted too. And so we had a very vigorous exchange, and I think it's helpful to both sides to get a sense of the way each thinks about these issues, the vigor of the view, and so on. So in that sense it was very good, and I would say it covered everything. There was hardly a subject you can think of that wasn't in some manner referred to or touched on.

Q. Just to follow that up, how do you think he and Mr. Reagan might interrelate on this question of interrupting and having vigorous discussion?

A. That remains to be seen. But the President is an old hand at this, and obviously the General Secretary is. So I—from my standpoint that will be something of a spectator sport—I'm looking forward to it.

Q. Did the subject of Vitaly Yurchenko come up, and the charges that he has made about the United States?

A. The charges that he has made are totally false. Insofar as what happens to him is concerned, we follow a practice in the case of a person who has given strong indication of a desire to stay in the United States, and that practice will be followed faithfully in this case.

U.S.-U.S.S.R. Air Service

DEPARTMENT ANNOUNCEMENT, NOV. 22, 1985[1]

American and Soviet civil aviation delegations met November 18–22 in Moscow to discuss the resumption of direct air service between the United States and the U.S.S.R. The two sides have reached tentative agreement to resume regularly scheduled service between the United States and the Soviet Union. Regularly scheduled flights would serve Moscow, Leningrad, New York, and Washington. It is anticipated that service will begin in 1986. Designated carriers for this service will be Pan American for the United States and Aeroflot for the U.S.S.R.

[1]Read to news correspondents by Charles Redman, State Department deputy spokesman. ■

Q. Did it come up?

A. We had a very brief discussion of it at the end.

Q. Can you tell me if the Soviets expressed any interest in Mr. Reagan's remarks about SDI [Strategic Defense Initiative] in the interview with Soviet journalists, to wit, that the United States would only deploy this after offensive missiles had been removed?

A. He had a general—we had a discussion, as I say, about everything, including SDI, but I don't think any particular statement was picked out in that discussion. But we certainly discussed the issue, and I think they are well aware of the importance the President attaches to this issue

Q. Did the Soviets here in Moscow give a response to the counteroffer, or counter-counteroffer, whatever one wishes to term it, that was put down by the United States in Geneva just a few days ago, and either in that connection or some other connection, was there here some narrowing of the positions between the two countries on the subject of the arms negotiations which are going on?

A. There was a narrowing with respect to those nuclear and space talks. We presented the U.S. position as it has been presented in Geneva, although in a much briefer style, and they made some observations which they labelled as preliminary, but neither side regarded this as the appropriate place to negotiate on that subject. We have the negotiations in Geneva, and that's where we believe the negotiations should take place. So there wasn't any real effort to try to turn this into a negotiating forum as such.

Q. Can you say whether proportionally more time was spent on arms control than on other subjects? Can you just give us some idea of how the time was split up?

A. First, in responding to your question, let me note, as you know, that there's a lot of arms control other than what's being discussed in the nuclear and space arms talks. We presented our views about that subject, and all of the other arms control settings, the positions of the United States, and suggestions of the United States. And I don't have in my head how long that took, and they had some responses, and then scattered through our conversations there were references to arms control. I don't know, I haven't toted it up that way, but certainly both sides agree that this is a subject of central importance. It's not the only subject: regional issues are of great importance, bilateral issues are of importance, human rights issues are of importance. The—perhaps underneath it all there is more to be said than perhaps we all realize—I feel this after these exchanges—to having frank arguments that kind of bring out to us the fact that the view here of the United States is very different from what we think the reality is. From some of their reactions, maybe they think we don't understand their reality. But at any rate, it's worthwhile to dig in on that basis, and we certainly did that in a major way, and I'm sure that that kind of thing will continue, and there should be that kind of exchange as well in Geneva.

Q. If there was some narrowing of issues and it wasn't in the main arms control areas, was it in regional, was it in bilateral, was it in human rights, could you give us some flavor?

A. I don't want to overdo the narrowing of issues. It's—I was going to say that would be gilding the lily, but I don't know whether the lily is the right image to cast up here. I think that the thorough explanation of what we think on all these various subjects and why, and what we propose, and listening to their responses, hearing their views, we did a great deal of that, very painstaking and systematic, with—going down a list so to speak. So in that sense, I think, perhaps there was some narrowing. But as I said, I can't—maybe there are one or two things that we can say, "Yeah, we agreed on that, we agreed on that," but basically we have a lot of work to do.

Q. With 2 weeks left before the summit, does it look at all realistic for us to expect anything like an agreement in principle on arms negotiations or a final communique that has any substantive agreements in it, or is it more likely now that it would be, as you've sketched out, more or less a laundry list of where the two sides differ?

A. As far as what likelihoods are for the former part of the question, I wouldn't bet the *New York Times* on it.

Q. You wouldn't bet that there'd be anything [inaudible]?

A. No, I wouldn't, but I don't—I think these things are open, but there is nothing from our discussions today from which to draw that conclusion. But they have made, after quite a distance of

time, a counterproposal to what we put on the table in Geneva, and we have, rather quickly, given a counter-counterproposal. The Geneva negotiations have been extended a little bit, so people are talking, that's—and that's about all you can say on it.

Q. You say the Yurchenko matter did come up. Did this, and the Embassy episode in Kabul and the Soviet seaman—do these events at all impinge on the atmosphere, or were you totally insulated from these events?

A. I don't think they particularly impinged on our talks. We were very intensive and hardworking on this. Of course, we have been working on the Kabul part before we came here, and as it turned out, it got resolved, I think, during the first day of our meetings, in accordance with the proper application of our principles. It obviously is the sort of thing that takes up time, but we didn't talk about it. We might have if it had dragged on, but it didn't.

Q. What you're describing sounds like a shouting match between you and—

A. No, it was—there was none. That's—I think one of the points that needs to be made here is that the atmosphere was far from a shouting match, quite the reverse. The discussions were straightforward, frank, as I said, the atmosphere was quite cordial and I think reflected a desire to use the time as effectively as could be. So it wasn't—there was no sense of a shouting match at all.

Q. May I ask a followup, a related question? The groups that were appointed to define further the issues—could they be called drafting groups?

A. They were not particularly a drafting group. You see, by this time we have a fairly well known to each other set of things that we're struggling with, and we talked about them for more or less 8 hours, and then we thought it might be worthwhile to have a smaller group—I think we had three on each side—discuss a few of these issues, and see if they could make a little more headway. Now, obviously when you take up a subject, and you want to see whether you agree on it or not, and if you think in a general way you do, it pays to write something down and see if everybody will sign on to that. So in that sense, there's a little drafting involved, but that's not really—it's not about drafting, it's about trying to see if we really can come to an agreement on some matter.

Q. Do you have an agenda now? Is the American side ready for the summit, or is there some major issue that still needs to be resolved?

A. There's a lot of work to do, in my opinion. We intend to do it. Whether or not there'll be more set in by the time the middle of November emerges, arrives, or not, remains to be seen. But there are quite a few things that I think may very well yield to further work, and we have agreed. Through our respective embassies, and through the negotiating groups that are at work now on various issues—for instance, there's a trilateral group meeting in Washington starting yesterday on the Northern Pacific air problem, and so on, and there are a lot of these going on—to keep pushing. So there's lots of work to do. And I would say that while, of course, the fact that there is going to be a big meeting in Geneva coming up tends to be useful as a kind of bureaucratic device to get people to decide things, at the same time life doesn't end in the middle of November. And in fact the whole purpose is not just to see if we can have a meeting where people come and talk, but whether or not through all the things that are going on it is possible to develop a more constructive relationship between these two countries. And we know it's hard, because the differences are wide.

Q. There have been a number of suggestions in the last few weeks that there might be some changes in Soviet human rights policy. Did you pursue those in your meetings, and at the end of the meetings, do you think there is a chance that there would be some changes in Soviet human rights policy?

A. The subject was certainly discussed, as a matter of fact rather fully. But I don't have anything that I can tell you. I don't mean that I have some things, but I can't tell you, but I have nothing to report as to what possible outcome there may be.

Q. Will any of the working groups that were established here at this meeting remain in operation? Will anyone remain here or return here between now and the middle of November, or vice-versa, will the members of the Soviet working groups come to Washington to continue that process?

A. The real working groups, of course, are the people who are negotiating different things, like the exchanges agreement, on the consulates, and so on. Those are the designated working groups. As far as the three people who met last night are concerned, that was just kind of a rump session that we put together, and it isn't necessarily to continue. We don't plan to leave anybody behind; the Embassy here is very well staffed, and Ambassador Hartman knows more about these issues than anybody, so we're well prepared here to follow through. But if it turns out that we think it's useful to have a little more exchange, we're quite prepared to move people back and forth, and I assume they are too.

Q. Were you disappointed by the lack of progress in narrowing issues?

A. I said in my opening statement that the views expressed were not surprising, and I think that we're still very much in that process of pushing along, and a word like disappointment or elation or whatever is—it's a function of what your expectations were, as much as anything else, so I guess I'd have to say no, I wasn't turned on or off one way or another. It reminds me a little bit about the other day, I was playing golf, and I had a putt to make, and there was quite a little curve on the green. I asked the caddy how much he thought the putt would break; he said "more than you think." And I stopped and I thought about that a little bit. Same kind of question.

Q. At this point, do you see the possibility of agreement on any of the substantive issues outstanding between these two countries at the summit?

A. You give me pretty wide range—"any." And so I confidently answer that question "yes" [inaudible], but that isn't necessarily saying a lot.

Q. Which ones?

A. I'm not going to go into that.

Q. Did you get some new information about Andrei Sakharov and Elena Bonner?

A. The information that we had about Mrs. Bonner we had before I left Washington, and nothing that I've heard here has changed that; in fact, it's only been confirmed further by the various things that are public knowledge.

Q. Did you discuss the possibility of Mr. Gorbachev appearing [inaudible] on American television before the summit?

A. The subject of television appearances is one of the items in the—we discuss in the exchanges agreement. But I would point out to you that Mr. Gorbachev appears on American television all the time, because—when he was in

France, he was being interviewed, it was all shown—that's in the nature of our system. Whomever the news people think the American people want to see, they'll show, and we'd like to see it the other way around as well, but unfortunately it isn't that way. I might say we were disappointed that the interview given by President Reagan was not reproduced in full, and that didn't seem to us quite a fair way to proceed.

Q. After your meetings, do you still believe that the Soviet proposals on disarmament in Euromissiles is aimed at driving a wedge between North America and its Western European Allies?

A. I've never said that, so I don't want you to put words in my mouth. On the other hand, I think it is a quite readily observable fact that the Soviet Union for a long time has tried to divide the United States from our allies, and it is quite obviously a tactic that hasn't succeeded, and the alliance is very strong—not only the North Atlantic Alliance, but our relationships with others around the world. As you know, the President met with five others, European and Japan, in New York, last week, I guess it was, and it was a very successful and warm and supportive meeting.

Q. You said that in the course of your discussions you've gathered that the view here of the United States is very different from what reality is. What misconceptions does Mr. Gorbachev have about the United States?

A. I'm not going to try to go into all of those ins and outs, but I suppose it isn't really even surprising that somebody who has never been in the United States and not been subjected to a wide array of competing flows of information and news and analysis that we tend to see all the time would have misinformation. So we hope that through the process of discussion and visits here of people and so on that a better picture will emerge.

Q. Could you tell us what proportion of the preparation you feel are completed, and, at this point, what your assessment is of the prospects for a successful summit?

A. The meeting will take place. And we have been preparing. What will be accomplished between now and then that will help the meeting to be productive, of course, I don't know; we'll work on it. But it's kind of impossible for me to envisage some sort of amount of preparations and then carve a percentage into it. But I do believe that, in the end, both leaders are likely to be very well prepared for this meeting; that we have done a reasonable job of creating a mutual understanding of how the meeting will be set up and how it will flow and what topics there will be and things of that kind, and of exploring each other's views enough so that I can give a pretty good rundown to President Reagan of just where the Soviets stand on various things, and no doubt the same can be said on the other side. So I don't know quite how to put a proportion down, but I think that the preparations for the meeting will be pretty good in the end.

Q. And the assessment for success—do you think, at the end of it, both leaders will be happy with what resulted?

A. I don't have any way of knowing, and success of course is a question of expectations again. I think that, at least in my own judgment, the measure of whether the meeting was worthwhile is most likely, and most importantly for that matter, to be taken by both men themselves, what do they think. And if it was worth the really very large expenditure of time and effort to them, in their view, as they see things unfolding, then I'd say it's a success. If they don't think so, but yet various things happen that lead other people to think it's a success, I wouldn't feel that good about it. So I think it's, at this stage of the game, quite a personal thing, and I know from the side of President Reagan, he is working very hard at it, and is genuinely desirous of seeing not simply a good meeting in Geneva—that's really not so important in the scheme of things—in the scheme of things what's important is that the relationship between these two very important countries have a turn for the better. That's the name of the game.

NEWS CONFERENCE, REYKJAVIK, NOV. 6, 1985[2]

We have been very pleased to have had a chance for an hour or so visit here with the Prime Minister and the Foreign Minister. This is part of our process of maintaining close consultation with our friends in Iceland and hearing their views and letting them hear ours about outstanding developments.

Of course, the primary focus in the relations between two friendly countries as we are has to be on the direct relations between us. So we spent a fair fraction of our time this morning, half or so, discussing the shipping issue, and I was pleased to be able to report that our Department of Justice has decided to appeal the decision made on the actions of the U.S. Government. So that appeal will be going forward, and in the meantime our government seeks a stay on the decision made, which we think is an incorrect decision, and we hope for, although we can't know of course what a court will rule, but we hope for a stay to be issued certainly before the end of this month. So we are working very hard on the shipping issue and we do believe that shipping determined on the basis of competitive bids is the right way to do it. It makes sense in terms of our system of thought about competition, and so we favor that.

We also had some discussion about whaling problems, and I have a memorandum from the Prime Minister on that. We'll look into that and see that that subject doesn't become a problem.

We also had an opportunity to give a description of what happened during our most recent trip, Mr. McFarlane's and mine, to Moscow and to discuss basically our alliance relationships and the alliance approach to East-West relations generally. I was interested to hear from my friends here about the recent visit of Mr. Shevardnadze to Iceland. So we managed to keep ourselves closely in consultation. And I think that's the way in which you maintain the strength of the alliance that's been such an outstanding fact of life here in recent times.

If you have any questions I'll be glad to try them. If you have tough questions, Mr. McFarlane will handle them.

Q. Do you think the Rainbow navigation case has harmed the relationship between your countries?

A. Not at all. Actually I think the questions raised by the Government of Iceland have been quite legitimate questions. And the Reagan Administration has been supporting a line of effort that I think is very much the same as your government wishes to pursue.

Q. It seems that an agreement made this summer with the Icelandic Government didn't have much [inaudible]. The case was just delayed. [Inaudible] and is this the case?

A. What happened was our Administration, the Department of the Navy, which is the branch of our government that is administering this particular case, made a decision involving an interpretation of our law. The decision that we feel is right and I think your government feels is right. And that decision was challenged in our courts.

We live under the rule of law, as you do, and an aggrieved party can challenge a decision of the government, and they did, and the judge in that case, a Judge Green, ruled in favor of the challenger. And what I have told you today is that our Justice Department has decided to appeal that decision. In other words, we don't agree with it. We'll take it to a higher court. In the meantime, we also seek a stay. So we are working within our judicial process to try to get this turned around. So I wouldn't say that's meaningless. I would say that's a lot of effort going on to try to get a good result and do it in the proper way. As we all know, in a free country operating under the rule of law, you have a lot of pulling and hauling and that's the way we work. It's a terrible form of government. It's just better than any other alternative, that's all.

Q. Are you optimistic after your meeting in Moscow?

A. I don't like words like "optimistic" and "pessimistic." I'd rather just describe the reality, which is that we have lots of issues, some of them quite deep, between ourselves and the Soviet Union, as you well know. And a very extensive effort, a systematic effort, is being made to deal with those issues, both in a broad general way and in terms of going through systematically and carefully a whole list of particular things that we are negotiating about. So the fact of the matter is that each side is working at it hard and will continue to do so. President Reagan and General Secretary Gorbachev will have their chance to work at it too in the middle of November.

Q. You met with Mr. Gorbachev yesterday and you work with President Reagan all the time. Given the mood and the climate of everything that is going on right now and knowing the personalities of the two men, what do you feel is perhaps the most positive thing, one very positive thing, that would come out of this summit meeting?

A. I think the fact that we are talking to each other instead of about each other—it's one of President Reagan's favorite phrases—is a good thing. On the other hand, it isn't simply a question of getting acquainted. Or, I'll put it another way, the best way to get acquainted is to struggle together at substantive and important issues and see if something can be done with them. So there is a process that is underway. The setting of a meeting tends to invigorate that process. And no doubt the outcome of the meeting will be in part a continuing process, and you need to look at it that way. In terms of what substantive may be possible to bring about or announce at such a meeting, that very much remains to be seen, but there are a number of issues that are under review.

Q. Is it true that in Moscow Mr. Gorbachev didn't seem to be properly informed of many of the issues that were discussed?

A. He probably feels he is properly informed, but it seemed to us that many statements made by various people on the Soviet side showed, in our view, a lack of understanding about how the United States works and what patterns of thinking are in the United States. They may feel we have the same picture of their own country. But in any case I think when you see what seemed to each side to be misunderstanding, perhaps that shows the importance of having more interaction and ability to talk, explain, and let people see for themselves, and so that's what we're doing.

---

[1]Press release 257 of Nov. 7, 1985.
[2]Press release 260 of Nov. 7. ■

NATO Nuclear Planning Group Meets

The Nuclear Planning Group of the North Atlantic Treaty Organization (NATO) met in Brussels October 29–30, 1985. The United States was represented by Secretary of Defense Caspar W. Weinberger. Following is the final communique issued on October 30.

The NATO Nuclear Planning Group (NPG) met in ministerial session at NATO Headquarters on 29th and 30th October, 1985. Spain attended as an observer.

On the eve of the meeting between President Reagan and General Secretary Gorbachev, we declare that the President goes to Geneva with the full support and solidarity of the Alliance.

We reviewed the status of Alliance nuclear forces including the ongoing arms control negotiations in Geneva. In this context, we received comprehensive briefings by the United States secretary of defense on developments in the balance of nuclear forces, the arms control negotiations, the continuing Soviet deployment, improvement and research programmes in the field of ballistic missile defense, and the United States Strategic Defense Initiative (SDI) research programme. We continue to support the United States and the United Kingdom efforts to maintain the credibility of their strategic nuclear deterrent in preserving security, peace and freedom.

We welcome the opportunity for effective arms control offered by the Geneva negotiations now underway. We reviewed the status of the Geneva negotiations and expressed strong support for United States positions concerning intermediate, strategic, and defense and space systems. We discussed the prospects for progress in each of these areas stressing that close consultation among the Alliance partners remains essential. We hope that the recent Soviet counterproposals, despite their one-sided and self-serving nature, indicate a Soviet willingness to accept verifiable and equitable arms control agreements involving deep reductions in numbers of nuclear weapons. We stressed the flexibility contained in the United States proposals for significant reductions, which have been on the table since the opening of the negotiations.

We received a detailed briefing from the United States secretary of defense on the evidence of Soviet treaty violations. We take the most serious view of this and call on the new Soviet leadership to take the steps necessary to assure full compliance with its commitments. We noted in this connection that a double standard of compliance with arms control agreements would be unacceptable and would undermine the security of the Alliance. In this context, we reaffirmed the requirement for effective verification of, and full compliance with, all arms control agreements.

We continue to be concerned by the steady buildup of Soviet nuclear forces, in particular the testing and deployment of new strategic systems, including the SS-X-24 and the recently deployed SS-25, the deployment of a new generation of air-launched cruise missiles and the preparation for deployment of ground- and sea-based versions. We also note that the total SS-20 force has further increased to 441 launchers with 1,323 warheads. Alliance policy in comparison is to maintain only the minimum number of nuclear weapons necessary for credible deterrence.

In accordance with the Montebello decision, SACEUR [Supreme Allied Commander Europe] presented at our meeting in Luxembourg a programme to reduce NATO's nuclear stockpile in Europe by a further 1,400 warheads by the end of 1988. These reductions are underway; they include the withdrawal of Atomic Demolition Munitions (ADMs), from the Alliance's nuclear stockpile. Taken together with the 1,000 warheads already withdrawn, this would reduce the number of nuclear warheads in the Alliance's stockpile to the lowest point in 20 years. At the Luxembourg meeting, SACEUR also presented his proposals to improve the responsiveness, effectiveness, and survivability of the remaining forces. At this meeting we received a progress report reflecting the status of SACEUR's proposals. We continued to review those reduction and improvement measures, recommended by SACEUR, which are currently being undertaken through the appropriate channels by the nations concerned. We agreed to consider periodically the progress of further implementation which depends on decisions by the nations concerned.

We noted the progress made on longer range INF (LRINF) deployments by NATO nations and the fact that negotiations on INF systems are currently underway. We reviewed, in particular, the status and the prospects for these negotiations and expressed support for the United States negotiating position developed in close consultation with its Allies. We emphasized NATO's determination to continue the deployment of LRINF missiles as scheduled in the absence of a concrete negotiated result with the Soviet Union obviating the need for such deployment. At the same time, we reiterated our willingness to reverse, halt or modify the LRINF deployment—including the removal and dismantling of missiles already deployed—upon achievement of a balanced, equitable and verifiable agreement calling for such action.

We accepted with pleasure an invitation from Dr. M. Worner, the German Minister of Defense, to hold our next meeting in the Federal Republic of Germany in spring 1986.

Greece expressed its views in a statement included in the minutes. Denmark reserved its position on the INF part.■

U.S. Role in the Case of Soviet Seaman Medvid

by Rozanne L. Ridgway

Statement before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee on November 7, 1985. Ambassador Ridgway is Assistant Secretary for European and Canadian Affairs.[1]

I welcome the opportunity to testify today about the role of the Department of State in the case of Soviet Seaman Miroslav Medvid. This case, which focuses attention on the fundamental issue of political freedom, has drawn the attention of many concerned Americans and Members of Congress.

Before I describe in detail the role we played in this case, I would like to underscore three important points.

• First, that from the moment we were informed of this case, our objective was clear and straightforward: to remove Seaman Medvid from the Soviet ship in order to interview him in a neutral, nonthreatening environment under our control to determine whether or not he wished to remain here or return to the U.S.S.R. The operating assumption of the Department of State, the Department of Justice and the White House was that Seaman Medvid's behavior in jumping from his ship and his resistance to being returned to it constituted presumptive evidence of his desire to remain in the United States.

• Second, that decisions taken in this case, including the final decision to permit Seaman Medvid to sign a statement and return to his ship, were made at the highest levels of the White House, the Department of State, and the Department of Justice.

• Third, that it is and will continue to be the general policy of the U.S. Government not to force individuals to return to a country where they would be persecuted on account of race, religion, ethnic origin, membership in a particular social group, or political opinion. This principle remained fully operative throughout our involvement in the case of Seaman Medvid.

At 3:40 p.m. Friday, October 25, when it was first informed of this case by the Border Patrol Section of the Immigration and Naturalization Service (INS), the Department of State immediately requested the U.S. Coast Guard and Treasury Department to take steps to prevent the departure of the *M.V. Konev* from the Belle Chasse area of the port of New Orleans. We also immediately dispatched a Russian-speaking Foreign Service officer and an assistant legal adviser to the scene.

The Department of State representative arrived in New Orleans and boarded the *M.V. Konev* at approximately 10:30 p.m. CST [Central Standard Time] that night; from then on, the United States had a team of at least six officials aboard the Soviet vessel at all times until Seaman Medvid was transferred to the U.S. Coast Guard cutter *Salvia* on October 28. This team included representatives of the Department of State, the INS, the Treasury Department (Customs Service), and a U.S. Navy doctor. From the evening of October 26 an expert interpreter retained by the Department of State was also on the scene to ensure there would be no difficulty in communicating with Seaman Medvid. Of Ukrainian heritage himself, this interpreter was fluent in both Russian and Ukrainian and was able to communicate with Seaman Medvid in both languages.

Prior to our arrival on the scene, INS officials had observed Seaman Medvid on the *M.V. Konev* during the afternoon of Friday, October 25, and they reported that he was in bed and appeared to be sedated; there was a bandage on his left wrist and it was reported that Seaman Medvid had inflicted a laceration on his forearm. The Department of State representative first saw Seaman Medvid on Saturday, October 26, at approximately 3:00 p.m. CST. A U.S. doctor conducted a preliminary physical examination and reported that Seaman Medvid was alert and that he appeared to be in generally good condition; he did not appear to be sedated or under the influence of drugs. During that examination Seaman Medvid told the Department of State representative that he wished to return to the U.S.S.R. and asked whether we had any questions for him. Our representative replied that we would reserve our questions until we could arrange a formal interview off the Soviet vessel.

From the start we made clear to the Soviets that Seaman Medvid had to be removed from the Soviet ship to be interviewed in a nonthreatening environment under our control. In diplomatic discussions with the Soviet Embassy, we made clear that if Soviet officials did not agree to this demand, we were prepared to remove Seaman Medvid from the *M.V. Konev* by force if necessary. As a result of these diplomatic discussions it was agreed that Seaman Medvid would be transferred from the *M.V. Konev* to the U.S.

Coast Guard cutter *Salvia* for an interview in an environment where he would be free from coercion. The transfer occurred without incident at approximately 4:30 p.m. CST on Monday, October 28, after Hurricane Juan, which was passing over the New Orleans area, abated. Upon arrival on the *Salvia*, Seaman Medvid was offered some refreshment and an opportunity to rest or relax, which he declined.

The interview was conducted by a State Department representative in the ward room of the *Salvia*. Also present were a U.S. Navy doctor, an INS official, our interpreter, and four Soviets: two officials from the Soviet Embassy, a Soviet doctor and the master of the *M.V. Konev*. We allow the Soviet presence during such interviews in order to ensure our very important rights to similar access to Americans in the Soviet Union. However, the meeting was structured so that at no time were the Soviets present allowed to intimidate Seaman Medvid. At the meeting only one Soviet representative was allowed to speak, and then only at the start and end of the interview; he was not allowed to interrupt while the Department of State interviewer questioned Seaman Medvid or while Seaman Medvid responded. Not present during the interview, but aboard the Coast Guard cutter to assist if required, were two additional Department of State representatives including an assistant legal adviser, and also a U.S. Air Force psychiatrist, and representatives from INS, the Border Patrol, and the U.S. Customs Service. The interview was conducted through the U.S. interpreter in both Russian and English.

Shortly after the interview began, however, Seaman Medvid said he felt nauseous, and he asked to go outside for some fresh air. At that time, the sea was still rough as a result of Hurricane Juan and the Coast Guard vessel was rolling as a result of the turbulent water. Seaman Medvid was escorted to the deck and attended to by the U.S. Navy medical doctor who recommended that he lie down in the ship's sickbay. The Soviet medical doctor was present as an observer but did not participate in his treatment. After approximately a half hour, Seaman Medvid indicated that he was prepared to resume the interview and the U.S. doctor concurred that there was no medical impediment to continuing the interview.

When the interview resumed, Seaman Medvid was repeatedly assured by the Department of State interviewer that he was not under arrest, that he was free to remain in the United States, that he was free to depart immediately with the U.S. representatives, and that he would not have to return to his ship or to the U.S.S.R. against his will. He was also questioned extensively about the events of the preceding days, particularly why he first jumped from the *M.V. Konev* and what had happened when he was returned to the ship. Seaman Medvid replied that he had fallen overboard while making some electrical repairs on the ship and that he could recall almost nothing from that time until he woke up in the sickbay of the Soviet ship. He repeatedly stated that he wanted to return to the Soviet Union. Nevertheless, because we wanted to be absolutely certain that Seaman Medvid understood that he had a clear choice, and considering his nausea earlier that evening, the Department of State in Washington decided that Seaman Medvid should be given an opportunity to get a good night's sleep on shore. A nearby U.S. Government military facility was selected for this purpose.

Seaman Medvid was given supper on the Coast Guard cutter and at approximately 11:15 p.m. EST [Eastern Standard Time] on October 28, he and the accompanying U.S. and Soviet representatives were transferred to a nearby naval support facility, traveling first by launch and then by motor vehicle. At the naval facility, Seaman Medvid was given a thorough physical examination by the U.S. Navy medical doctor, which lasted approximately 45 minutes, and a psychological evaluation by a U.S. Air Force psychiatrist which lasted approximately 1 hour. The medical doctor determined at that time that Seaman Medvid did not appear to be under the influence of drugs. The Soviet doctor was allowed to observe but not participate in these examinations. We will be providing to the committee, as privileged information and not for public release, copies of these medical reports.

Seaman Medvid was housed overnight in a comfortable suite in the bachelor officers quarters (BOQ). No more than one Soviet representative was allowed in the living room area outside his bedroom and then only when an

Assistant Secretary for European and Canadian Affairs

Rozanne L. Ridgway was born August 22, 1935, in St. Paul, Minnesota. She received a Bachelor of Arts degree from Hamline University in 1957 where she subsequently received an honorary LL.D. in 1978.

Ambassador Ridgway joined the Department of State in 1957 as a Foreign Service information specialist. She served as personnel officer in Manila in 1959–62 and as visa officer in Palermo in 1962–64. In 1964 she was assigned to the Department as an international relations officer until her posting in Oslo (1967) as political officer. She returned to the Department in 1970 as Ecuador desk officer and as deputy director for policy planning and coordination in the Bureau of Inter-American Affairs in 1972–73. She served as Deputy Chief of Mission in Nassau from 1973 until her appointment in 1975 as Deputy Assistant Secretary for Oceans and Fisheries Affairs. In February 1976, she was confirmed as Ambassador for Oceans and Fisheries Affairs.

She served as Ambassador to Finland from 1977 to 1980, when she became Counselor for the Department. After a period of service as a special negotiator assigned to the Secretary's staff, she served as Ambassador to the German Democratic Republic (1982–85).

Ambassador Ridgway received the Department's Superior Honor Award in 1966, 1975, and 1981, the Meritorious Honor Award in 1970, and the William Jump Meritorious Award for Exemplary Achievement in Public Administration in 1972. In April 1977, she received the annual national award of the National Fisheries Institute and in October 1982 the Joseph C. Wilson Award for Achievement in International Affairs.

Ambassador Ridgway was sworn in as Assistant Secretary for European and Canadian Affairs on July 19, 1985, and holds the rank of Career Minister. ■

American was present. The other Soviet representatives were quartered in a separate room at the BOQ. Before going to sleep and again in the morning, Seaman Medvid relaxed by watching TV; he was especially interested in viewing TV coverage about himself. In conversations with the State Department representative that evening and again the next morning, Seaman Medvin kept up a steady stream of informal conversation, and he frequently opined that things in the U.S.S.R. were better than in the United States. He also repeatedly expressed his desire to return to the U.S.S.R.

At approximately 1:00 a.m. CST on October 29, he went to his room where he slept until around 8:00 a.m. CST. After breakfast Seaman Medvid participated in an extended interview with a U.S. Air Force psychiatrist; the Soviet doctor was present only as an observer. Through extensive questioning, the psychiatrist determined that Seaman Medvid was alert, capable of doing calculations, and in touch with reality. He did not appear to be sedated or under the influence of drugs. At one point Seaman Medvid strongly objected to questions by the U.S. psychiatrist which he interpreted as implying that he might not be in control of his faculties. The U.S. psychiatrist determined that Seaman Medvid was capable of making important decisions about his future. Following this examination, Seaman Medvid continued to watch TV and converse informally with the American and Soviet representatives present.

At approximately 12:00 a.m. CST on October 29, the U.S. representatives reconvened the interview with Seaman Medvid. The U.S. interviewer questioned him extensively concerning his wishes and assured him he could not be subject to prosecution or forced to return to the custody of Soviet authorities against his will. If he chose, he could leave immediately with U.S. authorities. He was alert and was determined by U.S. medical, legal, and other representatives to be competent to make a decision concerning whether he wanted to remain in the United States. During the final interview, Seaman Medvid reaffirmed his repeated statements that he wished to return to the U.S.S.R.; he specifically expressed his desire to return home to see his mother and father. On instruction, the U.S. representatives then adjourned the interview to seek advice from Washington.

At 3:45 p.m. EST on October 29, the White House, the Department of State, the Department of Justice, and INS instructed the U.S. representatives to reconvene the interview and to tell Seaman Medvid that he would be allowed to return to the Soviet ship as he had repeatedly requested. Seaman Medvid was asked to sign a statement in Russian and English confirming his wishes and his understanding that he would be free to leave with U.S. representatives immediately if he chose to do so. After insisting on a few changes in Russian to the text of the statement, Seaman Medvid signed it. These were changes in the verb tenses and an additional sentence which repeated that he had decided to return to the U.S.S.R. Medvid said he wanted these changes to make it clear that he had never waivered in his determination to return to his country. The Department of State representative then accompanied Seaman Medvid and the Soviet representatives to the *M.V. Konev* in accordance with Seaman Medvid's wishes, where he was greeted with cheers by the Soviet crew.

In conclusion, I would like to underscore the fact that at every point in the Department of State's involvement in this case, our paramount concern was the welfare of Seaman Medvid. We were determined to ensure that he had an opportunity freely to express his preferences. Over a period of days, extraordinary measures were taken to ensure that he was given that opportunity, first aboard the U.S. Coast Guard cutter and then again at the U.S. naval facility after he had had a good night's rest. We were obviously not able to recreate Seaman Medvid's original frame of mind of October 24, nor will any of us ever know what pressures may have been exerted on Seaman Medvid while he was on the Soviet ship prior to his transfer to our custody on October 28. Nor did we ever discount the fact that such pressures may have influenced Seaman Medvid's final decision. None of us is under illusions about the repressive nature of the Soviet Government and its willingness to use coercion and threats to control its people. From the outset there was always the possibility that Seaman Medvid might indicate that he wished to return to his ship and to the U.S.S.R. and that if he did so, we would have to respect that choice and whatever considerations led to that decision.

In our questioning of Seaman Medvid he repeatedly expressed his desire to return to the U.S.S.R. and there was no doubt on the part of U.S. medical doctors who examined him about his ability to make such a decision. All officials involved in the case, both in Washington and New Orleans, concurred that the U.S. should allow Seaman Medvid to return to the Soviet ship. It is of course possible for anyone to second guess whether we should have attempted to keep Seaman Medvid longer in circumstances calculated to try to overcome presumed Soviet pressures. That is a judgment call. I would only ask that consideration also be given to whether the United States wishes to detain a foreign citizen against his repeatedly expressed wishes, recognizing that only that citizen, in cases such as this, can truly weigh the risks taken for himself or for others.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Religion in Eastern Europe

by Richard D. Schifter

Statement before the Subcommittee on European Affairs of the Senate Foreign Relations Committee on November 14, 1985. Ambassador Schifter is Assistant Secretary for Human Rights and Humanitarian Affairs.[1]

In recent years, particularly in light of Jeane Kirkpatrick's well-known article in *Commentary*, there has been a good deal of discussion of the dichotomy between totalitarianism and authoritarianism. The question has been posed whether the differences between those two forms of dictatorial rule are real or merely imagined. What I want to suggest to you in this statement is that there are clear differences and that the way in which a government deals with religion is as good a litmus test as any in telling the difference between an authoritarian and a totalitarian government.

An authoritarian government will, generally speaking, permit a purely religious organization to function

without interference or might occasionally spar with it, particularly if the governmental authorities believe that the religious organization is seeking to encroach on what the ruling group considers to be the domain of the government. A totalitarian government, by contrast, cannot tolerate a situation in which it lives side by side with any kind of independent association of its citizens, be it religious or secular. It will try to destroy them or take them over, or if it can do neither, it will try to control their every activity. What a totalitarian system simply cannot accept are private organizations of citizens which are beyond its ability to manipulate.

When we examine the situation of religion in Eastern Europe today, that is, in countries which profess to be adherents of the Marxist-Leninist approach to government, we need to keep in mind that they started out with a firm ideological commitment to atheism and, therefore, with a policy to root out religious belief. Today, in Eastern Europe, there is one country which is so totally committed to Leninist ideology that it has, in fact, outlawed religion. It is Albania, the country in which the practice of religion, in any form, constitutes a crime.

The commitment to atheism on which Albania has followed through with the utmost consistency was a commitment to which the founders of the Soviet state adhered as well. The advocacy of atheism has been established Soviet policy since the days of Lenin.

Soviet Bureaucratic Control of Religion

What the leaders of the Soviet state discovered in due course was that religion could not be stamped out as easily as they might have thought at the outset. So, in the spirit of the principle that "if you cannot beat them, join them," the Soviet Union created as long ago as 1929 a massive system for the bureaucratic control of religion.

The statutory scheme created in the Soviet Union permits the conducting of religious activities by groups only if they are registered as "religious associations." Religious associations, in turn, are rigidly controlled through a body of rules enforced by a state bureaucracy which is headed by the so-called Council of Religious Affairs. Working under the Council of Religious Affairs are regional commissioners, with whom religious associations must register. A commissioner can refuse to register an association or can cancel a registration without citing any reason. Through this process, the commissioner can also regulate the selection of clergymen to any church position.

Furthermore, as all real property, including ancient church buildings, is owned by the local units of government, the religious association must sign an agreement with these local units of government before it can obtain use of a building. That agreement will often add to the limitations placed upon the association by the national religious-control bureaucracy.

Generally speaking, the regulators will authorize liturgical services at designated hours in designated places, namely the officially authorized places of worship. All other religious activities are forbidden. Thus, all persons whose personal commitments or the rules of whose religion call for religious activity and experience beyond those sanctioned by the bureaucracy must forego the demands of their conscience or risk punishment at the hands of the state. Moreover, in a special effort to prevent parents from passing on their religious beliefs to their children, membership in religious associations is denied to persons under the age of 18. Every effort is made to discourage all forms of religious instruction.

Religious associations are thus left between a rock and a hard place. If they do not register, yet still engage in religious practices, they find themselves in violation of the law. If they register, they subject themselves to government control, particularly as to the selection of their clergy, and submit to a large body of rules imposed upon them from the outside. Violation of the rules can lead to loss of registered status, and thus, once again to violation of the law. It is clearly a "Catch-22" situation.

Enforcing the Laws on Religious Activities

It is worthy of note that as the police are evidently kept busy performing functions other than the enforcement of the laws of the subject of religion, a special volunteer spy system has been created for that purpose. Neighborhood committees which are called "public commissions for control over observance on the laws about religious cults" watch their neighbors and report their violations of the laws on religion to the appropriate authorities.

This, then, is the system which serves to deprive those persons of religious freedom who look to their religious associations to provide them with more than a government-approved ritual ceremony in a government-approved location during a government-approved time period. Evangelical Christians, Seventh-day Adventists, Mennonites, Baptists, and Pentecostals—many of whom have refused to register—are most often the victims of government persecution of religious activists. Roman Catholic priests in Lithuania have in recent years also more and more frequently been severely punished for engaging in religious activities and for the violations of government edicts. So have Jews, whose legally authorized synagogues have been reduced to 50 throughout the Soviet Union, and whose training institutions for rabbinical students have long been closed.

The objective of present Soviet policy toward religion is reasonably clear. To the extent to which religious observance constitutes an individual act, even if carried out in the presence of others, it is permitted. To the extent to which it involves interaction among fellow-believers and unity of purpose of a group, the state seeks to prevent it. Yet, to the chagrin of the authorities, interest in religion on the part of the Soviet people has been on the increase rather than on the decline. Violations of the law are thus too numerous for these laws to be enforced rigidly. Instead, as students of the subject have noted, a good many minor violations will simply be ignored. But when the KGB's patience runs out, its agents clamp down hard and the person guilty of the illegal practice of religion is sent off for years in a prison, a forced-labor colony or into exile, most often on a trumped-up charge. And in those cases in which it appears inconvenient to invoke "socialist legality" through a criminal proceeding, the luckless religious practitioner is sent off to an institution for the mentally ill.

Thus, in today's Soviet Union, religious associations run afoul of the government whenever they try to assert any independence or when believers want to engage in religious activities beyond those authorized by the Soviet Union's religious-control bureaucracy.

Some church organizations have accepted the government's decision, as it were, to "join" them. They limit their activities to those that the government permits and, in return for being granted permission to function and to perform authorized religious rituals, dutifully express the government line on issues of foreign policy when called upon to do so

at international gatherings. It is said that KGB agents may even have infiltrated the clergy and hear confessions.

Aside from repressive measures against religious groups which seek to exercise religious independence, the Soviet Union has also adopted repressive measures against churches associated with particular brands of disapproved nationalism. In its efforts to suppress Ukrainian nationalist tendencies, the Soviet Union close to 40 years ago outlawed the Uniate Church of the Ukraine, an Eastern Rite Catholic Church. For similar reasons, the Soviet Government has also acted harshly against the Roman Catholic churches of Lithuania and Latvia.

Eradicating Islam in Bulgaria

The Soviet approach to religion is not copied by all the countries which are members of the Warsaw Pact. Among these European states, we see policies ranging from the efforts of the Bulgarian Government to destroy entirely the identity of its Islamic population of Turkish ethnic descent to the approach followed by Poland, which has decided to live with the fact that it cannot destroy the independence of the Polish Roman Catholic church.

The most recent large-scale, violent attack on religion in Eastern Europe began last fall with Bulgaria's campaign to eradicate the identity of the country's ethnic Turkish population. About 1 million people, approximately 10% of the entire population, were suddenly told that they were not in fact Turks, that they had to change their names to Slavic names, stop speaking Turkish, stop wearing Turkish clothing, and stop performing most Islamic religious customs. Many who resisted were killed, and many more imprisoned. Most mosques in the country have been closed, converted to museums, or turned into various types of secular structures. Few Moslem religious leaders remain, and the training of new ones has effectively been halted. Religious rites essential to the conduct of Islam have been banned, including circumcision, marriage, and funeral rites. The pilgrimage to Mecca has in practice ceased to occur.

Islam is not alone among religions in Bulgaria facing repression. The Orthodox Church, the church of the majority of the population, receives some favored treatment from the state due to its historic role in helping preserve Bulgarian nationalism and culture. At the same time, though, it is allowed only a very narrow range of activities, and must subordinate itself completely to the state. The Roman Catholic and several small Protestant churches lead tenuous existences, suffering constant harassment and enjoying few legal rights.

Religious Revival and Repression in Romania

Romania presents perhaps the most mixed and complex religious situation in Eastern Europe. While encountering persistent, often ruthless persecution by the state, various religious groups in Romania have in recent years undergone tremendous growth. Many observers have pointed to the fact that Romania seems to be experiencing a religious revival which is making the open, fervent practice of religion in that country second only to that of Poland in Eastern Europe. Because of the scale of this revival, and, perhaps, due to the need for a safety valve in a society suffering from serious economic difficulties, the authorities have in practice allowed a degree of open religious activity far beyond that of some of their neighbors.

Unfortunately, this acquiescence in considerable religious activity has gone hand in hand with spasmodic measures of ruthless repression. Charismatic religious leaders have been harassed, imprisoned, or forced to emigrate. There are reports that some have been killed. Churches with rapidly growing congregations have had great difficulty in gaining permission to enlarge their facilities, and a number of churches which have attempted to proceed with enlargements on their own have had their buildings torn down by the authorities. The various churches face severe restrictions on the printing or import of religious materials, including Bibles, and there is strong evidence that some Bibles have actually been pulped for the manufacture of toilet paper.

Just as in Bulgaria, due in part to the Orthodox Church's historic role in preserving Romanian identity, and to the fact that the overwhelming majority of believers in Romania are Orthodox, the Romanian Government does accord that church a somewhat favored position among religious groups. The government has, at times, argued the need to protect the status of the Orthodox Church as grounds for restricting the proliferation of other Christian groups. When criticized for not allowing churches such as the Jehovah's Witnesses to function legally, Romanian authorities sometimes comment that "14 sects are enough. We don't need any more."

Religious Activities in Czechoslovakia and East Germany

Legally, the situation in Czechoslovakia very much resembles conditions in the Soviet Union. In Czechoslovakia, as in the Soviet Union, a religious-control bureaucracy tries to monitor and regulate the activities of the churches. Priests who sponsor religious activities outside the legally-authorized framework are punished in Czechoslovakia as they are punished in the Soviet Union, in both situations for violating the laws and regulations governing the exercise of religion. What can be said for Czechoslovakia on this point is that the sentences meted out to violators of these laws and regulations are significantly shorter than those meted out in the Soviet Union.

The G.D.R., East Germany, has moved significantly toward coexistence with independent churches. The same has, for some time, been true of Hungary and, as I have already said, Poland acquiesces in the existence of a totally independent church.

Conclusion

There remains the question of what we can do about all that I have described. The answer in this situation, as in the case of other human rights problems is to shine a spotlight on the violators. As long as these repressive governments can continue their practices without the world at large paying attention, they will do so. Only if a great deal of public attention is focused on these activities is there a chance that they might modify them. Hearings such as this one serve that purpose. So do the speeches that we deliver on the subject of religious intolerance at international gatherings, such as meetings of the UN Human Rights Commission, the Third Committee of the UN General Assembly, and at meetings held under the provisions of the Helsinki accords. In each case it is, of course, also important that the information contained in testimony or in speeches be picked up by the media.

I, for one, sincerely hope that attention will be paid to what it is that is being said at this hearing. The issues deserve such attention.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S. Terminates Acceptance of ICJ Compulsory Jurisdiction

SECRETARY'S LETTER TO UN SECRETARY GENERAL, OCT. 7, 1985

Dear Mr. Secretary-General:

I have the honor on behalf of the Government of the United States of America to refer to the declaration of my Government of 26 August 1946, as modified by my note of 6 April 1984, concerning the acceptance by the United States of America of the compulsory jurisdiction of the International Court of Justice, and to state that the aforesaid declaration is hereby terminated, with effect six months from the date hereof.

Sincerely yours,

GEORGE P. SHULTZ

DEPARTMENT STATEMENT, OCT. 7, 1985[1]

In accordance with the instructions of the President, on October 7, 1985, the Secretary of State deposited with the Secretary General of the United Nations formal notice of termination of the U.S. declaration, deposited on August 26, 1946, accepting the optional compulsory jurisdiction of the International Court of Justice (ICJ). This action will become effective 6 months after the deposit of that notice.

This decision is fully compatible with the Statute of the ICJ, which leaves it to the discretion of each state to determine its relationship with the World Court. That Statute also explicitly refers to the right to condition acceptance of the Court's compulsory jurisdiction on the principle of reciprocity.

When President Truman signed the U.S. declaration accepting the World Court's optional compulsory jurisdiction on August 1, 1946, this country expected that other states would soon act similarly. The essential underpinning of the UN system, of which the World Court is a part, is the principle of universality. Unfortunately, few other states have followed our example. Fewer than one-third of the world's states have accepted the Court's compulsory jurisdiction, and the Soviet Union and its allies have never been among them. Nor, in our judgment, has Nicaragua. Of the five permanent members of the UN Security Council, only the United States and the United Kingdom have submitted to the Court's compulsory jurisdiction.

Our experience with compulsory jurisdiction has been deeply disappointing. We have never been able to use our acceptance of compulsory jurisdiction to bring other states before the Court but have ourselves been sued three times. In 1946 we accepted the risks of our submitting to the Court's compulsory jurisdiction because we believed that the respect owed to the Court by other states and the Court's own appreciation of the need to adhere scrupulously to its proper judicial role would prevent the Court's process from being abused for political ends. Those assumptions have now been proved wrong. As a result, the President has concluded that continuation of our acceptance of the Court's compulsory jurisdiction would be contrary to our commitment to the principle of the equal application of the law and would endanger our vital national interests.

On January 18, 1985, we announced that the United States would no longer participate in the proceedings instituted against it by Nicaragua in the International Court of Justice. Neither the rule of law nor the search for peace in Central America would have been served by further U.S. participation. The objectives of the ICJ to which we subscribe—the peaceful adjudication of international disputes—were being subverted by the effort of Nicaragua and its Cuban and Soviet sponsors to use the Court as a political weapon. Indeed, the Court itself has never seen fit to accept jurisdiction over any other political conflict involving ongoing hostilities.

This action does not signify any diminution of our traditional commitment to international law and to the International Court of Justice in performing its proper functions. U.S. acceptance of the World Court's jurisdiction under Article 36(1) of its Statute remains strong. We are committed to the proposition that the jurisdiction of the Court comprises all cases which the parties refer to it and all matters that are appropriate for the Court to handle pursuant to the UN Charter or treaties and conventions in force. We will continue to make use of the Court to resolve disputes whenever appropriate and will encourage others to do likewise. Indeed, as we have announced today, we have reached agreement in principle with Italy to take a longstanding dispute to the Court.

LEGAL ADVISER SOFAER STATEMENT, DEC. 4, 1985[2]

I welcome this opportunity to discuss the background to the President's decision of October 7 terminating our acceptance of the compulsory jurisdiction of the International Court of Justice (ICJ). This decision will take effect 6 months from that date. I will discuss what the President's decision means in practical terms before turning to some of the reasons for it.

Jurisdiction of the Court

The ICJ has limited jurisdiction, based on its Statute and on the consent of states. Under Article 36(1) of the Court's Statute, the ICJ has jurisdiction when states sign a special agreement referring a dispute to it or are parties to a treaty providing for ICJ dispute resolution. The President's action does not affect this basis for jurisdiction. Indeed, we have just agreed with Italy to submit an important dispute, involving millions of dollars, to the Court for adjudication. We also are party to some 60 treaties providing for adjudication of disputes by the ICJ.

The second basis for ICJ jurisdiction exists when a state accepts the Court's compulsory jurisdiction under Article 36(2) of the Statute—the so-called optional clause. Historically, acceptance of compulsory jurisdiction has been less important as a basis for the Court's work than specific agreement between the parties to a dispute.

A state accepts compulsory jurisdiction by depositing with the Secretary General of the United Nations a declaration to the effect that it agrees to be sued by any state depositing a similar declaration. In return, the filing state may bring suit under compulsory jurisdiction against any other state filing such a declaration. Generally, a state has no way of knowing in advance by whom or on what issue a suit may be filed. A declaration covers any issue of international law, except to the extent that the state excludes specific disputes or categories of disputes. A state faced with a suit under compulsory jurisdiction may invoke any exclusion in its declaration and, on the basis of reciprocity, any exclusion in its opponent's declaration to seek to defeat jurisdiction. It also may raise nonjurisdictional objections to the Court's taking the case. If the parties disagree over the scope of a declaration or its exclusions, the Court itself decides the issue.

Under the Court's Statute, a state is free to accept or to decline the Court's compulsory jurisdiction. A state accepting the Court's compulsory jurisdiction likewise is free to terminate or modify its acceptance whenever the state concerned believes that doing so would serve its interests. The President's action terminating our 1946 declaration, thus, is entirely consistent with our international legal obligations.

The President's action also is consistent with his domestic legal authority. Declarations under Article 36(2) of the Statute are not treaties under either international law or the Constitution. Nevertheless, in 1946 the executive branch considered that congressional approval of the declaration was necessary for several reasons. Any such a declaration necessarily entails an open-ended exposure to suit, including potential financial liability. In addition, Congress traditionally had been reluctant to allow the President to enter into compulsory third-party dispute settlement arrangements, as the fate of repeated executive efforts to have the United States accept the jurisdiction of the predecessor Court, the Permanent Court of International Justice, showed.

The termination of the 1946 declaration, on the other hand, does not expose the United States to new commitments or obligations. On the contrary, it reduces or eliminates that exposure. Furthermore, by its terms, the declaration authorizes termination on 6 months' notice, and our October 7 note is consistent with that condition. Finally, the Constitution allows the President unilaterally to terminate treaties consistent with their terms; and his authority is even clearer with respect to lesser instruments such as the 1946 declaration.

Reasons for U.S. Review

Our experience in the case instituted against the United States by Nicaragua in April 1984 provided the chief motivation for the Administration's review of our acceptance of the Court's compulsory jurisdiction. The principal basis of jurisdiction cited by Nicaragua in bringing that case was the 1946 U.S. declaration accepting compulsory jurisdiction. We believed at the time, and still believe, that Nicaragua itself never had validly accepted the Court's compulsory jurisdiction. More important, Nicaragua sought to bring before the Court political and security disputes that were never previously considered part of the Court's mandate to resolve. In our view, the Court's decision last November that Nicaragua had, indeed, accepted compulsory jurisdiction and that Nicaragua's claims were justiciable could not be supported as a matter of law. These considerations led the President to decide last January that we would no longer participate in the case.

The Court's decision also caused us to undertake a thorough evaluation of our 1946 declaration and its place in the system of compulsory jurisdiction established by Article 36(2) of the Court's Statute. That we were evaluating these questions was well known. The issues at stake were considered and debated in government and private groups interested in this question. All the relevant points were carefully considered.

We recognized, first of all, that the hopes originally placed in compulsory jurisdiction by the architects of the Court's Statute have never been realized and will not be realized in the foreseeable future. We had hoped that widespread acceptance of compulsory jurisdiction and its successful employment in actual cases would increase confidence in judicial settlement of international disputes and, thus, eventually lead to its universal acceptance.

Experience has dashed these hopes. Only 47 of the 162 states entitled to accept the Court's compulsory jurisdiction now do so. This number represents a proportion of states that is substantially lower than in the late 1940s. The United Kingdom is the only other permanent member of the UN Security Council that accepts compulsory jurisdiction in any form. Neither the Soviet Union nor any other Soviet-bloc state has ever accepted compulsory jurisdiction. Many of our closet friends and allies—such as France, Italy, and the Federal Republic of Germany—do not accept compulsory jurisdiction. Moreover, a substantial number of the states accepting compulsory jurisdiction have attached reservations to their acceptances that deprive them of much of their meaning. The United Kingdom, for example, retains the power to decline to accept the Court's jurisdiction in any dispute at any time before a case is actually filed.

Compulsory jurisdiction cases have not been the principal part of the Court's overall jurisprudence. Of some 50 contentious cases between 1946 and the end of 1983, 22 were based on the Court's compulsory jurisdiction, of which only five resulted in final judgment on the merits. The last case decided under the Court's compulsory jurisdiction, the *Temple of Preah Vihear*, was completed in 1962. In the remaining 17 cases, objections to the Court's jurisdiction were sustained in 13; four were dismissed on other grounds.

Another consideration we weighed is the fact that, although we have tried seven times, we have never been able successfully to bring a state before the Court. We have been barred from achieving this result not only by the fact that few other states accept compulsory jurisdiction but also by the principle of reciprocity as applied to our 1946 declaration. That principle allows a respondent state to invoke any reservation in the applicant state's declaration to seek to defeat the Court's jurisdiction. Thus, respondent states may invoke reservations in our 1946 declaration against us. The so-called Connally reservation in our 1946 declaration provides that the United States does not accept compulsory jurisdiction over any dispute involving matters essentially within the domestic jurisdiction of the United States, as determined by the

United States. In other words, we reserve to ourselves the power to determine whether the Court has jurisdiction over us in a particular case. Any state we sue may avail itself of that power on a reciprocal basis to defeat jurisdiction.

This is, in fact, precisely what happened when we tried to sue Bulgaria in 1957 on claims arising out of the loss of American lives and property when Bulgaria shot down an unarmed civilian airliner that had strayed into its airspace. Bulgaria claimed that the Court had no jurisdiction because the matter in dispute was within Bulgarian domestic jurisdiction as determined by Bulgaria. Even though we had pledged never to invoke our Connally reservation in bad faith to cover a manifestly international dispute, we were compelled to acknowledge that its invocation in any case would be binding as a matter of law. Hence, Bulgaria's reciprocal invocation of the Connally reservation forced us to discontinue the case.

On a more general level, other countries, the international legal community, and, indeed, the executive branch have severely criticized the "self-judging" nature of the Connally reservation. Some commentators even argue that the Connally reservation made the 1946 declaration a legal nullity because of its wholly unilateral and potentially limitless character. Certainly, that reservation has undercut the example the United States tried to set for other countries by its acceptance of compulsory jurisdiction.

For these reasons we have never been able successfully to bring another state before the Court on the basis of our acceptance of compulsory jurisdiction. On the other hand, we have been sued under it three times: by France in the *Rights of Nationals of the United States in Morocco* case in 1950–1952; by Switzerland in the *Interhandel* case in 1957–1959; and, finally, by Nicaragua last year.

The terms of our acceptance of compulsory jurisdiction contain an additional weakness. Nothing in it prevents another state from depositing an acceptance of compulsory jurisdiction solely for the purpose of bringing suit against the United States and, thereafter, withdrawing its acceptance to avoid being sued by anyone in any other matter. Students of the Court long have recognized that this "sitting duck" or "hit-and-run" problem is one of the principal disadvantages to the system of compulsory jurisdiction under Article 36(2). It places the minority of states that have accepted compulsory jurisdiction at the mercy of the majority that have not.

The Court's composition also is a source of institutional weakness. At present, 9 of 15 judges come from states that do not accept compulsory jurisdiction; most of these states have never used the Court at all. Judges are elected by the General Assembly and Security Council, frequently after intense electioneering. One reasonably may expect at least some judges to be sensitive to the impact of their decisions on their standing with the UN majority. Whereas in 1945 the United Nations had some 50 members, most which were aligned with the United States and shared its views regarding world order, there are now 160 members. A great many of these cannot be counted on to share our view of the original constitutional conception of the UN Charter, particularly with regard to the special position of the permanent members of the Security Council in the maintenance of international peace and security. This same majority often opposes the United States on important international questions.

The Nicaragua Case

None of the weaknesses deriving from the Court's composition and our 1946 declaration is new. We have hitherto endured them on the assumption that the respect states owed to the Court and the Court's own scrupulous adherence to its judicial role would insulate us from abuses of the Court's process for political or propaganda ends. The Nicaragua case showed that it would be unrealistic to continue to rely on that assumption.

Several aspects of the Court's decisions in the Nicaragua case were disturbing. First, the Court departed from its traditionally cautious approach to finding jurisdiction. It disregarded fundamental defects in Nicaragua's claim to have accepted compulsory jurisdiction. This question involves more than a legal technicality. It goes to the heart of the Court's jurisdiction, which is the consent of states. International law—in particular, the Court's own Statute—establishes precise rules that states must follow in order to manifest that consent. The purpose of such technical rules is to ensure that a state's consent is genuine and that all other states are given objective notice of it. Nicaragua never complied with those rules, and the historical evidence makes clear that its failure to do so was deliberate and designed to ensure that Nicaragua could never be sued successfully under Article 36(2). A majority of the Court, on the other hand, was prepared to discover an exception to those rules that allowed Nicaragua to bring suit, an exception that is inconsistent with the Court's prior jurisprudence on the subject. The result-oriented illogic of the majority's position was

U.S.-Italy Agree to Submit Dispute to ICJ

DEPARTMENT STATEMENT, OCT. 7, 1985[1]

The United States and Italy have been engaged in a longstanding dispute arising from certain actions by Italian Government officials against a wholly owned subsidiary of Raytheon Company and Machlett Laboratories, Inc., both U.S. corporations.

The two governments have come to the conclusion that they are unable to resolve the diplomatic claim of the United States on behalf of Raytheon Company and Machlett Laboratories, Inc., through diplomatic negotiation or binding arbitration. Therefore, the United States, in conformity with the U.S.-Italian Treaty of Friendship, Commerce, and Navigation of 1948, has determined to approach the International Court of Justice (ICJ) with a view to submitting that dispute to a special chamber as provided by the Court's Statute and rules of procedure, subject to mutually satisfactory resolution of implementing arrangements. Italy concurs in the opinion that this is an appropriate course of action.

[1]Made available to news correspondents by State Department deputy spokesman Charles Redman. ■

vigorously exposed in the opinions of the dissenting judges.

Furthermore, the Court engaged in unprecedented procedural actions—such as rejecting without even a hearing El Salvador's application to intervene as of right—that betrayed a predisposition to find that it had jurisdiction and that Nicaragua's claims were justiciable, regardless of the overwhelming legal case to the contrary. In the particular case of the Salvadoran intervention, the Court ignored Article 63 of the Statute, which deprives the Court of discretion to reject such interventions. The Court sought to cover itself by holding out the possibility of accepting the Salvadoran intervention at the merits stage—at which point Salvadoran objections to the Court's jurisdiction and the justiciability of Nicaragua's claims would have been too late.

Even more disturbing, for the first time in its history, the Court has sought to assert jurisdiction over a controversy concerning claims related to an ongoing use of armed force. This action concerns every state. It is inconsistent with the structure of the UN system. The only prior case involving use-of-force issues—the *Corfu Channel* case—went to the Court after the disputed actions had ceased and the Security Council had determined that the matter was suitable for judicial consideration. In the Nicaragua case, the Court rejected without a soundly reasoned explanation our arguments that claims of the sort made by Nicaragua were intended by the UN Charter exclusively for resolution by political mechanisms—in particular, the Security Council and the Contadora process—and that claims to the exercise of the inherent right of individual and collective self-defense were excluded by Article 51 of the Charter from review by the Court.

I cannot predict whether the Court's approach to these fundamental Charter issues in the jurisdictional phase of the Nicaragua case will be followed in the Court's judgment on the merits. Nevertheless, the record gives us little reason for confidence. It shows a Court majority apparently prepared to act in ways profoundly inconsistent with the structure of the Charter and the Court's place in that structure. The Charter gives to the Security Council—not the Court—the responsibility for evaluating and resolving claims concerning the use of armed force and claims of self-defense under Article 51. With regard to the situation in Central America, the Security Council exercised its responsibility by endorsing the Contadora process as the appropriate mechanism for resolving the interlocking political, security, economic, and other concerns of the region.

Implications for U.S. National Security

The fact that the ICJ indicated it would hear and decide claims about the ongoing use of force made acceptance of the Court's compulsory jurisdiction an issue of strategic significance. Despite our deep reluctance to do so and the many domestic constraints that apply, we must be able to use force in our self-defense and in the defense of our friends and allies. We are a law-abiding nation, and when we submit ourselves to adjudication of a subject, we regard ourselves as obliged to abide by the result. For the United States to recognize that the ICJ has authority to define and adjudicate with respect to our right of self-defense, therefore, is effectively to surrender to that body the power to pass on our efforts to guarantee the safety and security of this nation and of its allies.

This development particularly concerned us as a matter of principle and for reasons bearing directly on the capacity of the ICJ to reach sound, correct decisions on use-of-force issues and to enforce principles it eventually may articulate on our communist adversaries. The Court has no expertise in finding facts about ongoing hostilities or any other activities occurring in areas such as Central America. Based on my years as a trial judge and considerable experience with complicated cases, I doubt that the 16 judges sitting on the Nicaragua case may reliably resolve the evidentiary problems presented. The ICJ is similar to an appellate court, more at home with abstract legal questions than with competing factual claims. Moreover, the Court's rejection of El Salvador's application to intervene deprived it of that nation's indispensable contribution to a true picture of the situation in Central America, a contribution that goes to the heart of our legal position.

Even if the Court were inclined to allow participation by all necessary parties, it has no power to compel that participation. We have, for example, no doubt that Cuba, and quite probably the Soviet Union, help Nicaragua's efforts to subvert the democratic regime in El Salvador as well as to undertake unlawful acts against Costa Rica and Honduras. But, in view of their consistent refusal to submit to the Court's jurisdiction in any other matter, neither Cuba nor the Soviet Union can be expected to join in the proceedings, and the Court cannot force them to do so. These facts render even more questionable the capacity of the Court to determine the facts concerning Nicaragua's aggressive acts.

The Court's lack of jurisdiction over Soviet-bloc nations, especially the Soviet Union, also has long-term significance for the strategic acceptability of ICJ review of self-defense issues. The Soviets have long advanced the view—by the Brezhnev doctrine and otherwise, and by their actions in places like Czechoslovakia and Afghanistan—that force is acceptable in order to keep a nation in the socialist orbit or to promote a socialist revolution but have not hesitated to condemn responsive uses of force as violating the UN Charter.

We reject this view. We believe that, when a nation asserts a right to use force illegally and acts on that assertion, other affected nations have the right to counter such illegal activities. The United States cannot rely on the ICJ properly and fairly to decide such questions. Indeed, no state can do

so. If we acquiesce in this claimed authority, we would be bound by the Court's decisions that limited our ability to confront Soviet expansionism, even though the Soviets could and would do as they pleased. That most of the Court's judges come from nations that do not submit to its jurisdiction, including Soviet-bloc nations and other states that routinely support that bloc, is of special concern on these fundamental issues.

Mr. Chairman [Sen. Richard Lugar], in considering this complex and important subject, I hope that you and the other members of this distinguished committee weigh carefully the national security implications of accepting the Court as a forum for resolving use-of-force questions. For example, would the Court be the proper forum for resolving the disputes that gave rise to such actions as the Berlin airlift, the Cuban missile crisis, and, most recently, our diversion of the *Achille Lauro* terrorists? Each event involved questions of international law.

At the same time, however, at stake on each occasion were interests of a fundamentally political nature, going to our nation's security. Such matters cannot be left for resolution by judicial means, let alone by a court such as the ICJ; rather, they are the ultimate responsibilities assigned by our Constitution to the President and Congress. We did not consider such issues to be subject to review by the ICJ at the time we accepted the Court's compulsory jurisdiction, and we do not consider them to be encompassed by that acceptance now. The Court's apparent willingness to construe our declaration otherwise left us with no prudent alternative but to terminate that aspect of our use of its facilities.

We carefully considered modifying our 1946 declaration as an alternative to its termination, but we concluded that modification would not meet our concerns. No limiting language that we could draft would prevent the Court from asserting jurisdiction if it wanted to take a particular case, as the Court's treatment of our multilateral treaty reservation in the Nicaragua case demonstrates. That reservation excludes disputes arising under a multilateral treaty unless all treaty partners affected by the Court's decision are before the Court. Despite Nicaragua's own written and oral pleadings before the Court—which expressly implicated El Salvador, Honduras, and Costa Rica in the alleged violations of the UN and OAS [Organization of American States] Charters and prayed for a termination of U.S. assistance to them—and statements received directly from those countries, a majority of the Court refused to recognize that those countries would be affected by its decision and refused to give effect to the reservation. Furthermore, merely having filed a declaration is enough for the Court to indicate provisional measures against the filing party, whether or not the Court later found it had jurisdiction under the declaration. Finally, the 1946 declaration expressly provides only for its termination, and we would not wish to have the legality or effectiveness of any lesser step open to question.

Conclusion

Looked at from the standpoint of the reality of compulsory jurisdiction today, the decision to terminate our 1946 acceptance was a regrettable but necessary measure taken in order to safeguard U.S. interests. It does not signify a lessening of our traditionally strong support for the Court in the exercise of its proper functions, much less a diminution of our commitment to international law. We remain prepared to use the Court for the resolution of international disputes whenever possible and appropriate.

We recognize that this nation has a special obligation to support the ICJ and all other institutions that advance the rule of law in a world full of terror and disorder. Our belief in this obligation is what led us to set an example by accepting the Court's compulsory jurisdiction in 1946 and by continuing that acceptance long after it became clear that the world would not follow suit and that our acceptance failed to advance our interests in any tangible manner.

Yet, the President also is responsible to the American people and to Congress to avoid potential threats to our national security. The ICJ's decisions in the Nicaragua case created real and important additional considerations that made the continued acceptance of compulsory jurisdiction unacceptable, despite its symbolic significance. We hope that, in the long run, this action, coupled with our submission of disputes under Article 36(1), will stregthen the Court in the performance of its proper role in the international system established by the UN Charter and the Court's own Statute.

---

[1]Made available to news correspondents by State Department deputy spokesman Charles Redman.

[2]Made before the Senate Foreign Relations Committee by Abraham D. Sofaer. ■

IMO Endorses U.S. Initiative on Ship and Passenger Security

DEPARTMENT ANNOUNCEMENT, Nov. 22, 1985[1]

The assembly of the International Maritime Organization (IMO), meeting in London yesterday, November 21, gave unanimous endorsement to a U.S.-sponsored initiative designed to improve security practices on ships and thus to guard against further terrorist incidents such as the one occurring recently on the *Achille Lauro* in the Mediterranean.

The U.S.-drafted resolution calls upon the IMO Maritime Safety Committee to draft detailed and practical technical measures which may be employed by governments, port administrations, shipowners, shipmasters, and crews to ensure the security of passengers and crews on board ships. The committee will meet in London at the end of January to consider proposals that may be considered and adopted by governments and interested parties.

The Governments of Egypt and Italy were among the nine which joined in cosponsoring the U.S. resolution. We are encouraged by the unanimity of the international community on the need to take immediate and concerted action to deal with unlawful acts against shipping and passengers and take satisfaction in the adoption of this resolution by the IMO.

[1]Read to news correspondents by Charles Redman, State Department deputy spokesman. ■

U.S. Offers Reward for *Achille Lauro* Terrorists

DEPARTMENT ANNOUNCEMENT, NOV. 25, 1985[1]

Today the U.S. Government announces a reward of up to $250,000 for information leading to the apprehension and effective prosecution and punishment of Abu el Abbas, as well as any others not yet in custody responsible for the terrorist action which resulted in the seizure of the *Achille Lauro* on October 7, 1985, the taking of hostages, including 14 Americans, and the killing of one American, Leon Klinghoffer.

Those with information in the United States should notify the Federal Bureau of Investigation (FBI) or the Diplomatic Security Service, Department of State. Those with information in any other country should notify the nearest U.S. Embassy. The information received will be handled confidentially and the identities of informants will be protected.

Officers or employees of any governmental organization who furnish information while in performance of official duties are not eligible for a reward.

[1]Read to news correspondents by Charles Redman, State Department deputy spokesman. ■

Promoting Peaceful Change in South Africa

by Vernon A. Walters

Statement made in plenary session at the UN General Assembly on October 30, 1985. Ambassador Walters is U.S. Permanent Representative to the United Nations.[1]

We all know the meaning of apartheid: deliberate, systematic, institutionalized racial discrimination denying South Africa's black people their God-given rights. America's view of apartheid is simple and straightforward: We believe it is wrong. We condemn it. And because we live by Lincoln's words—"No person is good enough to govern another without the other's consent"—all Americans are united in hoping for the day when apartheid will exist no more.

The history of the United States is one of struggle against all forms of racial, cultural, and political intolerance. Our constitution resolutely forbids intolerance. And our commitment to equality and freedom does not end at our borders. We oppose political and economic systems based upon the self-proclaimed right of any race, religion, tribe, clan, or economic or political elite to rule over and oppress other people. Such elitist orders produce misery and refugees, many of whom bring their talent and energy to open societies, including my own.

My country can thus only reject apartheid. And we are working toward the elimination of this unjust and unjustifiable system. The question has never been whether apartheid should end—all of us recognize that it is doomed. The question is how to end it while realizing the democratic aspirations of South Africa's people. The policy of the United States, outlined in dozens of addresses before this and other bodies and most recently by President Reagan on September 9, is to promote positive, peaceful change that will lead to a system in South Africa based on the consent of all those governed by it. We want to encourage change that assures rather than destroys South Africa's future.

I should also point out that the United States believes that apartheid will not be undone by demagogic posturing and sloganeering. Exhortations to bloody revolution, calls for mandatory sanctions and hypocritical talk about liberation from the leaders and representatives of nations that deny liberty to their own people will not bring peace and justice to millions of South Africans.

Ending apartheid is a task that demands more than hot rhetoric, no matter how emotionally satisfying it may be. That is the spirit of President Reagan's Executive Order of September 9. The measures he announced then, which will go into force by the end of this year, are aimed at specific areas: the apparatus and symbols of apartheid. They are designed to deprive the Government of South Africa of any direct or indirect U.S. support in maintaining its police, military, and apartheid-enforcing structure. And, equally important, they commit the United States to sustaining a strong presence in South Africa as a basis from which to exert influence for change. The U.S. Government is taking concrete steps to encourage U.S. businesses and entrepreneurs to seek an end to the discriminatory labor and employment practices of apartheid. And we shall greatly increase our economic assistance for the education and training of disadvantaged South Africans and our support to peaceful opponents of apartheid through our human rights program.

Some might argue that this is not enough—that these improvements are only economic and do not represent political gains. This reminds me of the axiom that one of the lessons of history is that we do not remember the lessons of history. One of these lessons is surely that economic and political freedoms are inextricably linked. It is exactly this hope for real improvement in their lives that has brought so many people to South Africa—black and white—and that now impels an unstoppable push for political change in that country.

Others call for destructive, punitive sanctions, arms, and more violence. We want jobs, better housing, and health programs. We want freedom of association, of movement, and all the other political rights and economic freedoms that allow the individual, rather than the government, to choose his way of life. We take this approach because we Americans are builders, not destroyers. Our government is actively pressing for democratic, peaceful change in South Africa. So too are our foundations, our labor unions, our universities, our corporations—we want our every link with South Africa to be dedicated to the purpose of bringing constructive influence to bear on that country. In other words, we are striving to utilize every instrument of peaceful change in South Africa to the benefit of our common cause: the end of apartheid and the creation of a political process in which all South Africans can participate freely.

This we do because another lesson of history is that we cannot retreat from all the difficult and complex moral choices in the world. We Americans have accepted the hard reality that our passionate commitment to moral principles can be no substitute for a sound foreign policy. The choice for us, however, is not between moral principles and the national interest, but between moral principles divorced from political reality and moral principles anchored in political reality. Part of that reality is progress towards democracy and greater freedom around the world may be slower than we would like. If we use our power to push nondemocratic states too far and too fast, we may destroy the hope for greater freedom.

What we see in South Africa is a beginning of a process of change. The changes in official policy so far are plainly inadequate—but ironically they have been enough to raise the expectations and impel demands for fundamental reforms such as we all desire. This fundamental change will occur—there can be no doubt about it. All Americans are disturbed by the trend of events in South Africa—the violence and official repression will not lead to serious negotiations over a new political future for the country.

A cause of hope is that South Africa is not a totalitarian society. Every day we see examples of outspoken protest and access to the international media that would not be possible in some countries represented in this chamber today. This degree of openness in South African society and our willingness to engage with that society for constructive purposes are the sources of our influence. The United States will continue to take advantage of this opportunity to do what we can as a responsible nation to end apartheid. Our policy is aimed at seeking engagement with all sides in South Africa for the purpose of encouraging negotiations that will produce fundamental reforms, and we regard such a course as in the best traditions of the United Nations.

I urge that the United Nations use its prestige to work constructively to help the South African people achieve a democratic state under which they would enjoy all the rights enumerated in the Universal Declaration of Human Rights. I also urge that the United Nations increase its efforts to work effectively for the elimination of all forms of racism and racial discrimination.

[1]USUN press release 132. ■

Situation in Angola

by Vernon A. Walters

Statement before the UN Security Council on October 7, 1985.[1] Also included is the text of the Security Council resolution adopted on October 7. Ambassador Walters is U.S. Permanent Representative to the United Nations.

Once again, we find ourselves gathered around this table to consider a violation of the territorial integrity of Angola's borders. And once again I shall set forth U.S. policy toward South African operations of this sort. We condemn them. They serve to exacerbate an already volatile situation. Besides their negative consequences on chances for a negotiated solution to the problems besetting the region, they cause misery and death. So long as they continue, they will frustrate the aspirations of all those in southern Africa longing to fulfill their simple, inalienable right to a life without war and bloodshed.

The diplomacy of the United States in the region is geared to peaceful, negotiated solutions; it is the road to a deeper, more lasting settlement than gunpowder can ever offer. My government asks all parties to recognize the folly of this strife. They should realize the necessity of turning back forthwith, in their own interests, to the negotiating track.

There is a clear and unmistakable contrast between this policy of negotiation—supported without reservations by my government—and the policy of certain forces outside the region who fuel the conflict in the benighted belief

that their own interests are served. Why do these distant forces fear peaceful negotiations among the involved parties unless for self-serving reasons. Theirs is a selfish and a myopic policy: it leads ineluctably to more bloodletting for the Angolans; more hardship for civilians who have been so long under the yoke of Mars. And it is a devious policy that feigns concern for the interests of the Angolans; that distorts realities to serve its own expansionist goals; that under the guise of disinterest has a clear mission for the region which does not incorporate the hopes of all for peace, freedom, and security.

My delegation welcomes this resolution as an occasion to reiterate our call for an immediate withdrawal of South African troops from Angola. We join once again all members of the Security Council in deploring this lataest incursion.

But as I stated a little over 2 weeks ago, my government believes that the introduction of more weapons of war into the area will result in an escalation of violence, more death, more misery. Angola needs peace, not more foreign troops, foreign intervention, and imported arms.

The United States supports the territorial integrity of Angola. We call on South Africa, yet again, to halt further acts of aggression. We could not, however, vote in favor of operative paragraph six, for the same reasons that we could not vote in favor of a similar call to arms in Security Council Resolution 571. For that reason, my delegation abstained on paragraph six of the resolution. Since the rest of the resolution was acceptable to us, I had no hestitation in voting for it.

[1]USUN press release 107 of Oct. 7, 1985. ■

SECURITY COUNCIL RESOLUTION 574, OCTOBER 7, 1985[2]

The Security Council,

Having considered the request of the Permanent Representative of Angola to the United Nations contained in document S/17510,

Having heard the statement of the Permanent Representative of Angola to the United Nations,

Bearing in mind that all Member States are obliged to refrain in their international relations from the threat or use of force against the sovereignty, territorial integrity or political independence of any State and from acting in any other manner inconsistent with the principles and purposes of the United Nations,

Recalling its resolutions 387 (1976), 428 (1978), 447 (1979), 454 (1979), 475 (1980), 545 (1983), 546 (1984), 567 (1985) and 571 (1985), which, *inter alia*, condemned South Africa's aggression against the People's Republic of Angola and demanded that South Africa scrupulously respect the independence, sovereignty and territorial integrity of the People's Republic of Angola,

Gravely concerned at the persistent, hostile and unprovoked acts of aggression and sustained armed invasions committed by the racist regime of South Africa in violation of the sovereignty, airspace and territorial integrity of the People's Republic of Angola and, in particular, the armed invasion of Angola carried out on 28 September 1985,

Conscious of the need to take effective steps for the prevention and removal of all threats to international peace and security posed by South Africa's acts of aggression,

1. *Strongly condemns* the racist regime of South Africa for its latest, premeditated and unprovoked aggression against the People's Republic of Angola, as well as its continuing occupation of parts of the territory of that State, which constitute a flagrant violation of the sovereignty and territorial integrity of Angola and seriously endanger international peace and security;

2. *Strongly condemns also* South Africa for its utilization of the illegally occupied territory of Namibia as a springboard for perpetrating acts of aggression against the People's Republic of Angola, as well as sustaining its occupation of part of the territory of that country;

3. *Demands* once again that South Africa cease immediately all acts of aggression and unconditionally withdraw forthwith all military forces occupying Angolan territory, as well as scrupulously respect the sovereignty, airspace, territorial integrity and independence of the People's Republic of Angola;

4. *Reaffirms* the right of the People's Republic of Angola, in accordance with the relevant provisions of the United Nations Charter, in particular Article 51, to take all the measures necessary to defend and safeguard its sovereignty, territorial integrity and independence;

5. *Calls upon* all States to implement fully the arms embargo imposed against South Africa in Security Council resolution 418 (1977);

6. *Renews* its request to Member States to extend all necessary assistance to the People's Republic of Angola in order to strengthen its defence capability in the face of South Africa's escalating acts of aggression and the occupation of parts of its territory by the South African military forces;

7. *Requests* the Commission of Investigation established in pursuance of resolution 571 (1985), consisting of Australia, Egypt and Peru, to report urgently on its evaluation of the damage resulting from South African aggression, including the latest bombings;

8. *Decides* to meet again in the event of non-compliance by South Africa with the present resolution in order to consider the adoption of more effective measures in accordance with appropriate provisions of the Charter;

9. *Decides* to remain seized of the matter.

[2]Unanimously adopted. ■

Human Rights Situation in Peru

by Elliott Abrams

Prepared statement before the Subcommittees on Human Rights and International Organizations and on Western Hemisphere Affairs of the House Foreign Affairs Committee on November 13, 1985. Mr. Abrams is Assistant Secretary for Inter-American Affairs.[1]

I appreciate your invitation to review with you the human rights situation in Peru. Both the country and the topic are important. And there are many developments to discuss. In our bilateral relations there are many unresolved issues relating, for instance, to the new government's confrontation policy on debt. The rhetoric coming from Peru has been excessive. This prepared statement, however, deals just with the human rights question and its general setting: It does not attempt to cover all the many topics in U.S.-Peruvian relations.

Electoral Support for Democracy

In office only 3½ months, Peruvian President Alan Garcia has taken swift action to stop and prevent human rights abuses. This is not surprising: issues related to human rights have concerned Peruvians across a broad political spectrum for some time. Progress has been uneven and at times difficult to analyze because of terrorism. But I can report that Peru today is a nation striving to protect and promote human rights.

Alan Garcia's inauguration on July 28 as President of Peru marked both a personal triumph for him and a victory for the American Popular Revolutionary Alliance (APRA), which despite considerable influence during its 61 years of existence, had never occupied the country's highest elective office. Peru's democractic development was solidified that day in another sense as well: For the first time in 40 years, a democratically elected president, Fernando Balaunde, transferred power to a democratically elected successor. We applaud that achievement, and congratulate the Peruvian people for their success in building democratic institutions.

The military regime which ruled Peru from 1968 to 1980 came to power claiming it sought to modify social structures to include greater opportunities for social, economic, and educational advancement for the masses. President Juan Velasco increased the role of the state but failed to develop effective popular participation. This contributed to many of the difficulties Peru faces today. The statism of the Velasco period has proved particularly damaging. Centralization hastened migration from rural to urban areas, greatly increasing unemployment in the cities. Meanwhile, neglect of the countryside provided fertile grounds for communism and terrorism. The failure to generate new economic growth contributed directly to Peru's current serious debt situation. The now entrenched Soviet presence in Peru also dates back to the early 1970s when the military turned to the Soviet Union for equipment and the technicians to service it. The Velasco regime, moreover, was unstable because it lacked electoral legitimacy. Realizing this, acknowledging the failures of the military government, and acceding to the democratic yearnings of the Peruvian people, General Morales Bermudez organized fair and competitive elections for a constitutional assembly, then relinquished power when in accordance with the constitution the people chose a new president.

Fernando Belaunde Terry, who won those elections in 1980, identified closely with the ideals of democracy. He was responsible for the restoration of the many civil liberties enjoyed in Peru today, including a free uncensored press. Having turned over power, Peru's military leaders showed restraint and maturity and continued to support the fledgling democratic government as it faced its daunting challenges. In this respect the military of Peru must be praised.

Belaunde's 5 years in office were not easy. His administration saw an intensification of the economic crisis, brought on by falling export commodity prices combined with devastating natural disasters, and by the terrorism of the brutal *Sendero Luminoso*, or Shining Path, guerrilla movement. Diverting resources and entangling the government authorities in an elusive guerrilla war, the struggle with the *Sendero Luminoso* became a thorn to the Belaunde administration and to Peruvian society. As terrorist and counterterrorist activities spread, so too did the concern for human rights in Peru. Allegations of human rights abuses multiplied. The number of alleged disappearances mounted. International organizations monitored the situation, so too did the Peruvian people. It is apparent that ending the violence is a general concern throughout the country.

Alan Garcia took office with more electoral support than any president of Peru in decades, and his first steps in office have earned him unprecedented popularity—85% in some recent polls. Moreover, APRA has a majority in the Peruvian legislature, so that President Garcia has a good chance to obtain legislative backing for his program. Every bit of this broad support will be needed as Garcia faces the daunting agenda he inherited.

Immediately seizing the moral high ground, Garcia began a forceful campaign against corruption and moved quickly to implement his oft-repeated pledge to eliminate human rights abuses. He has acted to improve an overloaded judicial system and overcrowded penal institutions, and to grapple with continuing acts of violence from communist terrorists and narcotics traffickers. Pledged to wage war against narcotics trafficking, President Garcia scored immediate notable successes by participating in Operation Condor, a highly successful joint drug interdiction program with Colombia and the United States.

Confrontational Policy on Debt

President Garcia has also begun an economic program which, although still incomplete, begins to confront a dismal economic situation. GDP [gross domestic product] per capita today expressed in constant dollars is no better than 1965 levels. Inflation, unemployment, poor health, and education standards, and the forgotten rural poor are but some of the issues Alan Garcia addressed at his inauguration, which I attended. If not dealt with firmly, this situation augurs further decline in a country already in the grips of poverty. Since Peru began to implement a nationally defined austerity program inflation has slowed perceptibly, but it is too early to assess future results.

Part of Peru's economic difficulty is its heavy debt burden, a problem Peru shares with other countries of the hemisphere. How to deal with debt is a vexing problem without ready or quick solutions, but with much room for arguments and misunderstanding. An overly rhetorical approach could hinder practical cooperation; the new govern-

ment rhetoric has given us cause for concern in this regard.

In the early months of his administration, President Garcia and some members of his government have been quick to publicly blame the United States for Peru's problems. These unpleasant words have been puzzling to us and in some instances made cooperation more difficult. Nevertheless, we will continue to seek ways to advance our common concerns, including, and here I want to emphasize, the desire to see the country return to healthy economic growth.

We believe the U.S. proposal for a "Program for Sustained Growth," presented by Treasury Secretary [James] Baker at the Seoul IMF [International Monetary Fund] World Bank meeting, involving increased commercial bank lending, enhanced international financial institution effectiveness, and structural change in the economies of the principal debtors, offers a concrete manner to cope with the debt problem. In our view, this program has elements which can appeal to Peru. It is clearly in our national interest to pursue with the Government of Peru a serious and quiet dialogue on how we can cooperate to help restore economic growth.

As we evaluate the first steps of the Garcia administration we must keep in mind that none of Peru's long festering problems has disappeared. Finding the solutions to Peru's dramatic plight will not be easy for Peru or its new president. Perhaps the most positive change brought about so far by President Garcia is psychological. Peru, once the seat of the Inca Empire, is a country with a history; what Alan Garcia said to his people is that Peru is also a country with a future. He has helped Peruvians to believe their situation is not hopeless, that they can improve their and their children's lot. We applaud his efforts to reenergize the country and restore its will. We are prepared to assist Peru where we can be helpful.

Terrorism, Narcotics, and Political Violence

Turning now specifically to civil and human rights issues, allow me to review for you some key areas of concern and actions taken thus far by the Garcia administration.

With regard to civil rights, the overall situation is excellent. Notwithstanding terrorist violence against the elections, including the attempted assassination of the president of the National Electoral Board, the campaign and the April 14 elections proceeded without significant irregularities. Over 90% of eligible Peruvians went to the polls, electing as their president the candidate of the center-left Aprista Party, as well as a congress whose membership ranges from conservative to communist. The elections and peaceful transfer of power represent a triumph for democracy as well as for the departing Belaunde administration, which had made this a key goal.

The media take a lively role in political debates. The press is particularly sensitive to reports of human rights abuses, calling for investigations of allegations and punishment of responsible individuals. Freedom of the press was further strengthened by the administration's recent repeal of the law of contempt under which some journalists had been charged in previous years.

The Peruvian Government has maintained a "state of emergency" in 24 provinces where terrorists and narcotics traffickers are especially active. The state of emergency gives total authority to the military in those areas and suspends the constitutional requirement for a search warrant to enter private homes, restricts freedom of movement and freedom of assembly, and effectively suspends habeas corpus. President Garcia has stated that, for the time being, conditions are not right for lifting the state of emergency. Despite concerns about the limitations on normal protection of rights, he renewed the state of emergency for 60 days. These are severe measures, but the terrorism and narcotics problems are so serious they could destroy the entire fabric of Peruvian society.

Violence and killings, many with apparent political motivation, remain serious problems in the Ayacucho and Upper Huallaga emergency zones. The *Sendero Luminoso* has continued its program of vicious killings in both emergency zones, targeting recalcitrant campesinos, civilian officials, and members of the police and security forces. The situation in Tingo Maria in Upper Huallaga is further complicated by the presence of unscrupulous narcotics traffickers, who periodically settle accounts by force with each other as well as with law enforcement officials. Attributing responsibility for acts of violence in these areas is difficult since traffickers attempt to pin the blame for murders on the terrorists and vice versa. But whatever their motivation and whoever perpetrates them, the U.S. Government condemns this violence. Shining Path terrorists have also carried out numerous assassinations and a policy of indiscriminate car bombings in urban areas, especially in the Lima area, which is home to nearly one out of every three Peruvians.

Another terrorist group, the urban-based *Movimiento Revolucionario Tupac Amaru* (MRTA), announced a temporary truce with the Garcia administration, saying that it would wait to judge the actions of the new government, but vowed to continue its struggle against "imperialist enterprises." Last week the MRTA reportedly claimed responsibility for a bomb hurled in front of our Embassy and for a car bomb set off in front of Citibank in Lima. A communique threatening "the beginning of a countdown" unless the government carries out change suggests that, despite the vigorous actions of the APRA government, the MRTA may be close to reinitiating armed activities against the government.

Extrajudicial Killings

Political killing is a policy of neither the current Peruvian Government nor its predecessor. Nevertheless there is abundant evidence that in the face of brutal terrorism some in the security forces have responded with excessive violence of their own. Peruvian Government investigations revealed the extrajudicial killings in August of seven persons in Pucayacu and at least 40 more in Accomarca. In addition, there are allegations that local self-defense groups, sometimes created by the security forces, sometimes not, have killed or tortured alleged terrorists they have captured. One news magazine reported the lynching deaths of two alleged *Sendero* members in Marcas, Huancavelica on August 29, following a *Sendero* raid that killed six villagers.

The new government moved swiftly to halt these extrajudicial killings. Following the allegations of violations in Pucayacu and Accomarca, the Garcia government ordered expedited military investigations. When the investigation revealed the involvement of three military members in the Pucayacu slayings, President Garcia removed the Armed Forces Joint Command Chief, General Cesar Enrico. After subsequent revelation that military members were also responsible for the Accomarca massacre, Garcia ordered two high-ranking army generals responsible for the Ayacucho emergency zone, Generals Jarama and Mori, relieved of their commands. The Peruvian military has identified eight persons directly responsible

for the Pucayacu and Accomarca deaths. They have been charged in both military and civilian court systems. The supreme court is to decide final jurisdiction. The public has applauded Garcia's response as courageous and correct. While holding senior officers responsible for errors within their commands, the civilian government has also sought to distinguish the military as an institution from possible crimes committed by individual members.

Alleged disappearances decreased markedly between January and July 1985 according to preliminary data assembled by the independent human rights commission (CONADEH), and confirmed by the Catholic Bishops' Social Action Commission (CEAS) and the Association for Human Rights (APRODEH). Reported disappearances totaled 40 in January, 62 in February, 30 in March, 25 in April, 18 in May, 4 in June, and 2 in July (total of 181). The Peruvian Attorney General recently visited Ayacucho and returned with 1,300 files on cases of individuals reported missing in the past 4 years. He has publicly committed himself to study each case carefully. Again, the new Government of Peru has made clear its view that the counterterrorist fight must be waged with respect for law and human rights. We applaud that commitment and will continue to monitor the situation carefully.

Both the Belaunde and Garcia administrations have rejected the use of torture. However, security forces reportedly tortured Pucayacu victims as well as those in Accomarca, where witnesses allege that soldiers raped several women before shooting and burning some 40 victims.

Treatment of Prisoners

Independent human rights groups remain concerned about mistreatment of prisoners. The rapid increase in the number of detainees has led to severe overcrowding in prisons and has exacerbated sanitary and nutrition problems in these institutions. Recent rioting at the Lurigancho Penitentiary caused 30 deaths and several injuries to inmates and the police. The government stated that the riots started while it was seeking to establish control over the cellblocks where the terrorists were held and were believed to be arming themselves for an escape. It offered persuasive evidence that, of the 30 killed, 26 burned to death in a fire set by other inmates and that the police had not abused their authority.

The Garcia administration has already signalled its indignation with regard to prison conditions, although lack of resources continues to be an impediment. The Government of Peru hopes to ameliorate this problem by speeding up the trial process for prisoners, but this, too, is hampered by the lack of resources in the court system. The reform of Peruvian police services, which President Garcia has ordered in an effort to correct police corruption and abuses, also should have a positive effect on treatment of detainees; 56 police generals and over 170 other officers have been dismissed.

In his inaugural address, the President indicated that persons erroneously sentenced or accused of terrorist activities should be freed. President Garcia has steadfastly denied that there are "political" prisoners in Peru. The new government has indicated that it is appalled by the large number of persons in jail awaiting trial or final sentencing (approximately 15,000 of the 22,000 prisoners). Accused criminals frequently are detained for 2 or 3 years pending trial. In September, the Government of Peru ordered 50 prosecutors to report for extra duty at one prison in order to speed up the trial process. One of the duties of the recently announced Peace Commission will be to study possible pardons for individuals improperly imprisoned in the past.

The Government of Peru has also acknowledged the need for judicial reform to speed up the trial process, and is working on legislative proposals in this area. Our Embassy officials have met with the Ministry of Justice representatives to discuss possible U.S. Government support for an Administration of Justice Project, under the authority provided in the 1985 amendments to the Foreign Assistance Act. Our AID [Agency for International Development] Mission in Lima has been authorized to finance an assessment by a local institution of the Peruvian justice system as the first step toward developing a project that can support this important initiative by the Government of Peru. Also, in an interesting pilot program, the Government of Peru has opened free legal clinics in poorer neighborhoods of Lima.

Strategy for Human Rights Improvements

The human rights situation in Peru is closely tied to terrorism and the Government of Peru's response. To the extent the Government of Peru can carry out an effective counterterrorist policy, this will also contribute to improving the human rights situation. The new Government of Peru's new strategy contains several elements.

- Continued military efforts against terrorists' rural bases in the emergency zones, but with increased emphasis in the wake of the Pucayacu and Accomarca incidents on preventing abuses by security forces;
- Increased economic assistance to the emergency zone areas. In addition, the Ayacucho region should benefit from the Government of Peru's general policies that aim to benefit the poor and the rural areas, particularly in the highlands; and
- While refusing negotiation with terrorists, the Government of Peru in September established a Peace Commission composed of six nongovernment individuals, including a member from the Catholic Church hierarchy. The commission will seek to establish a dialogue with terrorists with a view to reincorporating them into a democratic society, and will study questions of pardons and amnesty.

To conclude, we believe that events in recent months indicate improvements in human rights in Peru. Although significant problems remain, we are encouraged by the firm resolve of the Garcia administration to identify and confront them. Nevertheless, the major source of abuses, terrorist violence, continues and probably cannot be controlled in the short term. We believe the Garcia administration's initial efforts to address these issues are praiseworthy and deserve the support of the U.S. Government and the international community.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Promoting Economic Development in Central America

by Richard T. McCormack

Address before the Central American Forum sponsored by the Pan American Development Foundation in San Pedro Sula, Honduras, on October 23, 1985. Ambassador McCormack is U.S. Permanent Representative to the Organization of American States.

We are meeting here at a critical time in the development of Central America—both politically and economically. Latin America in general is facing major challenges, and how they are dealt with in the next few months and years will decide the course of developments in this hemisphere into the 21st century. I understand that this is the first time this group has met, and the Pan American Development Foundation is to be congratulated for helping to organize this meeting, and you are to be congratulated for engaging in this forum at this time.

This group has the opportunity to influence positively what happens in this area of the world. In democratic governments it is the private sector—the private individual—that has a crucial voice and who, together with his fellow citizens, decides what happens or does not happen. You in this meeting have command over substantial resources that will determine whether there is growth and prosperity in this region of the world. You will help decide whether democracy succeeds or fails. That is a heavy responsibility, and I know that you do not take it lightly.

Objectives of U.S. Assistance

The U.S. Government and its people are watching events in Central America. It is no exaggeration to say that this area is one of the highest priorities of President Reagan. Our policies on economic growth and development and the security of this hemisphere are being tested in this area of the world. If all of us working together succeed here, we will demonstrate that we are on the right track and can succeed elsewhere. But if we stumble here, we will set back our united efforts throughout this hemisphere.

At the strong urgings of your governments, and the wise suggestions of the late Senator Jackson of Washington, we embarked several years ago on a program to help bring stronger economic and social growth and stability in this part of the world. President Reagan appointed a national commission which rendered its report in January 1984. We are now implementing what is called, for this region, the Central American initiative [Central America Democracy, Peace, and Development Initiative or Jackson plan].

Our participation in economic programs in Central America was $625 million in 1983. The program increased by almost 50% to $892 million in 1985, and almost $1 billion is requested for 1986. In current dollars, then, we are planning to assist in Central America with the same amount we provided for the Alliance for Progress in the 1960s. That is a major undertaking for the United States. The broad strategy is:

First, to arrest the declines in incomes, employment, and economic activity by means of major balance-of-payments assistance;

Second, to lay the foundation for long-term economic growth via improvements in economic policy and the infrastructure necessary for an export orientation;

Third, to assure the widest possible distribution of the benefits of growth through assistance for improving health, education, and housing for the poorest groups; and

Fourth, to support democratic processes and institutions through assistance for the administration of justice, technical training, and the development of leadership skills.

Progress in Implementing U.S. Initiatives

The efforts to assist the region are changing the economic climate and achieving results. The decline in gross national product has ceased. The region's gross national product (excluding Nicaragua) grew by 1.2% in 1984 and is expected to grow by 1.7% in 1985. It is clear that the strategy is working. The private sector has been strengthened; the region's international competitiveness has improved; economies are returning to equilibrium; and trade and exports have increased by 12% in the past year. Such changes are, of course, the responsibility of the countries concerned, but I believe our assistance has made a significant difference, and we want to continue to help. None of us here should underestimate the difficulty of such an adjustment, but a substantial start has been made. We are also hoping that the Inter-American Development Bank will also increase its efforts to promote the recovery and development of the region.

A critical objective is economic stabilization. In the absence of economic stabilization, it is doubtful that the rest of the Central American initiative can be achieved.

Economic adjustment is the second major objective and is at the core of the Central American initiative. Bluntly stated, all of the region's economies need to be restructured to some degree if they are ever to achieve levels of economic growth necessary to generate the needed employment levels and increase the dissemination of the benefits of growth to larger segments of the region's population. Generally, this will involve changing the productive base, i.e., diversifying the region's production and, in particular, its export sector. This, in turn, will require creation of a policy framework that encourages more investment into nontraditional exports, development of a strong private sector, adequate infrastructure, and an increased flow of technology.

The process is long term, which is why the broader program for Central America and the Caribbean, called the Caribbean Basin Initiative, was authorized for 12 years. Significant progress is already being made on restructuring economies. For example, both Costa Rica and Honduras are planning to sell or close down enterprises operated by the government. In El Salvador, the government is considering a divestiture program of activities better handled by the private sector. New investments, joint ventures, contracts, and other business activities totaling $45 million have been made in Central America up to June of this year. This has created nearly 13,000 new jobs.

An agribusiness development project, working from a $12 million loan base and private capital, has promoted 210 agribusiness projects under the Caribbean Basin Initiative. The National Investment Council of Panama, which was created in 1983 with a $3.7 million loan and $200,000 grant, has attracted 28 firms to Panama with $32 million in investment and over 4,000 new jobs.

The Need To Pursue Political and Economic Democracy

I have outlined in some detail the vigorous effort that the United States is making, and plans to continue making, to encourage economic and social growth in Central America and the Caribbean. We are persuaded, because of our own national experience, that a strong, healthy economy and social justice are essential foundation stones for effective democracy.

But I would be less than candid if I did not discuss with you what your countries are doing to assure your own economic prosperity and social equity. Latin America in general has accumulated substantial debt. Some of the countries in the area have acquired so much that they consider it unbearable and talk of default.

The unfortunate fact is that too many countries have professed to favor open and democratic countries with free economies but have followed policies wholly inconsistent with those objectives.

- It is a common affliction in Latin America to run uneconomical state enterprises, subsidize them with tax money, and then wonder why the budget is so unbalanced, there are few reserves, and the country is accumulating huge debts.
- It is a common practice to maintain unrealistic exchange rates for political reasons and then wonder what happened when the foreign exchange is gone and the debt cannot be paid.
- It is a common practice to protect uneconomic enterprises—some call them "tin can" industries—with high tariffs and other restrictions and then wonder why prices are high, domestic enterprise is noncompetitive, and products cannot be exported.
- And it is still a common practice to keep out foreign capital that will bring technology, employment, and economic growth because of events in the last century that led to the theology that debt is better than equity.

I would hope that countries now struggling under the burden of the debt that this theology continually helps to make larger will begin to reassess this development strategy. I know that remittances have to be paid, and they can be a burden. But the bankers want their money in good times and bad. The businessman has to suffer with the economy, and when it is down, profits are down and also remittances.

If we believe in democracy, then we must believe in both political and economic democracy because they are inseparable. One cannot survive without the other.

My country has thrived on the creativity of the individual and private investment. It would be no mistake to say that European capital financed the American industrial revolution in the past century. So we believe that there is nothing to match the initiative, creativity, and productiveness of the individual in a free society. That is the great strength of democratic countries. That is how we grew and developed.

The threat to Latin American countries is not foreign intervention, as extreme nationalists would suggest. The threat is foreign indifference—when your friends and allies become absorbed in their own national problems and weary of their efforts to provide access to their markets and the world economy because your domestic policies do not permit you to take advantage of what is offered.

The world is moving forward, and it is developing at a rapid rate. Technology that we thought to be the latest thing in the 1970s is obsolete in the 1980s. And because of restrictions that your countries have imposed, the technology of the 1970s has yet to arrive in your countries. Europe is concerned that it will fall behind in the fast technology race that the United States is leading. I think that those concerns may be somewhat exaggerated. But the Soviet Union already sees that its economic system has left it hopelessly behind, with no chance that the bold statement of Krushchev that "we will bury you" will ever be realized.

The world is becoming integrated. No country can any longer be truly independent and also participate in the world economy. Decisions made in the markets of London, Frankfurt, and Tokyo profoundly affect the United States. We are learning to live in this interdependent world and to grow and prosper. The countries represented in this room must do the same. Other countries in Latin America must also do so. It is a national decision for each of you whether you will join the world and prosper with it or be left behind. We cannot make that decision for you. We can try to be helpful, help provide resources, and encourage our citizens to do the same if their contribution is welcome and treated with dignity. But the competition for resources in the United States and elsewhere is severe.

In brief, it is the policy of my government to do everything it reasonably can to promote democracy and economic growth in this region of the world, and we are doing that, but in the final analysis, the decision is yours.

It has been an inspiration to be here with you and in Central America and to sense and feel the thirst for democracy and the opportunities that it will provide. I know, perhaps not as well as you, how difficult your task is to satisfy the just aspirations of your people. El Salvador has made unbelievable progress, held open and free elections in the face of the greatest adversity, and now democracy is rooted more firmly than ever before. Three of your countries will have elections in the coming year. Unfortunately, the Sandinistas in Nicaragua in recent days have more clearly repudiated their promises to the Nicaraguan people and moved to impose a cruel police state. So you are confronted with a predatory dictatorship in your midst.

You have a great obligation—in truth to pledge your lives, your fortunes, and your sacred honor to the future welfare and freedom of your countries. I know that you have the will and courage to do just that. You can be certain that you will have the strong continuing support of the United States. ■

November 1985

The following are some of the significant official U.S. foreign policy actions and statements during the month that are not reported elsewhere in this periodical.

November 1

U.S. and EC negotiators completed an agreement to curtail the export of EC steel into the U.S., bringing the total number of agreements under the President's Steel Program to 16.

The U.S. increases duties on EC pasta imports in retaliation for the EC's failure to settle a longstanding citrus trade dispute begun in 1976. The EC responds by increasing tariffs on imports of U.S. lemons and walnuts.

U.S. welcomes the decision by the Netherlands Parliament to deploy NATO intermediate-range nuclear weapons on its soil.

November 5

UN General Assembly calls on Vietnam to withdraw its troops from Cambodia and let the Khmer people determine their own destiny. The vote is 114 (U.S.) to 21 with 16 abstentions.

The following newly appointed ambassadors present their credentials to President Reagan: Stanislas Butchi (Congo), Leshele Abel Thoahlane (Lesotho), Timon Sam Mangwazu (Malawi), Salah Ahmed (Sudan), Nalumino Mundia (Zambia), J.H.A. Buekes (South Africa), Albert Oswyn Xavier (Grenada), and Edouard Kadigiri (Burundi).

November 6–9
Deputy Secretary Whitehead visits Honduras, El Salvador, Costa Rica, and Guatemala to meet with senior host-government officials and to become familiar with the region.

November 13
UN General Assembly approves a resolution calling for the immediate withdrawal of foreign troops from Afghanistan. The vote is 122 (U.S.) to 19 with 12 abstentions.

November 20
The Department of State issues a travel advisory for the city of Khartoum. It advises that "due to the presence in Khartoum of known terrorists, and possible threats to U.S. interests, American citizens are advised to avoid the Sudanese capital of Khartoum." This advisory is in addition to a more general travel advisory for the Sudan issued January 12, 1985.

AID Administrator McPherson visits the site of the Nevado de Ruiz volcano, 100 miles west of Bogota, and reviews the efforts made to rescue and aid thousands of Colombians affected by the disaster. The volcano erupted Nov. 13 killing an estimated 23,000 people. The U.S. responded quickly to the call for assistance with U.S. personnel, helicopters, tents, blankets, and a team of seismologists and volcanologists. As of the end of November, the cost of the initial U.S. response is $2.5 million.

November 27–28
U.S.-Angolan delegations meet in Lusaka, Zambia, to continue efforts in achieving a peaceful resolution of important southern Africa issues. Assistant Secretary Crocker heads the U.S. delegation. ■

Current Actions

MULTILATERAL

Arbitration
Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force June 7, 1959; for the U.S. Dec. 29, 1970. TIAS 6997.
Accession deposited: Malaysia, Nov. 5, 1985.

Coffee
International coffee agreement, 1983, with annexes. Done at London Sept. 16, 1983. Entered into force provisionally Oct. 1, 1983; definitively Sept. 11, 1985.
Ratification deposited: Zaire, Oct. 25, 1985.

Human Rights
International covenant on civil and political rights. Adopted at New York Dec. 16, 1966. Entered into force Mar. 23, 1976. 999 UNTS 171.[1]

International covenant on economic, social and cultural rights. Adopted at New York Dec. 16, 1966. Entered into force Jan. 3, 1976. 999 UNTS 3.[1]
Accessions deposited: San Marino, Oct. 18, 1985

Jute
International agreement on jute and jute products, 1982, with annexes. Done at Geneva Oct. 1, 1982. Entered into force provisionally Jan 9, 1984.
Acceptance deposited: Netherlands, Nov. 8, 1985.
Ratification deposited: Germany, Fed. Rep. of, Nov. 13, 1985.

Marine Pollution
Convention on the prevention of marine pollution by dumping of wastes and other matter, with annexes. Done at London, Mexico City, Moscow, and Washington Dec. 29, 1972. Entered into force Aug. 30, 1975. TIAS 8165.
Accession deposited: China, Nov. 5, 1985.

Pollution
Protocol to the convention on long-range transboundary air pollution of Nov. 13, 1979 (TIAS 10541), concerning monitoring and evaluation of the long-range transmission of air pollutants in Europe (EMEP), with annex. Done at Geneva Sept. 23, 1984.[2]
Acceptance deposited: Netherlands, Oct. 22, 1985.

Sugar
International sugar agreement, 1984, with annexes. Done at Geneva July 5, 1984. Entered into force provisionally Jan. 1, 1985; definitively Apr. 4, 1985.[3]
Accession deposited: Haiti, Oct. 30, 1985.
Ratifications deposited: Austria, Nov. 13, 1985; Belize Nov. 13, 1985.

Terrorism
International convention against the taking of hostages. Done at New York Dec. 17, 1979. Entered into force June 3, 1983; for the U.S. Jan. 6, 1985.
Ratification deposited: New Zealand, Nov. 12, 1985.[4]

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Done at New York Dec. 14, 1973. Entered into force Feb. 20, 1977. TIAS 8532
Accession deposited: New Zealand, Nov. 12, 1985.[4]

Trade
Agreement on technical barriers to trade (standards code). Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9616.

Agreement on implementation of Art. VII of the general agreement on tariffs and trade (customs valuation code). Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1981. TIAS 10402.
Acceptances deposited: Portugal, Oct. 14, 1985.

Wheat
1983 Protocol for the further extension of the wheat trade convention, 1971 (TIAS 7144). Done at Washington Apr. 4, 1983. Entered into force July 1, 1983.[3]

1983 Protocol for the further extension of the food aid convention, 1980 (TIAS 10015). Done at Washington Apr. 4, 1983. Entered into force July 1, 1983.[3]
Ratifications: Argentina, Nov. 15, 1985.

BILATERAL

Argentina
Air transport services agreement, with annexes. Signed at Buenos Aires Oct. 22, 1985. Entered into force provisionally Oct. 22, 1985; definitively upon exchange of diplomatic notes confirming that each party has concluded its internal procedures.

Canada
Agreement between the United States and Great Britain (for Canada and Newfoundland) for the prevention of interference by ships off the coasts of these countries with radio broadcasting. Effected by exchange of notes at Manchester, Mass., and Washington Sept. 18 and 23 and Oct. 1, 1925. Entered into force Oct. 1, 1925. TS 724-A.
Notification of termination by Canada: Aug. 7, 1985; effective Aug. 7, 1986.

Arrangement relative to the assignment of frequencies on the North American continent. Effected by exchange of notes at Ottawa Feb. 26 and 28, 1929. Entered into force Mar. 1, 1929. TS 777-A.
Notification of termination by Canada: Aug. 7, 1985; effective Aug. 7, 1986.

Regional arrangement governing the use of radio for civil aeronautical services. Effected by exchange of notes at Washington Feb. 20, 1939. 53 Stat. 2157; EAS 143.
Notification of termination by Canada: Aug. 7, 1985; effective Oct. 6, 1985.

Agreement relating to land line communication facilities between Edmonton, Alberta, and Fairbanks, Alaska. Effected by exchange of notes at Washington Mar. 1 and 31, 1948. Entered into force Mar. 31, 1948. TIAS 1906.
Notification of termination by Canada: Aug. 7, 1985; effective Aug. 7, 1986.

Agreement relating to the sealing of mobile radio transmitting equipment. Effected by exchange of notes at Washington Mar. 9, and 17, 1953. Entered into force Mar. 17, 1953. TIAS 3138.
Notification of termination by Canada: Aug. 7, 1985; effective Sept. 26, 1985.

Egypt
Agreement relating to the agreement for the sale of agricultural commodities of June 7, 1974 (TIAS 7855). Signed at Cairo Nov. 12, 1985. Entered into force Nov. 12, 1985.

France
Protocol to the convention with respect to taxes on income and property of July 28, 1967 (TIAS 6518), as amended by the Protocols of Oct. 12, 1970 (TIAS 7270), and Nov. 24, 1978 (TIAS 9500). Signed at Paris Jan. 17, 1984. Entered into force Oct. 1, 1985.
Proclaimed by the President: Nov. 1, 1985.

Convention on the transfer of sentenced persons. Signed at Washington Jan. 25, 1983. Entered into force Feb. 1, 1985.
Proclaimed by the President: Nov. 4, 1985.

Agreement extending the memorandum of understanding of July 8 and 23, 1982 (TIAS 10422), covering cooperation in the field of geological sciences. Signed at Reston and Orleans Sept. 27 and Oct. 23, 1985. Entered into force Oct. 23, 1985; effective July 23, 1985.

India
Agreement amending agreement of Dec. 21, 1982 relating to trade in cotton, wool, and manmade fiber textiles and textile products (TIAS 10624). Effected by exchange of letters at New Delhi Sept. 25 and Oct. 28, 1985. Entered into force Oct. 28, 1985.

Israel
Agreement relating to the employment of dependents of official government employees. Effected by exchange of notes at Tel Aviv and Jerusalem Sept. 23 and Oct. 3, 1985. Entered into force Oct. 3, 1985.

Italy
Memorandum of understanding for a cooperative program concerning earthquake data and evaluation of seismic hazard. Signed at Rome and Reston Sept. 30 and Nov. 6, 1985. Entered into force Nov. 6, 1985.

Memorandum of understanding concerning installation and management of U.S. navigational aids. Signed at Rome and Ramstein Air Base Oct. 8 and 11, 1985. Entered into force Oct. 11, 1985.

Jamaica
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Washington Sept. 26, 1985. Entered into force Nov. 18, 1985.

Japan
Agreement relating to the acquisition and production in Japan of the patriot weapon system. Effected by exchange of notes at Tokyo Oct. 4, 1985. Entered into force Oct. 4, 1985.

Agreement extending the technical exchange arrangement of Sept. 12 and 29, 1980 (TIAS 10537), in the field of [nuclear] regulatory matters. Effected by exchange of notes at Washington and Tokyo Sept. 25 and 26, 1985. Entered into force Sept. 26, 1985.

Madagascar
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annex. Signed at Antananarivo Oct. 8, 1985. Entered into force Nov. 12, 1985.

Agreement amending the agreement for sales of agricultural commodities of Sept. 27, 1985. Effected by exchange of letters at Antananarivo Oct. 28 and Nov. 7, 1985. Entered into force Nov. 7, 1985.

Saudi Arabia
Memorandum of arrangement relating to technical assistance in developing and modernizing Saudi Arabia's civil aviation system, with annex. Signed at Washington and Riyadh May 16 and Aug. 3, 1985. Entered into force Aug. 3, 1985.

Sri Lanka
Agreement for sales of agricultural commodities. Signed at Colombo Oct. 23, 1985. Entered into force Oct. 23, 1985.

Sweden
Agreement extending the agreement of Sept. 9, 1980, concerning a cooperative program in the field of management of radioactive wastes. Signed at Stockholm Oct. 8, 1985. Entered into force Oct. 8, 1985; effective Sept. 9, 1985.

United Kingdom
Agreement relating to sharing facility construction costs on Ascension Island, with memorandum of agreement. Effected by exchange of notes at London Mar. 25, 1985. Entered into force Mar. 25, 1985.

Agreement amending annex 2 of the air services agreement of July 23, 1977, as amended (TIAS 8641, 8965, 9722, 10059). Effected by exchange of notes at Washington May 28, 1985. Entered into force May 28, 1985.

Venezuela
Agreement extending the implementing agreement of Oct. 29 and Nov. 9, 1982 regarding air transport services. Effected by exchange of notes at Caracas Feb. 1 and Mar. 18, 1985. Entered into force Mar. 18, 1985; effective May 1, 1985.

Yugoslavia
Agreement amending and extending agreement of Oct. 26 and 27, 1978 (TIAS 9447), as amended, concerning trade in men's and boys' wool and manmade fiber suits. Effected by exchange of notes at Belgrade Oct. 9 and Nov. 12, 1985. Entered into force Nov. 12, 1985.

[1]Not in force for the U.S.
[2]Not in force.
[3]In force provisionally for the U.S.
[4]Applicable to Cook Islands and Niue. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*254	11/6	Natale H. Bellocchi sworn in as Ambassador to Botswana, Oct. 28 (biographic data).
*255	11/4	Regional foreign policy conference, San Antonio, Nov. 21.
*256	11/4	Shultz: arrival statement, Moscow
257	11/7	Shultz: news conference, Moscow, Nov. 5.
*258	11/14	Alan Lee Keyes sworn in as Assistant Secretary for International Organization Affairs, Nov. 13 (biographic data).
*259	11/5	Paul H. Vishny named U.S. representative to the Advisory Board of the Centre for Telecommunications Development (biographic data).
260	11/7	Shultz: news conference, Reykjavik, Nov. 6.
261	11/12	Shultz: interview on "Face the Nation," Nov. 10.
262	11/15	Shultz: news conference, Nov. 14.
263	11/18	Shultz: interview on "This Week With David Brinkley," Nov. 17.
*264	11/22	Shultz: interview on "Good Morning, America," Geneva.
265	11/21	Shultz: news briefing, Geneva.
*266	11/22	Shultz: interview for the "McNeil-Lehrer Report," Geneva, Nov. 18.
*267	11/22	Shultz: interview by CNN, Geneva, Nov. 18.
269	11/25	Shultz: interview on "Meet the Press," San Francisco, Nov. 24.
*270	11/27	James C. McKinney appointed chairman of the U.S. delegation to the MF Broadcasting Regional Administrative Radio Conference (biographic data).

*Not printed in the BULLETIN ■

Department of State

Free **single** copies of the following Department of State publications are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan

A Mission for Peace, TV address to the nation, Nov. 14, 1985 (Current Policy #765).

The Geneva Summit: A Fresh Start, address before a joint session of the Congress, Nov. 21, 1985 (Current Policy #766).

Africa

U.S. Interests in Regional Conflicts, Assistant Secretary Crocker, World Affairs Council, Nov. 13, 1985 (Current Policy #764).

Arms Control

Arms Control: Confidence-Building Measures (GIST, Nov. 1985).

NPT Review Conference (GIST, Nov. 1985).

East Asia

Developments in the Philippines, Assistant Secretary Wolfowitz, Senate Foreign Relations Committee, Oct. 30, 1985 (Current Policy #760).

Europe

Soviet Use of Active Measures, CIA Director Casey, World Affairs Council, Dallas, Sept. 18, 1985 (Current Policy #761).

International Law

The Political Offense Exception and Terrorism, Legal Adviser Sofaer, Senate Foreign Relations Committee, Aug. 1, 1985 (Current Policy #762).

United Nations

The United Nations at Forty: Economic Successes and Failures, Under Secretary Wallis, Business Council for the United Nations, Nov. 6, 1985 (Current Policy #763).

Western Hemisphere

Promoting Economic Development in Central America, Ambassador McCormack, Central American Forum sponsored by the Pan American Development Foundation, San Pedro Sula, Honduras, Oct. 23, 1985 (Current Policy #759).

Central America: U.S. Policy (GIST, Nov. 1985). ■

Foreign Relations Volume Released

The Department of State on October 7, 1985, released *Foreign Relations of the United States*, 1951, Volume IV, Europe. The volume presents over 1,800 pages of previously classified documents on U.S. policy with regard to Western Europe (Part 1) and Central and Eastern Europe (Part 2).

Part 1 contains over 1,000 pages of documents, covering both multilateral topics and bilateral relations with the nations of Western Europe and Scandinavia. Regionally, U.S. policy focused on support for the political and economic integration of Western Europe, providing encouragement for ratification of the Schuman Plan for a European Coal and Steel Community, as well as for the Organization for European Economic Cooperation (OEEC), the Council of Europe, and the European Payments Union. Bilateral materials are arranged alphabetically from Belgium through the Vatican. The largest compilations, which deal with France and Italy, cover efforts to ensure political stability in both countries and highlight visits to the United States by French Prime Minister Pleven and President Auriol and Italian Prime Minister De Gasperi. Documents on the United Kingdom explain U.S. views concerning Britain's defense policy, particularly in light of its economic situation.

Part 2 consists of some 800 pages introduced by the section on Austria, which centers on problems of the occupation as well as U.S. participation in negotiations for an Austrian State Treaty. Additional material on Central Europe, relating to Germany and the problems of Western European security, was published in *Foreign Relations*, 1951, Volume III, released in 1981. Most of Part 2 deals with Eastern Europe, including a multilateral section and bilateral portions on the countries. The largest components are those on the Soviet Union and Yugoslavia. The former sets forth principal issues in bilateral relations with the U.S.S.R., presents major appraisals and estimates of Soviet intentions, and offers reports on internal developments of significance to the formulation of U.S. policy. The final section on Yugoslavia relates to U.S. interest in supporting Yugoslav independence through military and economic assistance programs and the encouragement of expanded political relations with the West.

Foreign Relations, 1951, Volume IV, was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. Copies of Volume IV, (Department of State Publication No. 9424 (Part I) and 9425 (Part 2); GPO Stock No. 044-000-02053-0) may be purchased for $41.00 (domestic postpaid) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Checks or money orders should be made payable to the Superintendent of Documents.

The *Foreign Relations* series has been published continuously since 1861 as the official record of U.S. foreign policy. The volume released October 7 is the last of seven to be published covering the year 1951.

[1]Press release 236 of Oct. 4, 1985. ■

January 1986
Volume 86, No. 2106

Afghanistan. Secretary's Interview on "Meet the Press" 18
Africa
The African Economic Crisis (Whitehead) 33
Situation in Angola (Walters) 73
U.S. and Soviet Interests in the Horn of Africa (Crocker) 29
Angola. Situation in Angola (Walters) 73
Arms Control
Arms Control Negotiations (Reagan) 37
Arms Control and Reduction Negotiations (Reagan) 17
The Challenge of Negotiating by Democracies (Adelman) 35
Making Arms Control Work (Adelman) 39
NATO Nuclear Planning Group Meets (final communique) 61
News Conference of November 14 (Shultz) 23
President Reagan and General Secretary Gorbachev Meet in Geneva (Gorbachev, McFarlane, Reagan, Shultz, joint statement) 1
Secretary's Interview on "Face the Nation" 27
Secretary's Interview on "Meet the Press" 18
Secretary's Interview on "This Week With David Brinkley" 20
Secretary's Visit to Northern Europe 57
U.S.-U.S.S.R. Negotiations on Nuclear and Space Arms (Reagan) 40
Aviation. U.S.-U.S.S.R. Air Service (Department announcement) 58
Bulgaria. Religion in Eastern Europe (Schifter) 64
Canada. Secretary Visits Canada (Clark, Shultz, toast, joint news conference) ... 42
Congress
The African Economic Crisis (Whitehead) 33
Developments in the Philippines (Wolfowitz) 49
Human Rights Situation in Peru (Abrams) 75
Legislative Proposals Regarding Diplomatic Security (Spiers) 47
President Reagan and General Secretary Gorbachev Meet in Geneva (Gorbachev, McFarlane, Reagan, Shultz, joint statement) 1
Religion in Eastern Europe (Schifter) 64
U.S. Role in the Case of Soviet Seaman Medvid (Ridgway) 62
U.S. Terminates Acceptance of ICJ Compulsory Jurisdiction (Secretary's Letter, Sofaer, Department Statement) 67
Czechoslovakia. Religion in Eastern Europe (Schifter) 64
Department & Foreign Service. Legislative Proposals Regarding Diplomatic Security (Spiers) 47
East Asia. Developments in the Philippines (Wolfowitz) 49
Economics
The African Economic Crisis (Whitehead) 33
Promoting Economic Development in Central America (McCormack) 78
Secretary Visits Canada (Clark, Shultz, toast, joint news conference) 42
The United Nations at Forty: Economic Successes and Failures (Wallis) 54
U.S.-Pakistan Relations: The Economic Dimension (Wallis) 52
Egypt. Secretary's Interview on "Meet the Press" 18
Energy Policy. Secretary Visits Canada (Clark, Shultz, toast, joint news conference) 42
Ethiopia. U.S. and Soviet Interests in the

Europe
NATO Nuclear Planning Group Meets (final communique) 61
Religion in Eastern Europe (Schifter) 64
Secretary's Visit to Northern Europe 57
Finland. Secretary's Visit to Northern Europe 57
Foreign Assistance. The African Economic Crisis (Whitehead) 33
Human Rights
Human Rights Situation in Peru (Abrams) 75
Making Arms Control Work (Adelman) 39
News Conference of November 14 (Shultz) 23
Promoting Peaceful Change in South Africa (Walters) 72
Religion in Eastern Europe (Schifter) 64
Secretary's Interview on "Meet the Press" 18
Secretary's Interview on "This Week With David Brinkley" 20
Situation in Angola (Walters) 73
The United Nations at Forty: Economic Successes and Failures (Wallis) 54
Iceland. Secretary's Visit to Northern Europe 57
International Law
U.S.-Italy Agree to Submit Dispute to ICJ (Department statement) 69
U.S. Terminates Acceptance of ICJ Compulsory Jurisdiction (Secretary's letter, Sofaer, Department statement) 67
Ireland. U.K.-Ireland Agreement Concerning Northern Ireland (Reagan) 56
Italy. U.S.-Italy Agree to Submit Dispute to ICJ (Department statement) 69
Lebanon
Secretary's Interview on "Face the Nation" 27
Secretary's Interview on "This Week With David Brinkley" 20
Maritime Affairs. IMO Endorses U.S. Initiative on Ship and Passenger Security (Department announcement) . 72
Middle East. News Conference of November 14 (Shultz) 23
Military Affairs
News Conference of November 14 (Shultz) 23
Secretary Visits Canada (Clark, Shultz, toast, joint news conference) 42
Nicaragua. U.S. Terminates Acceptance of ICJ Compulsory Jurisdiction (Secretary's letter, Sofaer, Department statement) 67
Narcotics. Human Rights Situation in Peru (Abrams) 75
North Atlantic Treaty Organization
NATO Nuclear Planning Group Meets (final communique) 61
President Meets With NATO Allies (Carrington) 14
Pakistan. U.S.-Pakistan Relations: The Economic Dimension (Wallis) 52
Peru. Human Rights Situation in Peru (Abrams) 75
Philippines. Developments in the Philippines (Wolfowitz) 49
Presidential Documents
Arms Control Negotiations (Reagan) 37
Arms Control and Reduction Negotiations (Reagan) 17
President Reagan and General Secretary Gorbachev Meet in Geneva (Gorbachev, McFarlane, Reagan, Shultz, joint statement) 1
U.K.-Ireland Agreement Concerning Northern Ireland (Reagan) 56
U.S.-U.S.S.R. Negotiations on Nuclear and Space Arms (Reagan) 40
Publications
Department of State 82
Foreign Relations Volume Released 82
Romania. Religion in Eastern Europe

South Africa. Promoting Peaceful Change in South Africa (Walters) 72
Terrorism
Human Rights Situation in Peru (Abrams) 75
IMO Endorses U.S. Initiative on Ship and Passenger Security (Department announcement) 72
Legislative Proposals Regarding Diplomatic Security (Spiers) 47
Secretary's Interview on "Meet the Press" 18
U.S. Offers Reward for *Achille Lauro* Terrorists (Department announcement) 72
Trade
Secretary Visits Canada (Clark, Shultz, toast, joint news conference) 42
The United Nations at Forty: Economic Successes and Failures (Wallis) 54
U.S.-Pakistan Relations: The Economic Dimension (Wallis) 52
Treaties. Current Actions 80
U.S.S.R.
Arms Control Negotiations (Reagan) 37
Arms Control and Reduction Negotiations (Reagan) 17
The Challenge of Negotiating by Democracies (Adelman) 35
Making Arms Control Work (Adelman) 39
News Conference of November 14 (Shultz) 23
President Meets With NATO Allies (Carrington) 14
President Reagan and General Secretary Gorbachev Meet in Geneva (Gorbachev, McFarlane, Reagan, Shultz, joint statement) 1
Religion in Eastern Europe (Schifter) 64
Secretary's Visit to Northern Europe 57
U.S. Role in the Case of Soviet Seaman Medvid (Ridgway) 62
U.S. and Soviet Interests in the Horn of Africa (Crocker) 29
U.S.-U.S.S.R. Air Service (Department announcement) 58
U.S.-U.S.S.R. Negotiations on Nuclear and Space Arms (Reagan) 40
United Kingdom. U.K.-Ireland Agreement Concerning Northern Ireland (Reagan) 56
United Nations
IMO Endorses U.S. Initiative on Ship and Passenger Security (Department announcement) 72
Promoting Peaceful Change in South Africa (Walters) 72
Situation in Angola (Walters) 73
The United Nations at Forty: Economic Successes and Failures (Wallis) 54
Western Hemisphere. Promoting Economic Development in Central America (McCormack) 78

Name Index

Abrams, Elliott 71
Adelman, Kenneth L 35, 39
Lord Carrington 14
Clark, Joseph 42
Crocker, Chester A 29
McCormack, Richard T 74
Reagan, President 1, 17, 37, 40, 56
Ridgway, Rozanne L 62
Schifter, Richard D 64
Shultz, Secretary 18, 20, 23, 27, 42, 57
Sofaer, Abraham D 67
Wallis, W. Allen 52, 54
Walters, Vernon A 68, 69
Whitehead, John C 33
Wolfowitz, Paul D 49

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

OFFICIAL BUSINESS
Penalty for Private Use $300

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

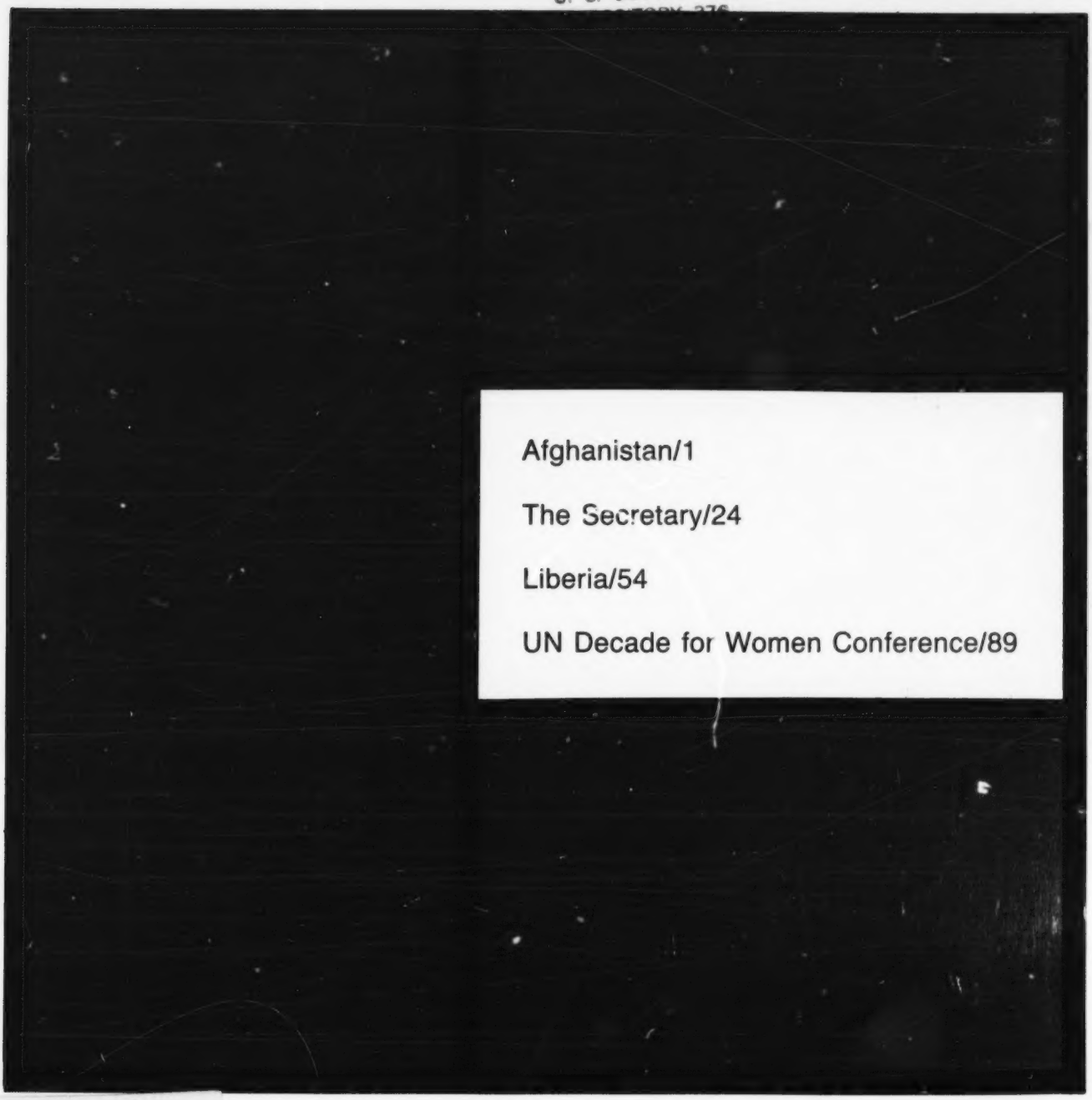
86/2107

Department of State bulletin

The Official Monthly Record of United States Foreign Policy / Volume 86 / Number 2107

MAR 13 1986
U. S. GOVT. PUBS.

February 1986



Afghanistan/1

The Secretary/24

Liberia/54

UN Decade for Women Conference/89

S1.3:

Department of State
bulletin

Volume 86 / Number 2107 / February 1986

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

BERNARD KALB
Assistant Secretary for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

SHARON R. LOTZ
Assistant Editor

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

Department of State BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. The BULLETIN is indexed in the Readers' Guide to Periodical Literature.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

CONTENTS

FEATURE

1 Afghanistan's Struggle for Freedom (*John C. Whitehead*)
4 Afghanistan: Six Years of Soviet Occupation (*Craig Karp*)
20 UN Calls for Soviet Withdrawal From Afghanistan (*Vernon A. Walters, Text of Resolution*)
22 Soviet Occupation of Afghanistan (*President Reagan*)

The President

23 U.S.-Soviet Relations
23 Nicaragua

The Secretary

24 A New International Era: The American Perspective
29 Berlin and the Cause of Freedom
32 Beyond the Debt Problem: The Path to Prosperity in Latin America
36 Trip to Europe (*News Conferences, North Atlantic Council Final Communique, NATO Foreign Ministers Statement*)
50 News Conference of December 6

Africa

54 Recent Developments in Liberia (*Chester A. Crocker*)
57 Appointment of Advisory Committee on South Africa (*Secretary Shultz, List of Committee Members*)

Arms Control

58 The Nuclear and Space Arms Talks: Where We Are After the Summit (*Paul H. Nitze*)
60 Nuclear Testing (*White House Statement*)
60 Western Proposal Tabled at MBFR Negotiations (*Michael Alexander, Robert D. Blackwill, President Reagan*)
65 Soviet Noncompliance With Arms Control Agreements (*Message to the Congress, Text of Unclassified Report*)

East Asia

73 The U.S. and the Philippines: Dangers and Opportunities (*Michael H. Armacost*)
75 U.S.-China Nuclear Cooperation Agreement (*President Reagan*)

Europe

76 Countering Communist Espionage in the U.S. (*Rozanne L. Ridgway*)
78 24th Report on Cyprus (*Message to the Congress*)
79 NATO Defense Planning Committee Meets (*Final Communique*)
80 CSCE Cultural Forum Meets in Budapest (*Walter J. Stoessel, Jr., Western Draft Concluding Document*)

Human Rights

87 Safeguarding Human Rights (*President Reagan, Proclamation*)

Middle East

89 Arms Sales to Jordan (*President Reagan*)

United Nations

89 UN Decade for Women Conference Held in Nairobi (*Maureen Reagan*)

End Notes

92 December 1985

Treaties

93 Current Actions

Press Releases

95 Department of State

Publications

96 Department of State
96 Foreign Relations Volume Released
97 Basic Documents Volume Released
97 Background Notes

Index

SOVIET UNION
CHINA
INDIA
PAKISTAN
IRAN
Kunduz
Taloqan
Faizabad
Eshkashem
Sheberghan
Mazar-e Sharif
Samangan
Baghlan
Maymaneh
Qal'eh-ye Now
Chaghcharan
Herat
Farah
Farah Rud
Bamian
Charikar
Mahmud-e Raqi
Meihtarlam
Kabul
Khowst
Asmar
Lalpur
Gardeyz
Ghazni
Zarah Sharan
Tarin Kowt
Uruzgan
Kandahar
Lashkar Gah
Khash Rud
Zaranj
Helmand
Afghanistan
International boundary
National capital
Railroad
Road
International airport
0 50 100 150 200 Kilometers
0 50 100 150 200 Miles

Afghanistan's Struggle for Freedom

by John C. Whitehead

Address before the World Affairs Council in Washington, D.C., on December 13, 1985. Mr. Whitehead is Deputy Secretary of State.[1]

Thank you for the opportunity to discuss Afghanistan with you today. As many of you know, 6 years ago, on Christmas eve, Soviet airborne troops began landing in Kabul. By December 27, Soviet forces had risen to 5,000; within 6 months they numbered 85,000. Today, there are about 120,000 Soviet troops in Afghanistan, with an additional 30,000 poised across the border in the Soviet Union.

The Soviet invasion and continued occupation of Afghanistan is a blatant example of communist colonialism at its worst. Without provocation, certainly without invitation, the Soviet Union simply invaded a nonaligned, nonmenacing, and independent country. Soviet troops stormed the presidential palace, murdered the insufficiently docile Marxist President Amin, and installed Babrak Karmal as his compliant replacement. For 6 years, using almost every conceivable means available in their vast military arsenal, the Soviets have tried to pacify, conquer, and Sovietize Afghanistan. In this, they have failed and failed miserably.

The Soviet invasion sounded the death knell for detente. It revealed, for the first time since World War II, the Soviet Union's willingness to use its own military force outside Eastern Europe. Coming in the wake of Soviet adventurism through proxies in Angola, Ethiopia, and South Yemen, the naked invasion of Afghanistan by Soviet troops exposed Soviet expansionism to the world.

The Soviet Union has always proclaimed its support for people fighting for their national independence. Afghanistan turns those hollow words into a bad joke. Nowhere is the will for freedom stronger than in Afghanistan, yet nowhere in the world has the carnage wrought by Soviet imperialism been greater.

Soviet Tactics

Using indoctrination, subversion, and stark military terror, the Soviets have tried for 6 years to crush the Afghan will to resist. They have literally tried to destroy everything Afghan—history, culture, tradition, religion, family.

Unable to pacify or control the countryside, for example, the Soviet Union in 1984 resorted to tactics aimed specifically at depopulating areas of strategic importance. High-altitude saturation bombings, the willful destruction of crops and livestock, reprisals against civilians, and the widespread use of antipersonnel mines are just some of the tactics the Soviets are using in their war on the Afghan people.

Bombs disguised as toys or pens—designed to maim, not kill—continue to be used. It is difficult to conceive what military objective might be served by such devices. One French doctor explained it this way:

The Russians know quite well that in this type of war, an injured person is much more trouble than a dead person. In many cases, he will die several days or weeks later . . . with atrocious suffering, which further depresses those who must watch him die.

Other more subtle, but equally dangerous, forms of warfare are being waged. To create a loyal cadre of pro-Soviet Afghans to take eventual control of the government, Moscow has invaded the family to initiate reeducation and indoctrination programs. Children as young as 5 and 6 years old are being separated from their families and sent to the Soviet Union for as long as 10 years of indoctrination. Since 1979, an estimated 40,000 Afghan students have been sent to the Soviet Union; 10,000 are there at any given time. Afghan school curricula have been revised to include Marxist-Leninist ideology; revised history books written by Soviet scholars have been introduced; Afghan professors have been replaced with those from communist countries. The intent is clear: Moscow seeks to obliterate Afghan cultural values from the minds of the country's youth and to substitute a made-in-Moscow view of the world.

The Soviet invasion and continued occupation of Afghanistan is a blatant example of communist colonialism at its worst.

Refugees

Not surprisingly, Soviet tactics in Afghanistan have resulted in one of the greatest mass migrations in history. Nearly 3.5 million refugees—more than the population of the entire Washington, D.C., metropolitan area and about 20%–25% of Afghanistan's prewar population—have fled the country. At least a million more have been driven from the countryside into internal exile in cities and towns where a Red Army-style peace has been imposed.

Before coming to Washington, I had the privilege of visiting on several occasions as president of the International Rescue Committee many of the refugee camps in the North West Frontier border area of Pakistan. I have spoken with hundreds of refugees and have been received in their simple tents and mud huts. I have seen at firsthand their fierce determination. I have felt their hatred of the Soviet invaders, their love of freedom, and their longing to return once again to their land and to their homes.

Afghan refugees rely primarily on the Government of Pakistan, the UN High Commissioner for Refugees (UNHCR), and private voluntary agencies for their basic needs. The United States has contributed generously to the Afghan relief effort. Since 1980, we have provided over $430 million, primarily through the UNHCR and the World Food Program. The Afghan relief effort is one of the most effective refugee programs in the world; it is certainly the largest. But dependence on others' hospitality and charity is alien to a people renowned for their industriousness, their creativity, and their proud independence. Their only request to their visitors is like Winston Churchill's in World War II: "Give us the tools and we will finish the job."

I, too, am convinced that, one day, they will return to a free Afghanistan. Throughout Afghanistan's long, tumultuous history of resisting marauding armies and ruthless invaders, no one—not Alexander or Genghis Khan, not Tamerlane or Nadir Shah—has been able to conquer and rule the Afghans. The Afghan *mujahidin* say they will fight to the last man, and I believe them. The Soviets must acknowledge and accept that the will of a people united in a national liberation struggle cannot be broken by force of arms, short of genocide.

The Military Situation

What the Soviet Union faces in Afghanistan is not the opposition they surmounted in Central Asia in the 1920s; nor is it a band of rag-tag rebels fighting without a clear purpose or cause. They face freedom fighters trained to fight with modern weapons and backed by a people united in their will to expel yet another invader.

Hostility and active opposition to the Karmal regime are not confined to one area; it encompasses the entire country. The Soviets have been unable to find qualified, loyal Afghan technocrats willing to participate in Karmal's puppet government. They have been forced to abandon the pretense that they are merely advising the Karmal regime and now either directly make or are deeply involved in every major political, military, or social decision. There can be no doubt that it is a Soviet-run government.

On the military front, Soviet efforts to build up the Kabul army have been thwarted by disloyalty, desertions, defections, and disillusionment. The puppet Afghan army has shrunk to less than half of its preinvasion strength of 90,000.

The Soviet army itself has been plagued by alcohol and drug abuse; lack of discipline is a major problem. From Soviet defectors, themselves tangible proof of the unpopularity of the war, we have learned that Soviet soldiers sent to Afghanistan are told that they will be fighting alongside Afghans to defeat U.S., Chinese, and Pakistani imperialists. Instead, they discover with dismay that they are expected to kill Afghans fighting to defend their families, homes, and land.

In contrast to Soviet morale, *mujahidin* morale remains high. On the battlefield, the Afghan resistance is better organized, better trained, and more effective than ever before. Despite stepped-up fighting and more aggressive Soviet tactics, the invaders have been unable to consolidate their conquest. The resistance continues to control over 75% of the countryside. Mounting Soviet losses of supply convoys, helicopters, and fixed-wing aircraft testify to the improved ability of resistance fighters to use the modern weaponry at their disposal. They have become more adept at carrying guerrilla warfare to major cities. Even in Kabul, the most heavily guarded garrisons and airbases, as well as the Soviet Embassy, have been rocketed.

Six years ago, few of us could have imagined that today we would be talking about an Afghan resistance that has kept one of the most powerful armies in the world at bay. The Afghan people's courage, resilience, and iron will to survive have kept open the only path to a lasting solution—a negotiated political settlement. The *mujahidin* cannot hope to expel the Soviet invader by force.

Sheer numbers are on the Soviet side. The military option entails only further death and destruction. It will neither achieve a Soviet victory nor crush the will of the Afghan people to be free.

The only lasting solution to the war is a negotiated political settlement that gets Soviet troops out of Afghanistan and permits the Afghan people to determine their own destiny. Only then will the *mujahidin* put down their arms; only then will the refugees voluntarily return to their country and global as well as local tensions decrease.

The Roles of Pakistan and the United Nations

We admire and support Pakistan's courageous and unwavering stand on the Afghanistan issue, particularly its efforts in the United Nations and elsewhere to achieve a negotiated settlement. We believe, as do the Pakistanis, that every avenue must be explored to find a peaceful solution. We encourage other countries in the region—particularly India—to contribute toward achieving a comprehensive and viable settlement.

As you know, there is a vehicle in place to achieve a negotiated settlement. Under the auspices of the United Nations, the UN Secretary General's personal representative, Diego Cordovez, has been conducting a series of negotiations between the Government of Pakistan and the Kabul regime. The talks, conducted indirectly through the UN negotiator rather than face to face, are referred to as proximity talks. Pakistan does not recognize the puppet regime of Babrak Karmal, which was installed and is maintained solely through Soviet military force and clearly does not represent the will of the Afghans. Currently housing 2-3 million Afghan refugees who have specifically fled the excesses of the Karmal regime, Pakistan's unwillingness and inability to recognize the puppet government is not only understandable but morally justified. We support this view.

These proximity talks envisage four basic documents or instruments which would comprise a comprehensive settlement. They include agreements on mutual noninterference and nonintervention, voluntary return of the refugees, international guarantees, and the interrelationship of these instruments to the key question of Soviet withdrawal. To date, three of the four instruments have been largely completed. The interrelationships document, in which the withdrawal of Soviet forces from Afghanistan would be addressed, remains to be negotiated. This is the critical document. The issue of withdrawal lies at the heart of the Afghan problem; it is the reason the proximity talks were convened. The questions addressed in the other instruments, though important, are ancillary.

The United States has firmly supported and continues to support a negotiated withdrawal of Soviet troops. In this connection, we informed the Secretary General in writing this week of our willingness to play an appropriate guarantor's role in the context of a comprehensive and balanced settlement. We have also conveyed our readiness to accept the draft guarantees instrument that Mr. Cordovez has presented to the parties and to us, provided that the central issue of Soviet troop withdrawal and its interrelationship to the other instruments were resolved.

On December 16, a new round of UN-sponsored negotiations will begin in Geneva. Both parties apparently have agreed to maintain the proximity format. The way is thus open to tackle, once and for all, the prompt and final withdrawal of the Soviet army from Afghanistan. If, as General Secretary Gorbachev indicated in Geneva, the Soviet Union supports the UN process, and if, as the Soviet Union continues to claim, it is sincerely interested in achieving a political settlement, then this next round of talks will provide them a forum to demonstrate their sincerity. Let us hope that the Soviets have finally made the political decision to seriously negotiate a withdrawal of their troops.

But let there be no mistake. If the Soviets digress and make excuses or unreasonable demands, the blame for lack of progress will be theirs alone.

The Afghan* mujahidin *say they will fight to the last man, and I believe them.

Afghanistan is and will remain a thorn in the Soviets' side. Time will not heal this wound. It will grow and fester and spread. Afghanistan is an international embarrassment to them that has increased rather than faded away. It serves as a painful and bloody example of Soviet insincerity and untrustworthiness—an example that nations around the world, large and small, have taken to heart.

The courage, steadfastness, and faith of the Afghan people stand in stark contrast to the cowardice reflected in Soviet atrocities against innocent civilians. Last Friday, the United Nations endorsed a report prepared by Special Rapporteur Felix Ermacora. It concluded that the war in Afghanistan "is exacting an increasing toll in human lives and continues to engender human rights violations on a large scale."

We must speak out about these atrocities. The world must know what is happening in Afghanistan. The *mujahidin* are doing a magnificent job of resisting the Soviets. For our part, the rest of the world must exact from the Soviets a political price. They must pay for the death and destruction they are wreaking daily in Afghanistan.

President Reagan, in his meeting with Mr. Gorbachev, made it clear that, while we seek a wider dialogue on issues of global concern, we will not remain silent on Afghanistan. Afghanistan will remain an obstacle to an overall improvement in our relationship. As long as the Soviets pursue a military solution, we will continue to support the Afghan cause.

My message to you tonight is clear. Collectively, we can and must help restore Afghanistan's independence. If we speak with one voice against this brazen use of Soviet force and continue to pressure the Soviets from all sides, we can create a situation in which it will be in their best interests to withdraw. In conclusion, allow me to quote Edmund Burke's warning which, although 200 years old, sadly applies to the world today.

> When bad men combine, the good must associate; else they will fall, one by one, an unpitied sacrifice in a contemptible struggle.

[1]Press release 279 of Dec. 16, 1985. ■

Afghanistan: Six Years of Soviet Occupation

The following report was prepared in December 1985 by Craig Karp, Afghanistan analyst, with the assistance of other analysts in the Bureau of Intelligence and Research and Department officials. It is a sequel to Mr. Karp's 1984 report published in the January 1985 Bulletin.

SUMMARY

At the end of the sixth year of the Soviet occupation of Afghanistan, the Soviet Union is no nearer to subjugating the country than before. The current military situation can best be described as a continuing stalemate, with a higher level of fighting by both the Soviets and the *mujahidin*. Both sides have adopted long-term strategies and neither has been able to defeat its adversary. Casualties were up for combatants on both sides, and possibly among civilians as well.

Afghan opposition to the Soviet occupation remains implacable. The resistance fighters, the *mujahidin*, were better armed and trained, and more effective militarily than ever before. The Soviets were unable to shut off resistance supply lines, despite a greater involvement in combat. In 1985 the resistance initiated its largest offensive operations of the war and for the first time overran an important regime military installation. Resistance groups displayed increased cooperation, and intergroup combat was probably reduced. The increase in offensive activity was the most important military development of 1985.

On the political front, the resistance made a potentially significant move toward unity with the merger of the seven principal political parties into an alliance. The alliance sent a delegation to New York for the 40th anniversary celebration of the United Nations, as part of its program to present Afghanistan's case to the world.

The Soviets adjusted their numbers, weapons, and tactics to meet the improved capabilities of the *mujahidin*. Soviet troop strength in Afghanistan increased by a few thousand to about 118,000, and they were more aggressive in the field. In 1985, Soviet losses of both men and materiel increased significantly. The war received increasing publicity inside the Soviet Union as signs of growing internal dissatisfaction with the Afghan conflict mounted.

The continued unreliability of Afghan military forces compelled the Soviets to assume a greater war burden. Opposition within the regime's own ranks was highlighted when Air Force personnel destroyed some 20 aircraft at the largest base in western Afghanistan.

The Democratic Republic of Afghanistan (DRA) staged an unconvincing version of the traditional grand national assembly, a series of tribal councils, and even a set of sham elections. These initiatives were aimed as much at an international audience as at the disbelieving Afghan people.

Unable to mobilize support, the regime remained dependent for its survival on the presence of Soviet troops. The Marxist ruling party remains split between its *Khalq* and *Parcham* factions. Despite persistent rumors of a change at the top and some high-level reshuffling, Babrak Karmal, installed by the Soviets in 1979, remains head of state.

The U.S.S.R. continues to pursue both long- and short-term strategies aimed at consolidating control over Afghanistan. An essentially defensive short-term military strategy aimed at containing the resistance allows the pursuit of longer term political goals. Thousands of Afghans, including children, have been sent to the Soviet Union to prepare them to run a future Sovietized Afghanistan.

International opposition to the Soviet occupation intensified during the year. On the fifth anniversary of the Soviet invasion, countries around the world condemned the war on the Afghan people and expressed their support for the heroic Afghan resistance. Pakistan continued its firm support for the Afghan people, despite concerted Soviet pressure that included numerous violations by Soviet/DRA aircraft and shellings of Pakistani territory. Progress toward a negotiated settlement in the UN-sponsored proximity talks foundered on the refusal of the Kabul regime to discuss the key issue—the withdrawal of Soviet forces.

The UN General Assembly rebuffed the Soviet/DRA public relations campaign by passing for the seventh time by overwhelming majority a resolution calling for the withdrawal of foreign forces from Afghanistan and demanding self-determination for the Afghan people. A month later the Assembly for the first time adopted a resolution passed by the UN Human Rights Committee condemning the violation of human rights in Afghanistan.

Outlook. Without a major addition of Soviet forces, the stalemate is likely to continue. The U.S.S.R. still appears to be committed to a military solution. Soviet hints of a willingness to be flexible may mask a basic condition: the maintenance of a Soviet-dominated government that the Afghan people—and and the world—reject. At the same time the will of the Afghan people to resist shows no sign of faltering.

MILITARY SITUATION

Throughout 1985, combat was at a higher level compared to previous seasonal norms. Even during the customary winter lull, it was not uncommon for fighting to occur in most of Afghanistan's 29 provinces during any given week.

Soviet forces were more aggressive and launched operations in every part of the country, focusing on efforts to disrupt resistance lines of communication. Campaigns throughout the year in the eastern provinces, and particularly the massive May-June drive into the Konar Valley, were directed to this end.

Resistance activity also was widespread; many Soviet/regime garrisons came under attack during the year. The pace of fighting escalated in the summer as the resistance took the offensive in the Panjsher Valley and in Paktia Province. In the west, the *mujahidin* were nearly able to eliminate all regime presence from Herat. Forced to respond in order to prevent major losses, the Soviets launched large-scale counterattacks. Intense combat continued into the fall.

Better armed and trained than in the past, the *mujahidin* were able to take the initiative in the fighting. Improved resistance air defense—still comprised primarily of heavy machineguns but increasingly supplemented by surface-to-air missiles—has forced the Soviets to be more cautious and to adopt countermeasures. As a result, the impact of Soviet air power has been reduced. Convoy ambushes were increasingly effective, as a combination of

improved weapons, more ammunition, and better tactics led on several occasions to the destruction of dozens of Soviet or DRA vehicles. Casualties were up on both sides, and among civilians.

One example of the war's greater intensity is the increased use of mines by both sides. As part of their efforts to impede resistance movement, the Soviets resorted to heavier use of several types of mines, particularly airdropped. The Soviets have dropped or planted an estimated 2 million mines since the invasion; these mines have probably caused more casualties to civilians than to resistance fighters. The resistance employs mines mostly to attack road convoys. On each of several occasions in 1985, the *mujahidin* knocked out dozens of Soviet/DRA vehicles. These ambushes have become more costly to the Soviets and hamper their freedom of movement.

Eastern Afghanistan

A detailed description of the year's combat follows, starting with the three major battles in eastern Afghanistan during the summer.

Konar. Barikot, an Afghan regime garrison located where the Konar River skirts the Pakistan border, has been under siege since the early days of the communist takeover in Kabul. Over the past year, even helicopter resupply became difficult because of fire from surrounding *mujahidin*. Soviet/Afghan aircraft often violated the Pakistan border to strike targets in Chitral, Pakistan, across from Barikot.

Early in the year, a combined Soviet/Afghan column attempting to relieve Barikot was forced to retreat. A rare case of frustrated Soviet movement, it was certain the Soviet 40th Army would try to overcome it with massive force. But resistance operations increased and threatened to overwhelm Barikot. By April all Afghan regime garrisons in the valley were under attack.

In May, exploiting a lull in *mujahidin* activity during the Muslim fasting month of Ramadan, the Soviets moved more than 10,000 troops with armor support up the Konar and its side valleys. The largest action since the spring 1984 offensive in the Panjsher, it was accompanied by the massive use of air power. Airborne assaults on the valley heights, although successful, sometimes encountered heavy opposition, including hand-to-hand combat. Losses on both sides were high.

The Soviets reached Barikot in about 2 weeks, relieving the besieged garrison. Almost immediately, however, they began to withdraw from the Konar Valley, turning Barikot back to the DRA. The 40th Army demonstrated that it can put large concentrations of troops almost anywhere in Afghanistan (and right up to the Pakistani border just before the June round of indirect talks in Geneva and U.S.-Soviet bilateral discussions on Afghanistan). But they could not sustain such a large presence. In the wake of the Soviet withdrawal, the *mujahidin* returned to the Konar and once again surrounded Barikot. Despite its size, the Soviet operation yielded only short-term tactical gains.

The valley was devastated by this intense use of Soviet firepower, but civilian casualties were light. Most villagers long ago had left this war zone for nearby Pakistan. The Soviets used napalm to strip parts of the valley—one of the few heavily forested areas in Afghanistan—of natural cover. They left a virtual wall of mines in an effort to discourage resistance movement.

Panjsher. The heaviest fighting in the Panjsher Valley in 1985 did not occur until summer. Commander Ahmed Shah Mahsud was preoccupied with nearby refugees and food shortages in the wake of last year's Soviet seizure of most of the lower valley. Yet Panjsher *mujahidin* harassed Afghan and Soviet garrisons throughout the winter. In January, a Soviet/DRA column was turned back after vainly trying to relieve a besieged garrison.

In early March, the Panjsheris assaulted a garrison and caused more than 100 Soviet/DRA casualties. At the end of March, Panjsher fighters hit a Soviet munitions convoy near the Salang Pass, destroying more than 60 vehicles and tying up the vital highway for days. Surprisingly, the annual Soviet spring push into the Panjsher failed to materialize.

When the Soviets moved in late spring to cut his supply lines in the Konar, Mahsud sent his fighters down from the Panjsher hills. The *mujahidin* quickly overcame a number of regime outposts in the valley, then advanced on Peshghor, the most exposed garrison in the valley.

The Soviets responded hastily, in contrast to their more customary well-planned operational style. Soviet forces were thrown almost piecemeal into the valley, possibly to prevent the fall of garrisons further down the valley. Afghan soldiers in Kabul were drafted into duty in the Panjsher, where they faced heavy opposition and ambushes in areas presumably under regime control.

By the end of July the Soviets went on the offensive, having placed over 10,000 troops in the Panjsher. Soviet troops retook Peshghor and moved into the side valleys, taking heavy casualties. Soviet and regime wounded filled Kabul's hospitals. Air power played less of a role than in the 1984 Soviet offensive, perhaps because of the closeness of the fighting or improved insurgent anti-aircraft capabilities.

The *mujahidin* captured nearly 600 prisoners at Peshghor. Conscripts who were not considered enemies of the resistance were paroled back to their homes. The remainder, mostly officers and perhaps a few Soviets, were held in a side valley. Hopes for a prisoner exchange were dashed when Soviet troops attacked the encampment; about 130 prisoners died.

Peshghor was an important victory, the first time the *mujahidin* have overrun a major regime garrison. The resistance had taken the initiative, forcing the Soviets to respond. When Soviet troops did reach the Panjsher Valley, the *mujahidin* stayed to fight, then retreated slowly rather than melting away when faced with superior force. Fighting in

the Panjsher continued into the fall, although at a lower level. In late November, Panjsher *mujahidin* reportedly again attacked Peshghor and overwhelmed several outposts.

Paktia. In late summer, the heavy fighting shifted south to Paktia Province, scene of intense combat in 1984. Paktia Province borders the Parachinar salient of Pakistan extending deep into Afghanistan, its tip only about 50 miles from Kabul. All year there has been heavy fighting as the Soviets attempted to interrupt resistance supply lines. Most bases in the eastern part of the province are manned by DRA forces and have been under continuous insurgent pressure.

In the early part of the year, fighting was concentrated in the northern part of Paktia, near Parachinar. The garrisons at Jaji/Ali Khel and Chamkani were under constant pressure. Some relief efforts arrived; others did not. In April, a large Soviet/DRA convoy traveling between the Paktia capital of Gardez and Chamkani suffered extremely severe troop and vehicle losses.

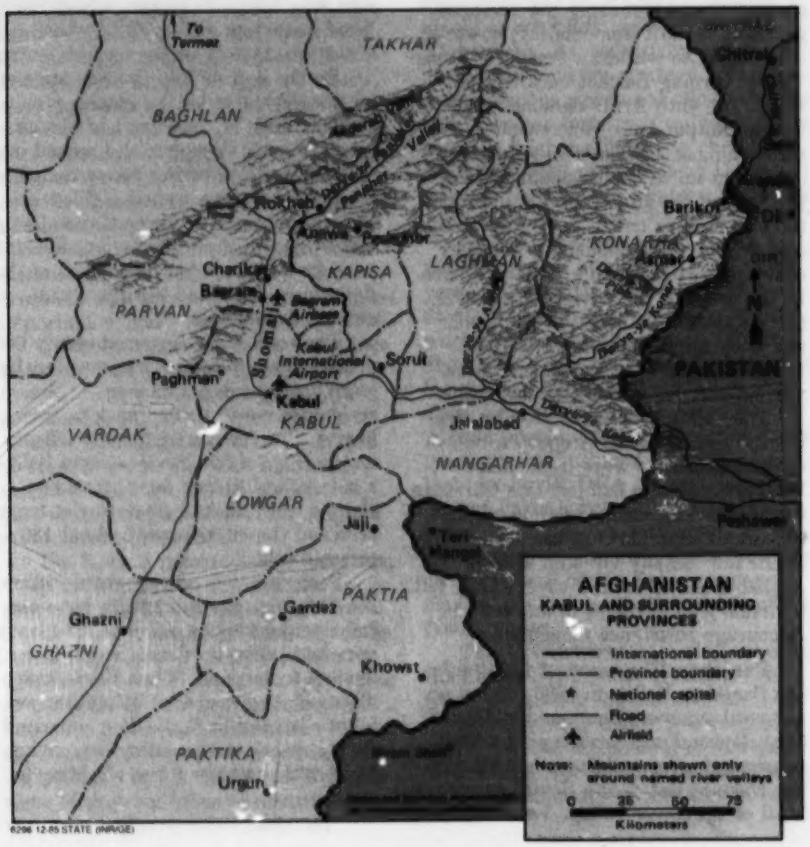
During the summer, the *mujahidin* launched a series of attacks on the garrison at Khowst, in the southern part of the province. Khowst, under siege since before the Soviet invasion, was the scene of a major battle in 1984. The Soviets, unable to get a convoy through the mountains to Khowst, must supply the town by air. Nearly all civilians left long ago.

The *mujahidin* around Khowst belong to several parties. Led by Jalaluddin Haqqani, from the *Hezb-e-Islami* (Yunis Khalis faction), they joined forces to attack the garrison. It was the largest offensive operation ever mounted by the resistance, involving perhaps 5,000 *mujahidin* in coordinated assaults. As many as half of the regime outposts around Khowst fell to the *mujahidin*. The Soviets were forced to act to prevent the fall of this isolated but strategic garrison.

Soviet/regime forces fought fiercely and overran several *mujahidin* camps in Paktia. Intense combat was accompanied by artillery and air attacks by Soviet/DRA units across the border into Pakistan. By late August, Soviet/DRA forces appeared to have ended a sweep operation south of Khowst. After a short lull, however, Soviet and regime troops staged a surprise sortie from Khowst to press the insurgents along the border. *Mujahidin* fighters, many of whom had gone to rest and recuperate in Pakistan, were recalled to the fighting.

Casualties were high on each side, in some of the bloodiest fighting of the war. Afghan and Pakistani hospitals were jammed with wounded. Several of the cooperating resistance force commanders reportedly were killed, including one of Haqqani's sons.

The Soviets and DRA were able to prevent the loss of Khowst. However, at year's end, the garrison remains surrounded by the resistance. Although unable to seize Khowst at this time, the Paktia *mujahidin* demonstrated impressive offensive capabilities, and morale remains high.

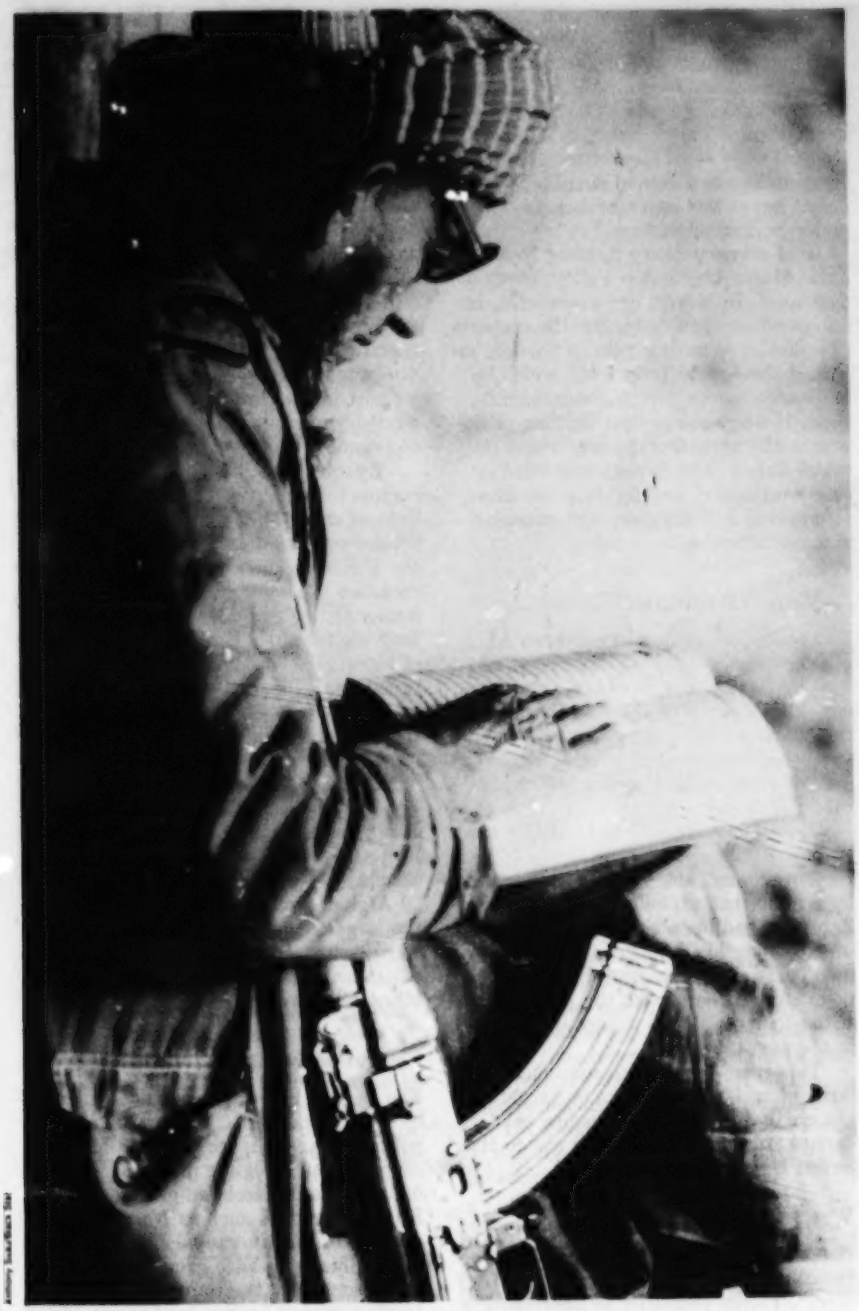


Kabul. The security situation in the capital, relatively quiet in the early part of the year, deteriorated over the summer. The Soviets devoted extensive resources to protecting themselves and the regime in Kabul—their minimum tactical goal—particularly on symbolic occasions or during important regime meetings.

The U.S.S.R. continued to develop its military infrastructure in the capital. Kabul now has checkpoints and gun and tank emplacements at all access routes. The Soviets established a second security ring of bunkers, supplemented by antipersonnel mines, to impede *mujahidin* infiltration.

A nightly curfew continues, punctuated by the sweep of searchlights from atop the city's peaks and the sounds of helicopter gunships. Kabul's sky often was lit by flares—ejected from aircraft when landing or taking off—which are designed to confuse the *mujahidin's* heat-seeking missiles. Bombing and rocketing of areas suspected of harboring *mujahidin* caused many civilian casualties, particularly among the internal refugees who have flocked to Kabul to escape the fighting. Since the Soviet invasion the capital's population has more than doubled to about 2 million.

The *mujahidin* launched rocket attacks around December 27, the fifth anniversary of the Soviet invasion, and there were some bomb attacks during the PDPA's 20th anniversary in early January, but the city was relatively secure. To maintain security during these internationally visible events, the



Resistance fighter reading the Koran.

regime deployed as many as 60,000 Soviet or Afghan military and police personnel in the capital.

Life became more dangerous in 1985 for the Soviets in Kabul. In late January a massive explosion at a military hospital in Kabul left a number of Soviet and regime personnel killed and wounded. Soviet personnel and their dependents were shaken by a series of resistance bombs in their customary shopping and residential areas; Soviet women were among the killed and wounded. On several occasions during the spring, Soviets were stabbed on the streets of the capital, at least one fatally.

In late April, with security precautions high before the *Loyah Jirga*, a Soviet/DRA task force surprised a *mujahidin* unit on the outskirts of Kabul, inflicting numerous casualties. That same week a Soviet/regime force captured a multiple-rocket launcher from a *mujahidin* group. Such weapons previously had not been observed in the hands of the resistance. Nevertheless, the *mujahidin* launched a spate of rocket attacks that month, including some harassing fire at the site of the *Loyah Jirga*.

On July 1, the resistance made a series of fierce and apparently coordinated attacks on the airport and Kabul's eastern suburbs. Later that week, the Soviet Embassy compound in the western suburbs was hit, reportedly killing several Soviet guards. Attacks on the embassy became so frequent that the Soviets installed a rocket launcher battery in the embassy compound, in order to return the fire. The embassy remained a target through the fall.

On July 22 the *mujahidin* launched their heaviest assault of the year, striking Kabul airbase. The sounds of combat could be heard in the city all week. In mid-September, a series of explosions, possibly caused by a rocket attack, did major damage to the Soviet ammunition dump at Khair Khana.

The bolder, more offensive-minded tactics employed by the resistance also were seen in the capital. In early November, the *mujahidin* overran a DRA post at Abshar on Kabul's west side. After seizing the garrison's weapons, the *mujahidin* withdrew.

Paghman, west of Kabul, was the scene of several Soviet and regime operations during the year. The regime has claimed successful pacification of this area nearly a dozen times over the

past 2 years. The civilian population again bore the brunt of Soviet and regime frustration. In September, residents reportedly were warned that if they did not stop supporting the resistance, their villages would be destroyed.

Shomali, north of Kabul, was the scene of almost constant Soviet and regime operations around the Kabul-Termez road. The Soviets have made the security of the capital's lifeline to the north a top priority. These efforts, however, were not enough to prevent numerous *mujahidin* ambushes, often closing the road for days. In October, a Soviet/DRA force used bulldozers to destroy all trees, crops, and houses for 125 feet on each side south of the Salang Pass, to Bagram.

Bagram Airbase, a major Soviet installation, was attacked several times by the resistance. Early in the year, the resistance claimed the downing of a Soviet/Afghan aircraft near Bagram by a surface-to-air missile.

In **Vardak Province**, in April, a large convoy, heavily armed with self-propelled artillery and FROG-7 long-range surface-to-surface rockets, was ambushed and forced to turn back to Kabul.

The **Nangarhar** provincial capital, Jalalabad, is reportedly one of the most secure cities in Afghanistan. Yet even Jalalabad Airbase was subject to rocket attacks. In March, the *mujahidin* took several Afghan border posts near the Khyber Pass. A few days later they withdrew, in the face of a large Soviet/DRA operation, which may have involved more than 300 armored vehicles.

Southern Afghanistan

In Qandahar, resistance activity all year long was higher than last year. The regime has virtually abandoned even the few posts it maintained in the bazaar. In October, a large DRA unit mutinied, killed their officers, and defected to the resistance. The government and the Soviets remain at the airport, which was periodically under attack.

The regime gained by defection, before the *Loyah Jirga*, Asmatullah Muslim Achakzai, who had commanded a *mujahidin* band called the *Fedayeen-i-Islami*. He took more than 100 men with him. In addition to cash and a bodyguard of 50 Afghan Army soldiers and several armored cars, the regime gave Asmatullah command of a tribal militia unit at Spin Baldak, on the Pakistan border near Quetta. During the summer, armor and artillery under his command fired into Pakistan, but the incident cooled after Pakistan deployed troops to the area. Qandahar resistance commanders condemned Asmatullah for defecting; at last report, he is staying under regime protection.

In February heavy fighting took place in the Arghandab Valley, north of Qandahar. In March, the *mujahidin*, in an operation remarkable for the cooperation displayed among various parties, attacked the Kajaki Dam, built with U.S. assistance before the 1978 communist coup. It was the heaviest fighting of the war in the agriculturally important Helmand Valley. The Soviets and DRA counterattacked, and fighting continued into spring and summer, with considerable casualties on both sides.

Northern Afghanistan

The tempo of fighting in northern Afghanistan was relatively lower in 1985. Several Soviet offensives took place, but none on the scale of those in the rest of the country. Soviet operations in the northeast Provinces of Konduz and Takhar resulted in a number of civilian casualties.

The resistance suffered a major setback in February, when *Jamiat-i-Islami* regional commander Zabiullah was killed by a mine that exploded under his jeep. Zabiullah had been singularly successful in extending his influence outside his own party. His successors have not yet been able to reestablish the coordination with other resistance groups operating in the north.

However, there were continued reports of resistance attacks on targets in the north, including the pipeline that carries Afghanistan's natural gas to the Soviet Union.

Western Afghanistan

Some of the largest Soviet operations took place in western Afghanistan. They were directed primarily at preventing a resistance takeover of Herat. With a fraction of its prewar population (many have fled to nearby Iran), Herat today is a battlefield and virtual ghost town.

The resistance in Herat operates as a coalition of several parties, led by Ismail Khan, a *Jamiat-i-Islami* commander who had served as a captain in the Afghan Army. At the end of 1984, Khan addressed a rally in the town of more than 1,000 people, without fear of interruption by the regime.

Although the regime is still present in Herat, it does not exercise control. A local resistance commander, dissatisfied with his role in the emerging local coalition, defected and was appointed an officer in the government militia. He was shot shortly afterward on the steps of a government building.

Beginning in June the *mujahidin* moved to assume full control of the city. Officials from Kabul appeared reluctant to go to Herat, and street fighting raged day and night. In June, the *mujahidin* tunneled under a major DRA outpost in the center of the city and exploded a massive charge, killing dozens of regime troops.

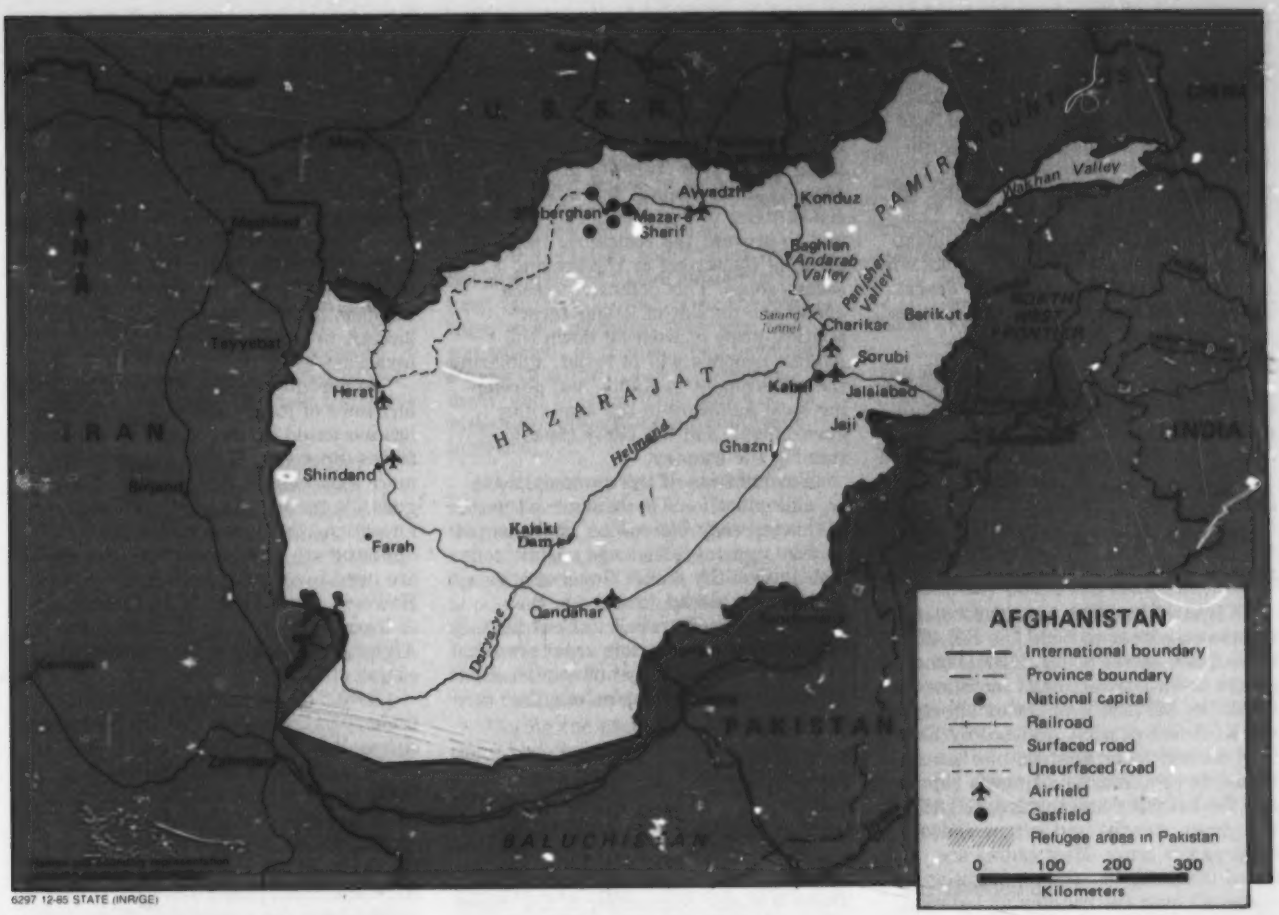
By July, the resistance was pushing regime forces out of the city. The Soviets reportedly were forced to call in reinforcements directly from bases in the U.S.S.R. The Soviets bombed and rocketed the center of town, causing numerous civilian casualties. Although they reasserted nominal daytime control of Herat, the *mujahidin* retain a strong presence in the city.

The Soviets continued to build up their capabilities in the west. There were a number of incidents on the border with Iran in the early part of the year. In March, a Soviet convoy near Toraghundi, a major facility on the Soviet/Afghan border, suffered heavy casualties. Further south, in June, about 20 Afghan aircraft at Shindand Airbase, the largest Soviet facility in the area, were destroyed by sabotage. The resistance attacked Shindand on several other occasions in 1985.

Central Afghanistan

The remote Hazarajat, populated mainly by Shia Hazaras, has undergone major political changes since the 1978 Marxist coup, although regime presence is limited to a few isolated garrisons. Pro-Khomeini groups such as *Nasr* and *Sepah-e-Pasdaran* vanquished the traditional Shia resistance groups that had held sway since the coup. These pro-Iranian groups have moved to establish an Islamic republic in the Hazarajat. The previously dominant *Shura* party reportedly is no longer active in the region.

In a meeting in Tehran in mid-June, several pro-Iranian groups, including the independent *Harakat-Islami* of Ayatollah Mohseni, pledged to stop fighting other Afghans and direct their arms against the Soviets. Focused on in-



6297 12-85 STATE (INR/GE)

ternal conflict, the Hazarajat has been only marginally involved in the resistance. However, because it is free from Soviet/regime control, the town has served as an important transit route for resistance supplies. There is some indication that, having confirmed their control over the Hazarajat, the pro-Khomeini Shia may have begun to strike at the Soviets.

THE AFGHAN MILITARY

Afghan military effectiveness continued to deteriorate over the past year, despite Soviet efforts to reverse the trend. The December 1984 appointment of a Khalqi, Nazar Mohammed, to run the Ministry of Defense, has not improved the situation. Nor has a large pay increase announced in the spring. The largely Khalq officer corps remains under suspicion by the ruling Parcham faction.

Enlisted men, mostly press-ganged conscripts, may fire when fired upon but mostly prefer not to fight the *mujahidin*. Given the opportunity, especially in combat, they desert. The resistance generally paroles them and sends them home or absorbs them into its ranks. The DRA military continues to be a major source of arms and ammunition for the resistance.

Lack of enthusiasm, combined with poor performance in combat, has made the DRA forces unreliable and forced the Soviets to take a more direct role in the fighting. In the past year Soviet forces increasingly have gone into combat without an Afghan Army "shield," or accompanied by only a small number of Afghan troops.

Even the best DRA units have had problems. The elite 444th commando brigade, thought by many to be the Afghan Army's most effective unit, was cut to pieces when it parachuted into the Panjsher in the summer. Many of the survivors deserted. Some Afghan units, such as the garrison at Khowst, performed well; despite heavy losses, it conducted an independent offensive after Soviet forces withdrew from the area in August.

Two regime directives illustrate the difficulty Kabul has in getting Afghans to fight for the regime. In January, the politburo announced that those who "volunteer" for the army would have to serve only 2 rather than the normal 3 years required of conscripts. There is no evidence that this gesture succeeded in attracting many volunteers. Moreover, many reports describe conscripts being forced to serve beyond their required term—a major source of disaffection within the army. Four years of duty is required from those stationed in Kabul, where life is easier and relatively safe.

In the second directive, issued in the spring, the regime decreed that anyone between the ages of 18 and 38 who had not yet served would be liable for im-

mediate callup. In the absence of effective draft registration, the law merely legitimizes conscription by press gang.

The Afghan Air Force, previously considered the most loyal service, was wracked by defection and sabotage in 1985. The June sabotage attack at Shindand caused the largest loss of aircraft in any single incident of the war. The episode evidently stemmed from unhappiness over the disciplining of pilots who had dropped their bombs in the desert instead of on the target village. The accused saboteurs were reportedly executed.

Air Force woes did not end with the June incident; other officers planned or executed additional acts of sabotage. In July, DRA Air Force personnel defected to Pakistan with two Afghan Mi-25 (Mi-24D) export version HIND helicopter gunships, the first HINDs to slip out of control of Soviet forces or their clients.

KHAD. The DRA has devoted extensive resources to build the KHAD, the Afghan secret police. KHAD (the letters are a Dari acronym for State Information Service) is overseen closely by the KGB and possibly assisted by East German and other Eastern bloc security forces. It continues to acquire a reputation for brutality and torture. KHAD has grown steadily and is now almost as large as the army. Most cadres are based in Kabul, but the organization operates all over the country and abroad. By offering good salaries to those with few alternative prospects, KHAD has had some success in recruiting and retaining young urban males. Recruits appear to have little or no ideological commitment, but do become committed and loyal to the organization.

Militia. The regime also has tried to develop the militia, in areas both within and outside regime control. This approach, used by Kabul rulers for centuries, has succeeded in obtaining some nominal adherents, although there are few instances of militia actually fighting the *mujahidin*. Moreover, it is a risky tactic. Some local groups have taken the government's money and arms, then defected to the resistance.

THE SOVIETS IN AFGHANISTAN

The U.S.S.R continues to pursue both long- and short-term strategies aimed at consolidating their position in Afghanistan. The Soviet Union has acted in the short term to preserve security in the capital and a few provincial centers, to protect its supply lines, and to prevent the resistance from growing too strong or threatening secure zones. This defensive stance allows the pursuit of longer term political goals of wearing down the Afghan people's will to resist, stabilizing the government in Kabul, and developing loyal followers in the army, the government, and the party capable of running the country.

Sovietization of the economy, society, and educational system are all part of this strategy but can be implemented only in areas of Soviet and regime control. It took the Soviet Government more than a decade to subdue the *basmachi* (bandit) revolt in Central Asia in the 1920s. The Soviets seem prepared to face the current level of conflict in Afghanistan for as long as may be necessary.

Military Developments. In 1985, the Soviets adjusted their numbers, weapons, and tactics to meet the greater capabilities of the *mujahidin* and make up for the decreasing effectiveness of the Afghan Armed Forces. There is a new commander of the Soviet effort in Afghanistan, General Zaitsev. Soviet troop strength in Afghanistan increased by a few thousand in 1985 to about 118,000, supported by an estimated 30,000 additional troops in the Soviet Central Asian republics north of Afghanistan.

In 1985, Soviet forces displayed an ability to conduct more than one multibattalion assault at a time, although no single operation was as large as the 1984 attack on the Panjsher Valley. The Soviets have demonstrated that they can concentrate troops in strength almost anywhere in the country. However, once these troops have been redeployed elsewhere, the *mujahidin* generally have been able to regain control of the area.

In assuming a greater burden of the war from the ineffective Kabul regime forces, the Soviets were more aggressive this year, concentrating their attacks on resistance supply lines. This more offensive posture, plus the need to react to resistance offensives, produced a higher rate of Soviet casualties and increasing aircraft losses. Soviet casualties in Afghanistan since 1979 total more than 30,000, including more than 10,000 killed. In addition, the Soviets and Afghans together have lost nearly 800 aircraft to the *mujahidin* since the invasion.

Apparently dissatisfied with the performance of its regular troops, Moscow has increased its use of special purpose forces (Spetsnaz). These better trained, more experienced troops use counterguerrilla tactics and deploy in smaller formations than other units. The Spetsnaz are often active at night and are used to ambush resistance convoys. However, the Soviet Union is unlikely to insert enough of these troops into Afghanistan to affect substantially the course of the war.

Soviet forces in Afghanistan continue to suffer serious morale problems, although low morale is probably not a major factor in combat. Disease, particularly dysentery and hepatitis, is rampant. Reports of theft and sale of military items, which often end up in the hands of the resistance, are common. Soviet soldiers often use the proceeds to pay for alcohol and drugs, including heroin. Drunkenness is apparently worse than the already high incidence in the U.S.S.R.

Soviet Defectors and Prisoners. In the early years of the conflict, few prisoners were taken by either side. There is no evidence of major detention centers for resistance fighters. Continued press reports of limited actual or planned prisoner exchanges suggest that Kabul and the Soviets do hold some *mujahidin*.

A few Soviets have defected to the resistance; some even fight alongside the *mujahidin*. According to press interviews, Soviet defectors often convert to Islam and go by Muslim names. Some defectors, in trouble before they left Soviet lines, remain with the *mujahidin*

rather than face severe punishment, perhaps death, should they return. In addition, various resistance groups hold Soviet prisoners, generally in secure base areas inside Afghanistan.

The International Committee of the Red Cross (ICRC) has a program to intern Soviet prisoners in Switzerland and eventually voluntarily repatriate them. Several voluntarily returned to the Soviet Union after completing the waiting period mandated by the Geneva Convention. In 1985, no Soviet soldiers were released through the ICRC. Six Soviet soldiers asked for and received parole admission into the United States in 1983 and 1984; one returned to the U.S.S.R. in 1985.

Soviet Soldier Enters U.S. Embassy. A 19-year old Soviet soldier entered the U.S. Embassy in Kabul on October 31, telling U.S. diplomats that he was fed up "with the soldier's life in Afghanistan" and that he wanted to return to the Soviet Union. Shortly afterward, Afghan and Soviet troops surrounded the embassy, access to it was impeded, and the electricity was cut off. Four days later the soldier agreed to leave with the Soviet Ambassador under the condition that he could return to the Soviet Union and would not be punished beyond a party reprimand. The Soviet Ambassador gave assurances on these points to the U.S. charge in Kabul. Almost immediately after the soldier's departure the cordon was lifted and power restored. A similar incident occurred in 1980.

SOVIET POLICY AND THE AFGHAN WAR

Moscow continues to pursue a military solution to the Afghanistan problem and uses diplomacy as a means of supporting its efforts to consolidate control in the country. Moscow's diplomatic efforts and those of its Afghan proxies aim at eroding international support for the *mujahidin*, intimidating Afghanistan's neighbors, Iran and Pakistan, and gaining international acceptance for the Kabul regime.

Moscow supports the concept of a political settlement "around Afghanistan" that will maintain and legitimize the client regime in Kabul. The Soviets endorse the continuation of UN-sponsored indirect negotiations in Geneva. Moscow has declined, however, to put forth a withdrawal schedule for the "limited contingent" of Soviet forces in Afghanistan, contending that the timing and other details of such a withdrawal can be negotiated only bilaterally between Moscow and Kabul.

Both politically and militarily, the Soviets appear to have settled in for a long, but limited, war. Over the years they have moderately increased their commitment of troops. They have made extensive adjustments in tactics, equipment, and types of units deployed, as *mujahidin* effectiveness has steadily increased.

Criticism on the Home Front. The scope and duration of the Soviet military effort in Afghanistan has been reflected to a certain extent by developments in the U.S.S.R. Although there is no evidence of widespread opposition, support for the venture in Afghanistan is for the most part passive and unenthusiastic—particularly among those with family members in Afghanistan.

During the past year, however, there have been increasing signs of unhappiness inside the Soviet Union about the Afghan conflict. This dissent has taken several forms. Public demonstrations against service in Afghanistan have taken place in Armenia, Georgia, Ukraine, and other republics. Draft evasion appears to have increased, prompting the Soviet authorities to issue new laws punishing those failing to register. *Samizdat* criticism (privately circulated dissident manuscripts) has expanded, including both negative reports from Afghanistan veterans and open expressions of sympathy for the *mujahidin* by Crimean Tartar leaders. Complaints about the war have become more frequent and open and are implicitly acknowledged by coverage in the Soviet press. Unofficial polls conducted by human rights activists show a decline in support for the war.

To generate more support, the Soviet media have expanded their coverage of the fighting. Combat fatalities are now reported more frequently; decorations for heroism played up; and special features on men fighting in Afghanistan are carried in their home town newspapers. Not all coverage is upbeat—Soviet spokesmen have said that the fighting is "intensifying," a clear indication that Moscow is preparing its own people for a long struggle. At Geneva, a Soviet spokesman publicly admitted to a sharp increase in casualties in Afghanistan in 1985.

THE AFGHAN REGIME

The Afghan regime remains ineffective, with little future prospect of becoming a viable surrogate capable of standing on its own.

The Kabul regime remains essentially a city state—with military outposts in the hinterland and a secure civilian presence only in Kabul and a few other towns. Both Herat and Qandahar are substantially out of regime control. DRA performance, and particularly its efforts to build legitimacy or a political base, are limited by its reach. Najibullah, ex-director of KHAD, admitted to an Indian journalist that only 35% of the country was under control of the regime. The true figure is uncertain but probably closer to the 10% often cited by the resistance than to the KHAD estimate.

Party Developments

The DRA is nominally ruled through the People's Democratic Party of Afghanistan (PDPA). The party is riven by deep-seated divisions, which frequently, although perhaps not as much as in previous years, erupts into violence. The most serious incident reported in 1985 was a September gunbattle between army adherents of the rival Khalq and Parcham factions at the Arg Palace in Kabul. The Soviets have spared no effort to integrate the party factions, going back to the early 1970s, but regime and party changes in 1985 appear to have shifted the balance of power still further away from the Khalq.

Babrak's Parcham faction holds most state power, although its Dari-speaking, multiethnic, urbanized adherents still comprise only 40% of the party. It controls KHAD, an important source of leverage.

The Khalq faction was headed by Presidents Taraki and Amin, both killed in 1979. The Khalq is currently led by Interior Minister Gulabzoi, who controls the regular police and was promoted this year to Lieutenant General. Khalqis are mostly Pashtu speakers (Pathans) from eastern areas, often from a lower class or rural background. Still a majority of party members, Khalqis predominate in the armed forces, which makes them resistant to being purged. In the past, the Khalqis had a reputation for being more radical and nationalist than the Soviet-sponsored Parchamis.

Factional differences probably contributed to a major regime personnel change, announced on June 3, when Najibullah Masir replaced Mohammed Ismail Danesh as Minister of Mines and Industries. Danesh, a Khalqi, has taken up respectable political exile as Afghanistan's Ambassador to Libya. Three new appointments were announced the same day, all with the rank of minister. Abdulbasir Ranjbir was named head of the Central Bank, Mohammed Daoud Kauian was named Director General of the official Bakhtar News Agency, and Abdul Qadr Ashna, Director of the State Committee for Culture, was elevated to Cabinet status. Ashna is a reputed Parchami; the other new ministers probably had similar affiliations.

At the opening session of the 16th plenum of the PDPA Central Committee on November 21, a party reshuffle was announced, the first in 3 years. Ghulam Dastigir Panjsheri was dropped from the politburo and Danesh and former Defense Minister Abdul Qadir—a key figure in the 1978 coup—were replaced as alternate or candidate members. *Radio Kabul* said that Qadir and Panjsheri asked to be removed because of illness, but there is no evidence that they suffer from any physical infirmity; for Qadir it is the end of a long slide downward. Defense Minister Nazar Mohammed and Tribal Affairs Minister Suleiman Laeeq were named as candidate members of the politburo.

Najibullah was named secretary of the PDPA Central Committee, a sign of the increasing power of the secret police. KHAD's position was further improved by the promotion of Najibullah's deputy, Ghulam Faruq Yacubi, from candidate member of the Central Committee to full member. Saifullah, Kabul City *sarandoy* (militia) commander, and a possible Gulabzoi protege, also was appointed candidate member of the Central Committee. On December 5, *Radio Kabul* announced that Yacubi had been named as KHAD's new director.

The PDPA marked its 20th anniversary in January with major celebrations in Kabul. The Soviets supplied as guest of honor the first secretary of the Communist Party of Uzbekistan. The only member of a ruling party politburo present was from Poland.

After the celebrations, party affairs appeared to become secondary to the questions of regime performance. Continuing Soviet dissatisfaction with Karmal was apparent when he was accorded low-level treatment on a May visit to Moscow, his first state visit since a trip to Mongolia in July 1983. Karmal went from the U.S.S.R. to Poland, where his reception was subdued. A week before Karmal's arrival in Moscow, on the occasion of the *Saur* (April) Afghan revolution's seventh anniversary, Soviet commentary was lukewarm and appeared to downgrade the status of the PDPA. A second Karmal trip to Moscow, ostensibly for medical treatment, was equally downplayed.

Rumors of Karmal's impending replacement surfaced several times during the year, especially in connection with his shabby treatment abroad. Potential successors mentioned include Prime Minister Sultan Ali Keshtmand, an able administrator and party loyalist who is hampered by being a Hazara, Afghanistan's lowest status ethnic group. Another party leader, Nur Ahmed Nur, spent 2 years in Moscow for a training course and returned to Kabul, apparently for good, in September.

Another organization that has not succeeded in mobilizing support for the regime is the National Fatherland Front (NFF). The NFF is charged with bringing together various regime front organizations, such as the Democratic Youth of Afghanistan, in a patriotic, nonparty context. In March, high-level party figure Saleh Mohammed Ziray was replaced as NFF chairman by Abdul Rahim Hatef, a Pathan tribal elder who served in Afghanistan's parliament during the monarchy. Although named to head *Loyah Jirga*, Hatef has added little to the regime's appeal.

The Regime Strives for Legitimacy

With little prospect of improved party performance or appeal, Kabul has tried to build a facade of legitimacy for the regime through a series of public initiatives. The regime was stung by criticism in the Ermacora report (see human rights section below), specifically its reference to Afghanistan's lack of even the formality of representative institutions. Kabul's political initiative may, therefore, have been packaged more for international than domestic consumption.

Loyah Jirga. On April 12, Kabul announced it would call a *Loyah Jirga*, the traditional grand assembly of Afghan tribal leaders. Such assemblages historically were used by the Afghan kings and by the prerevolution republican government to gain acquiescence in a transfer of power or approval of a major new policy.

In the 1980 *Fundamental Principles of the Democratic Republic of Afghanistan*, which serves as an interim constitution, the *Loyah Jirga* is defined as the "highest organ of state power." Neither the Karmal regime, nor the preinvasion Khalq government had previously convoked a *Loyah Jirga*, although regional *jirgas* have been held. Reports of the event suggest that the *Loyah Jirga* was a sham and that it was recognized as such by the Afghan people.

A high percentage of the 2,000 participants were regime functionaries, from the military or KHAD, or members of the PDPA or its various front organizations. The hurried scheduling of the sessions belies the assertation of active participation. The regime announced it was calling the *Loyah Jirga* on April 12. On the 13th, Kabul announced that "elections for *Jirga* representatives had already been held in 13 of the 29 provinces." By April 20th the elections were pronounced complete—only then was the April 23 meeting date announced.

The "independent" delegates were paid well for attending—reportedly 20,000 Afghanis per delegate and up to 50,000 for those who agreed to speak during the televised sessions. Many were coerced into appearing. The regime took a hard line at the sessions, denouncing the resistance as "antirevolutionaries." The role of Pathan and Baluch border tribes (delegates were in attendance from both Pakistan and Iran) in staving off "outside interference" was stressed.

The resistence responded quickly. At a press conference in Peshawar, a group of party leaders from both then-existing coalitions strongly condemned the meeting, threatening vengeance on the participants. Resistance threats were not idle. A Bakhtar flight carrying delegates from Badakhshan was reportedly shot down April 15. A number of delegates apparently were killed in the aftermath of the *Loyah Jirga*. At least two may have had their hands cut off, the Islamic punishment for thieves.

In August, the initiative was renewed in the same unconvincing manner when local council elections were announced—the day before they were to begin. In Kabul, the "election" process was simple: a smattering of district residents were assembled at a meeting hall—some unwillingly. Candidates, usually one per seat, were introduced only moments before the vote. Rather than by secret ballot, voting meant raising hands under the watchful eyes of KHAD agents. The regime announced that 450,000 Kabul residents participated, about 90% of eligible voters.

Within a week there were reports of council members killed by the *mujahidin*. Nevertheless, council meetings were reported being held by the end of August. The regime announced plans to hold similar elections around the country.

The regime once again focused on the frontier in a September 17 High Tribal *Jirga* for the Pathan and Baluch tribes whose territories span the borders with Pakistan and, in the case of the Baluch, also with Iran. This time a somewhat higher proportion of the roughly 3,700 delegates were actually from the tribes. The regime's "prize" defector, Asmatullah Achakzai, was elected to the presidium of the *Jirga*, and again, delegates were reportedly paid well to attend. Cash payments probably were supplemented by arms, in the traditional manner of government-tribal relations. The weapons were reportedly for use in defending the frontiers and presumably also for use in tribal lands across the border. There is no evidence that the regime has gained any adherents as a result of these subventions.

On November 7, on the eve of the UN General Assembly vote on Afghanistan and the U.S.-U.S.S.R. summit, the DRA announced a new initiative designed to "broaden the social pillars" of the revolution. Karmal indicated a readiness for dialogue with the opposition and even the possibility of bringing into the government opposition figures who accept the April revolution. Thus far there have been no takers.

Mujahidin with RPG-7, the basic antitank weapon of the resistance.

On November 11 Babrak Karmal paid a 1-day visit to Konduz City, in northern Afghanistan. Accompanied by the heads of KHAD and the Ministries of Interior and Defense, it was his first trip to the provinces in more than 2 years. Later that week, Prime Minister Keshtmand reportedly made an equally rare 1-day trip to Herat.

Economy

The war has caused significant damage to the Afghan economy, already one of the world's poorest. The resistance has focused on disrupting Afghanistan's small industrial sector, which even before the 1978 coup was mostly state owned. The Soviets and the regime, largely in the course of fighting, also have disrupted agricultural production and food distribution.

In a January 1985 speech, President Karmal charged that the resistance has caused more than $350 million in damage. He claimed that the *mujahidin* have destroyed 1,800 school buildings, 31 hospitals, hundreds of trucks, 14,000 kilometers of telephone lines, and hundreds of electricity pylons.

Nevertheless, there is considerable evidence that the economy continues to function in much of the country. Disruption of agriculture has been confined mostly to areas of heavy fighting and population movement, i.e., the eastern provinces bordering Pakistan. In much of the rest of the country, as noted below, farming and herding continue to provide at least subsistence to the rural population.

Trade continues with Pakistan, India, and elsewhere, much of it outside government hands. Neither the government nor the resistance has tried significantly to disrupt nonwar-related commerce out of concern that the population might turn against the side that reduces the standard of living.

Neither black market differential nor inflation is high enough to suggest severe economic disruption. The unofficial rate for the Afghani has risen slightly to about 130 to the dollar, above the official rate of 50.6. Inflation in the cities has continued to run at about 25% annually, fed by occasional shortages that bid prices upward. A major factor limiting the rate of inflation is that the Soviets bring in a wide variety of goods, including wheat and other foodstuffs, for distribution in areas under their control.

Continuing Sovietization of the Economy. In 1984 Soviet-Afghan trade was up slightly, totaling about $1.1 billion, about 70%–80% of total Afghan trade. Trade is in approximate balance as Afghan natural gas continues to be pumped to the Soviet Union, despite occasional resistance disruptions.

The merger of Ariana Afghan Airlines into the domestic Bakhtar Airlines provides an example of Soviet efforts to displace Western economic influence. As part of the transition, Ariana sold its single DC-10 jetliner; other Western-manufactured aircraft

also may be replaced by aircraft from the Soviet bloc; at the end of 1985, Bakhtar's Boeing 727s were still flying.

Soviet Aid. In 1984, the Soviets pledged more than $300 million in new aid and disbursed more than $400 million in commodities and new project aid. In February 1985 an agreement was signed granting additional project credits. The U.S.S.R. has provided Afghanistan with assistance unprecedented in Soviet relations with Third-World countries, including about two-thirds of its total program of grants, long payment terms for credits, and commodity support—even wheat, which the Soviet Union itself must import.

Much of this Soviet largesse is actually designed to support the military effort, particularly aid-financed expenditures for transportation infrastructure. In addition, a substantial portion of the commodity credits appears to be for war-related material (such as trucks or petroleum) for the Afghan Armed Forces. East European aid is much lower; only $12 million in new aid was extended in 1984.

Agriculture in 1985

Afghanistan is a country of dry, mountainous terrain, mostly unsuitable for agriculture. Less than 15% of the total land area is arable, and up to one-half of the arable land normally is left fallow each year. Only about 4 million hectares (10 million acres) are cultivated annually. Precipitation varies considerably, but in most areas it is neither adequate nor reliable enough to support extensive farming. Agriculture depends heavily on irrigation from the few permanently flowing rivers, snow and ice melt, and underground water reserves.

Subsistence agriculture dominates Afghanistan's economy. It employs roughly three-quarters of the working population and accounts for more than half of the gross domestic product. Relatively little use is made of machines, chemical fertilizer, or pesticides. Wheat made up nearly half of all agricultural production before the war; this proportion has probably increased.

Afghanistan suffered from unusually low amounts of precipitation in 1984 and the first few months of 1985. Drought reduced production, particularly in the dryland regions in the north, and probably contributed to local food deficits. However, the situation may have eased later in 1985, after unusually high amounts of precipitation fell in the spring. Wheat production in 1985 was probably about equal to average preinvasion production and above the annual average since the invasion.

The net effect of the conflict in Afghanistan on food availability has been to wear away at the margin of agricultural production. Isolated food shortages continue to exist, particularly in those areas where agriculture has been severely disrupted by the war, and are exacerbated by the poor transport network. Food continues to be imported both from the U.S.S.R. and Pakistan. Grain has been substituted for cash crops. Traditional Afghan exports of fruit and vegetables have diminished. Opium, which requires less attention, and is therefore safer to grow, is an exception. Opium production increased in 1985, particularly in the east.

Education and Youth

The effort to educate and influence Afghanistan's youth is an important element in the long-term Soviet program to pacify and Sovietize Afghanistan. In practice this includes using education and the reduction of Afghanistan's overwhelming illiteracy as a means to gain acceptance for Marxist ideology, the Kabul regime, and Soviet hegemony. To rule the country in the future, the Soviets need to develop at least a small cadre that can succeed to leadership of the DRA. The greatest constraint on these efforts is the lack of physical control over most of the population. Although the Soviets thus far have made little progress on literacy or recruitment, they may have gained the loyalty of a few young people in Kabul, particularly among those working for KHAD.

The Soviets have encouraged universal, compulsory education in the areas they control. In the schools, the study of Islam and Western languages has largely been replaced by the study of Marxist ideology and the Russian language. As many as one-third of Afghanistan's teachers and school administrators may be Soviet or bloc nationals, while most of the rest are PDPA members. In February 1985, language teachers from France and West Germany were expelled, ending 60 years of educational cooperation with those countries.

An important part of this strategy is to send Afghans to the U.S.S.R. for training. However, returning students vary greatly in their loyalty to the regime or to the Soviets. With adults sometimes more hostile to the Marxists after a stay in the U.S.S.R., the Soviets have brought children aged 10 or younger north for extended periods of up to 10 years or more. Many are orphans of regime or party personnel.

Human Rights

The 1984 session of the UN Human Rights Commission asked Austrian Professor Felix Ermacora, as the commission's special rapporteur, to report on the human rights situation in Afghanistan. Although the DRA refused him entry, Ermacora was able to interview in Pakistan refugees from over half of Afghanistan's provinces. His report, presented to the Human Rights Commission in March 1985, was highly critical of the Soviet Union and the Kabul regime.

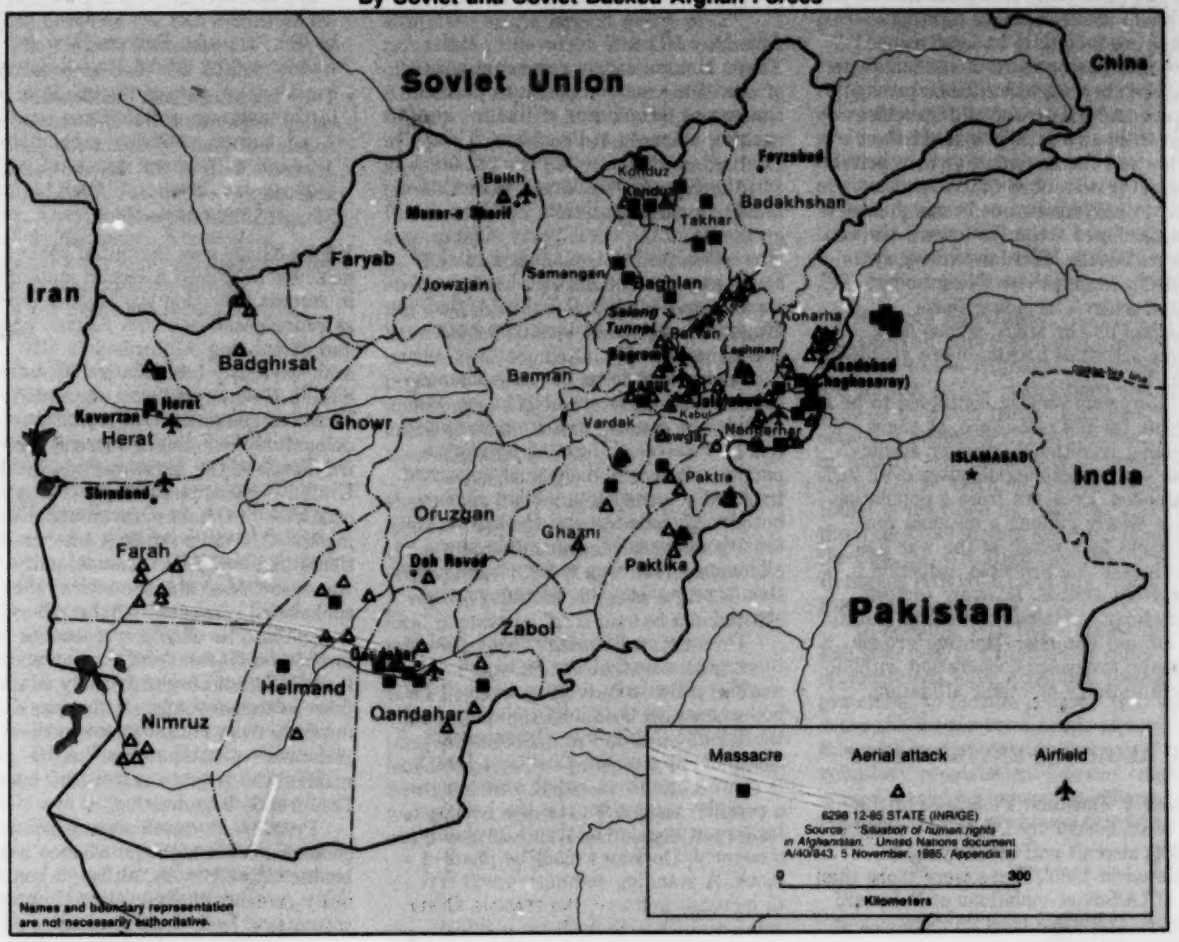
Ermacora found massive and systematic violation of human rights in Afghanistan. He noted that "Since the April Revolution, the internal human rights situation has deteriorated as a result of the absence of popular participation in the choice and administration of government." This situation produced internal conflict and the mass exodus of refugees. "Many lives have been lost, many people have been incarcerated in conditions far removed from respect for human rights and fundamental freedoms, many have been tortured and have disappeared."

Ermacora detailed his political observations, adding, "The regime which was installed in December 1979, like its immediate predecessors, was a regime that was not elected by the people and which had never submitted to a free expression of will by the population and was therefore unrepresentative." He recommended the initiation of a process of political normalization, specifically including the convocation of a *Loyah Jirga.*

The Soviet representative to the Human Rights Commission responded with a barrage of vituperation aimed at discrediting Ermacora's integrity. Nonetheless, the report was acclaimed by the international press.

The 1985 Human Rights Commission extended Ermacora's mandate for another year, asking him to update his initial report and submit an interim draft to the 40th session of the UN General Assembly. After approval by the Human Rights Commission and the UN Economic and Social Council, the Ermacora report was presented to the General Assembly and circulated as a UN document.[1] Based on the report, a

AFGHANISTAN:
KNOWN MASSACRES & AERIAL ATTACKS ON VILLAGES
By Soviet and Soviet Backed Afghan Forces



resolution condemning the violation of human rights in Afghanistan was approved by the General Assembly. This is the first time that the General Assembly has had the opportunity to vote on this issue. Ermacora will convey the final version of the report to the UN Human Rights Commission in March 1986.

Violations of human rights in Afghanistan continued in 1985. Reprisals by Soviet forces against Afghan civilians took on added ferocity with the increased involvement of Soviet troops in the fighting. Due to the savagery of these attacks, Afghan regime soldiers on more than one occasion tried to prevent or limit them.

Some anticivilian attacks were especially large. In early February, for instance, hundreds of civilians were reported killed near Konduz City, north of the Salang Pass. In late March, Soviet soldiers, reportedly drunk, allegedly turned a house-to-house search into a looting spree. When residents protested, the soliders opened fire, killing 17. Also in March, retailatory attacks in Laghman Province, caused nearly 1,000 civilian casualties; in April, hundreds were reported killed when a meeting in a village square was machinegunned.

THE AFGHAN RESISTANCE

The Afghan resistance consists of several elements. Seven major parties in exile—now joined in a single alliance—represent refugee interest and work to promote the political dimension of the resistance (see box, p. 14). They coordinate their activities with *mujahidin* groups inside Afghanistan. In addition to the seven major parties in Peshawar, there are smaller groupings of every political stripe. Parties representing the Shia minority tend to be based in Quetta, in southern Pakistan, and in Iran.

Mujahidin fighters appear to have become increasingly professionalized over the past year. Most, but not all, of the hundreds of separate fighting groups are linked, to at least some degree, to one or more of the major parties. Ordinary Afghan citizens provide support and manpower and sometimes stage their own actions against the regime and the Soviets. Soviet reprisals have generated more caution in the behavior of civilians but in many cases have hardened attitudes toward the occupiers. Finally, there are many sympathizers among those living under regime control, including those employed by the DRA, whose anti-regime activities became more visible in 1985.

Intergroup tension continued to be a problem for the resistance, at times reflecting traditional tribal or ethnic squabbles, sometimes disputes over turf or supplies. Pressure from a population that is slowly gaining a national consciousness as a result of the war has contributed to a probable reduction in intergroup combat. In many sectors, particularly in Helmand, Paktia, Herat, and around Panjsher, fighting groups displayed increased cooperation without regard to party or ethnic affiliation.

THE REGIONAL ENVIRONMENT

Border Violations. Violations of the Pakistani border by DRA, and possibly Soviet, aircraft and artillery again escalated in 1985. There were more than 200 DRA/Soviet violations of Pakistani airspace and more than 25 instances of shelling Pakistani territory. Incidents on the Iranian/Afghan border also occurred. As in previous years, cross-border strikes generally were related to combat taking place near the border inside Afghanistan. There was no single incident as large as the 1984 bomb attacks on Teri Mangal.

Violations were especially numerous around Arandu, opposite Barikot, and all along the tribal areas bordering Paktia Province. One of the worst attacks occurred during the height of the Soviet offensive in the Konar Valley. On May 31, Soviet/Afghan aircraft bombed and rocketed Swir, a village in northern Pakistan, about 20 miles from the border, where 11 civilians died and 32 were wounded.

Pakistan. Pakistan remains stalwart in its support of the Afghan people, both in caring for the refugees and in taking the lead, as at the United Nations, in working for a settlement of the Afghan problem. In his opening speech to the newly elected National Assembly on March 25, President Mohammed Zia ul-Haq stressed Pakistan's continuing and long-term commitment to the Afghan people. Although Pakistan remains susceptible to continuing Soviet/DRA pressure along the border—including a recent upsurge of subversion—a wide consensus evidently exists in favor of the government's efforts to resolve the Afghan crisis.

The New Resistance Alliance

At a May 16 press conference, Malvi Yunus Khalis, widely respected head of one of the major resistance parties, announced the merger of the two then-existing alliances in Peshawar. The existing seven-party "fundamentalist" and three-party "moderate" alliances became a single coalition. Splinter groups from the three-party alliance also ceased to exist, making a total of seven parties. The alliance kept the same name—Islamic Unity of Afghan Mujahidin—previously used by both coalitions.

Pressure to form the new alliance came from supporters both inside and outside the country and from the parties themselves. Infighting among the parties, often within the coalitions, had frequently turned into violent clashes both in Afghanistan and Peshawar. Intensive discussions on possible new alignments had been going on for more than a year when the agreement was struck.

The new coalition's primary goal is to present a unified stance to the world, particularly to international bodies such as the United Nations and the Islamic Conference Organization. A key feature of the alliance is that it is represented by a single spokesman—a position rotated among the party leaders at regular intervals, probably quarterly. Decisions must be unanimous. A standing committee will try to increase military cooperation. Other committees are to focus on political issues, education, and social services. The seven parties agreed to respect continued differences over their views on Afghanistan's future.

The alliance is run by a council comprised of the leaders of the seven component parties:

- The "fundamentalists": Gulbuddin Hekmatyar's *Hezb-e-Islami;* the *Hezb-e-Islami* faction of Yunus Khalis; the *Jamiat-i-Islami* headed by Burhanuddin Rabbani; the *Ittihadia* led by Abdul Rasool Sayyaf.
- The "traditionalists," sometimes called moderates; the *Harakat-e-Inqelab* of Nabi Mohammedi; the *Mahez-e-Milli* of Pir Sayyid Gailani; and the *Jebh-e Najat-e Milli* led by Sibaghatullah Mojadeddi.

Yunus Khalis was the initial spokesman. He delivered a second statement in August asserting the alliance's role as representative of the Afghan people and demanding Afghanistan's UN seat, currently occupied by DRA. Gulbuddin Hekmatyar, who succeeded Khalis as spokesman, led an alliance delegation, including a representative from each of the seven parties, to the United Nations and several friendly countries in October-November. During the UN visit, the first international mission of the alliance, unity was maintained and the role of the spokesman respected by the other delegates. The alliance pressed its case further on November 21, when spokesman Gulbuddin urged friendly countries to transfer Afghan diplomatic missions from DRA control to the resistance; Gulbuddin also has demanded the Afghan seat in the Islamic Conference Organization.

Progress in developing resistance cooperation through the alliance has been relatively swift, although geniune unity remains illusive. Agreed alliance statements have been few—as could be expected. There is no provision for representation by other parties or organized groups within or outside Afghanistan. However, despite the many obstacles, the alliance is expected to play a progressively greater role in presenting the Afghan case to the world—and to help increase coordination among the resistance inside Afghanistan.

Iran. Relations between Iran and the DRA remained cool throughout 1985, following a distinct downturn in relations between the two countries in 1984. The Iranian consulate in Herat remains closed as does the Afghan consulate in Mashhad. Moreover, the Iranians have continued to complain of periodic border violations during the year. In June, the Iranians brought several Afghan Shia resistance groups to Qom. They were addressed by Ayatollah Montazari, Khomeini's designated heir, who encouraged these groups to stop fighting among themselves and concentrate on the invaders.

India. In an address to a joint session of the U.S. Congress in June 1985, and on several other occasions during the year, Prime Minister Gandhi reiterated India's interest in a political solution to the Afghan problem. Bali Ram Baghat, later to be named foreign minister, led a Congress Party delegation to the January PDPA 20th anniversary celebrations. In April, Indian Foreign Secretary Bhandari visited Kabul as part of a trip to all South Asian capitals. A joint statement at the end of the visit expressed support for the UN-sponsored negotiations and concern at increasing militarization of the region. DRA Foreign Minister Shah Mohammad Dost later paid a return visit to Delhi and negotiated an increase in the modest Indian program of nonmilitary assistance to the DRA. India continues to call for an end to foreign intervention and interference in Afghanistan. In 1985, India voted against the release of the Ermacora report in the UN Human Rights Commission and once again abstained on the General Assembly resolution. India also continued to express to Moscow its concern over the situation in Afghanistan.

China. China continues to condemn the Soviet occupation of Afghanistan, citing it as a major obstacle to the improvement of its own relations with the U.S.S.R. In a February 22 press conference, the DRA denounced Chinese support for the Afghan resistance, setting off a media dispute that went on for much of the year. On February 21, the official Chinese *People's Daily* called the DRA charges slander, stating that Soviet actions in Afghanistan represented a threat to Chinese security.

REFUGEES

Pakistan. Afghans in Pakistan consitute the single largest group of refugees in the world. The Government of Pakistan reports registration of over 2.6 million Afghans; numbers continue to grow, although at a slower pace than in years past. Most refugees are located in some 306 camps, primarily in the rural areas of the North West Frontier Province (NWFP) and Baluchistan (see map, p. 9).

Traditional notions of hospitality and strong ethnic and tribal ties between the local inhabitants and the refugees have helped to ease the Afghans' impact on the local population. However, their presence has led to an undercurrent of uneasiness, which is greater outside the areas of ethnic affinity where most of the refugees reside.

The herds of goats, camels, and sheep that the refugees bring with them destroy, through overgrazing, land in the already economically depressed areas of the NWFP and Baluchistan. Also, the refugees compete with the local population for a limited number of jobs. In recent years more than 2 million Pakistani males, some from the NWFP, have emigrated to work in Persian Gulf countries where wages are much higher than in Pakistan. Diminished employment prospects in the gulf, however, have led some of these workers to return to Pakistan. There could well be increased competition for jobs—and rising friction—between the returning Pakistanis and the Afghan refugees in an economy already experiencing high unemployment.

The Soviets and KHAD attempt to exploit Pakistani concern over the refugees. KHAD infiltrators are on the rise, although most have been apprehended by the Pakistani authorities. Several violent incidents in the refugee areas can be attributed to Soviet/KHAD actions designed to increase host-refugee tensions. Late 1985 saw a marked rise in attempted Soviet/DRA subversion in Pakistan's tribal areas along the border.

Refugee Assistance. Pakistan has extended an impressive and continuing welcome to the Afghans. The refugees are subject to few restrictions and are allowed to travel freely, hold jobs, and establish businesses. The refugees are minimally, but adequately, supplied with food, shelter, clothing, and medicine. Relief is provided by Pakistan and by the international community primarily through the UN High Commissioner for Refugees (UNHCR) and the World Food Program (WFP).

In keeping with Government of Pakistan policy, a number of relief organizations have expanded their programming to include projects that address the longer term needs of a population with no immediate prospect of voluntary repatriation. Greater emphasis is now placed on enhancing refugee self-reliance through programs providing

Basic food rations are provided to the Afghan refugees by the international community.

both general education and vocational training. Special efforts are being made to provide female refugees with income-generating skills compatible with local customs. The World Bank, in conjunction with the UNHCR, also has launched a series of forestation, irrigation, and road-building projects designed to employ refugee labor in repairing environmental damage caused by the Afghans' presence.

The U.S. Government contributed about $66 million to the WFP/UNHCR Afghan refugee relief program in Pakistan in fiscal year 1985, including $38 million worth of commodities through the WFP—about one-third of total international contributions to Afghan relief. To date, total U.S. contributions to the Afghan program exceed $430 million. Other major contributors to the UN relief program are Japan, Western Europe, Saudi Arabia, and other Persian Gulf states.

Humanitarian Relief. In addition to U.S. funding of assistance to Afghan refugees in Pakistan, the U.S. Government also has provided a total of $8 million in fiscal year 1985 for short-term humanitarian relief for war-affected Afghans in Afghanistan. This included $4 million of medical supplies and food aid disbursed by the U.S. Office of Foreign Disaster Assistance. A second $4 million portion funded medical, education, and other projects by private voluntary organizations. The objective of the humanitarian assistance program is to improve the ability of the Afghan people to sustain themselves inside Afghanistan.

A long-term program of U.S. humanitarian assistance for war-affected Afghans began in the fall of 1985. Economic Support Funds totaling $15 million have been earmarked for this purpose by Congress in the fiscal year 1986 foreign assistance authorization. Although still being designed, the new program includes the provision of additional food, educational assistance, and medical supplies and training, and for the improvement of livestock and agriculture (partly through the distribution of seeds and farm implements).

Congress has separately authorized $10 million for the transportation of excess Defense Department property of a nonweapons, nonlethal nature to war-affected Afghans.

Iran. The second largest concentration of Afghan refugees outside Pakistan is in Iran. The Iranian Government estimates that there are as many as 1.8 million Afghans within its borders, half of them located in the eastern Provinces of Khorasan and Sistan-Baluchistan. Most Afghans in Iran are integrated into the local population. However, the government does provide assistance through the Council for Afghan Refugees. The UNHCR also operates a small program, budgeted at $10 million in 1986; UNHCR plans to emphasize activities that will promote refugee self-sufficiency. The United States does not contribute to this program.

Chronology

December
27: Kabul quiet on fifth anniversary of invasion.

January
8: Soviet-DRA column turned back in Panjsher; operations in Paktia.
Early January: Postponed celebrations of 20th anniversary of PDPA.
Late January: Resistance commander Zabiullah Khan killed in north.

February
20: DRA condemns Chinese aid to *mujahidin*. Chinese *People's Daily* calls charges "slander."

March
8: Soviet/DRA operations near Qandahar.
10: Konstantin Chernenko dies. Mikhail Gorbachev becomes new Soviet chairman.
23: Panjsheris demolish Soviet convoy near Salang Pass and attack in Panjsher.
25: Pakistani President Zia pledges support for Afghans in address to new Pakistani National Assembly.

April
16: Major ambush of Soviet convoy south of Kabul.
23: Kabul holds *Loyah Jirga*. Peshawar leaders denounce it as sham.
27: Soviet prisoners killed at Mattani.

May
16: Resistance grand coalition Islamic Unity of Afghan Mujahidin announced.
May 23-June 7: Soviet Konar operation.
23: Eight Afghan aircraft bomb and rocket Swir, Pakistan, kill 11.

June
12: About 20 Afghan Air Force planes destroyed in sabotage at Shindand.
17: Pro-Iranian Afghan groups promise to unite and fight the Soviets.
17–18: U.S.-Soviet talks on Afghanistan.
19–25: Fourth round of UN-sponsored Geneva indirect talks between Pakistan and Afghanistan.
Panjsher *mujahidin* overrun Peshghor.

July
13: Afghan Air Force defectors fly two Mi–25 HINDs to Pakistan.
12,000–15,000 Soviet/DRA troops counterattack in Panjsher, retake Peshghor.

August
Aug.-Sept.: Major battles around Khowst, and elsewhere in Paktia Province.
19: Resistance alliance demands political role and Afghan UN seat.
27–30: Fifth round of Geneva talks.

September
19: Reporter Charles Thornton killed near Qandahar.

October
Oct. 23-Nov. 1: Heavy fighting in Herat.
Oct. 31-Nov. 4: Soviet soldier enters U.S. Embassy in Kabul; voluntarily leaves with Soviet Ambassador.

November
13: In 122–19 vote (12 abstentions) UNGA calls for withdrawal of foreign forces from Afghanistan for the seventh time.
21: Afghan politiburo shakeup.

December
16: Opening of sixth round of Geneva talks.

INTERNATIONAL CONCERN

The plight of the Afghan people has not escaped the world's attention. Countries throughout the world took special notice of the fifth anniversary of the Soviet invasion in December 1984. Many governments made formal statements condemning the Soviet occupation. Strong expressions of solidarity and support were made by many Muslim countries and by a wide variety of groups around the world.

The carefully orchestrated 12th World Festival of Youth and Students, held in Moscow from July 27 to August 3, was disrupted by protests from

several delegations against the Soviet occupation of Afghanistan. Swedish delegate Katarina Larsson, who was working in Afghanistan at the time of the invasion, spoke of a growing solidarity movement for Afghanistan. She stated that protests would increase "until the last Russian soldier has left Afghanistan." Soviet interpreters disrupted her presentation and censored her references to Soviet aggression.

International press coverage in 1985 also was higher than at any time since the days immediately after the invasion. Press interest in and reporting of resistance operations increased. This was in marked contrast to the relatively rare coverage of the situation inside regime-controlled areas. Few independent journalists are permitted entry, and they are given little scope to probe conditions in the country.

Soviet concern with foreign media coverage led Soviet Ambassador to Pakistan Vitaly Smirnov to complain about foreign correspondents accompanying the *mujahidin*. He threatened that Western reporters entering the war zone could meet a grim fate.

On the night of September 19, *Arizona Republic* correspondent Charles Thornton became the first American known to be killed inside Afghanistan since the Soviet invasion. Thornton was traveling by truck north of Qandahar in the company of some 15 Afghans when the group was ambushed by a Soviet/DRA unit.

The Department of State has issued a warning against travel in Afghanistan because of the danger and because the U.S. Government is not able, in a hostile war zone, to provide consular protection for American citizens.

UN NEGOTIATIONS

Since January 1980, the UN General Assembly has voted seven times, each by overwhelming margins, for a resolution expressing grave concern at the continuing foreign armed intervention in Afghanistan and calling for the complete withdrawal of foreign forces; the restoration of Afghanistan's independent and nonaligned status; self-determination; and the creation of conditions that would enable the refugees to return home with safety and honor.

The resolution, introduced as in the past by Pakistan, and cosponsored by 46 other countries, passed again on November 13, 1985. It was adopted by a vote of 122 to 19, with 12 abstentions, the widest margin to date.

UN attempts to negotiate a settlement date from a November 1980 mandate of the General Assembly. Negotiations, held periodically since 1982 in Geneva, are led by UN Under Secretary General for Special Political Affairs Diego Cordovez as a personal representative of the Secretary General. Cordovez shuttles between delegations from Pakistan and Afghanistan, officially informing Iran of the discussions while unofficially informing the Soviets. Three rounds of indirect talks were scheduled during 1985, from June 20 to June 25, August 27 to August 30, and December 16 through December 20.

The parties all reported progress at the June session. Undersecretary Cordovez described the talks as "fruitful." The UN has reported agreement on three of four proposed accords, the first dealing with noninterference in Afghanistan's affairs, the second encompassing international guarantees of a final settlement, and the third governing the voluntary return of the refugees. But discussion of a fourth agreement dealing with the key issue of a Soviet troop withdrawal and the interrelationship between that document and the other three, was blocked in August when Afghanistan demanded direct negotiations with Pakistan in place of the "proximity" format. Pakistan has refused to negotiate directly with the Karmal regime.

Despite hopes generated at various points in the negotiations, the sides remain far apart. The Soviet Union has not substantially altered its original position justifying its presence in Afghanistan. But all sides are committed to continuing the talks.

U.S. POLICY

U.S. Government policy on Afghanistan remains unchanged. We strongly oppose the Soviet occupation of Afghanistan and seek the earliest possible negotiated political settlement based on the principles encompassed in the seven General Assembly resolutions.

The United States supports the ongoing UN-sponsored negotiations and is prepared to guarantee a comprehensive and balanced settlement, consistent with the General Assembly's resolutions and predicated on a complete withdrawal of Soviet forces within a fixed and reasonable length of time.

---

[1] *Situation of human rights in Afghanistan*. Report of the Economic and Social Council, UN General Assembly document A/40/843, November 5, 1985. Amnesty International, the Helsinki Watch Committee, and the U.S. Department of State also prepared reports on the human rights situation in Afghanistan in 1985. ■

UN Calls for Soviet Withdrawal from Afghanistan

Following are a statement by Ambassador Vernon A. Walters, U.S. Permanent Representative to the United Nations, in the General Assembly on November 12, 1985, and the text of a General Assembly resolution adopted on November 13.

AMBASSADOR WALTERS' STATEMENT, NOV. 12, 1985[1]

For almost 6 years now, Soviet troops in Afghanistan have waged a relentless war against everything Afghan. Nothing has been spared: not women or children; not animals or crops; not dwellings, mosques, schools, or hospitals; not even Afghan history or culture, religion, tradition.

An ancient land caught in a modern war, Afghanistan is being subjected daily to the full force of Soviet modern-day weaponry and technology. Reports of deadly chemical weapons use continue to surface. Never in its long tumultuous history or resisting marauding armies and foreign invaders has Afghanistan faced as remorseless and heartless an enemy.

Using a combination of military terror on the one hand and psychological manipulation in the form of reeducation and indoctrination efforts on the other, the Soviet forces have tried for 6 years—longer than the duration of the Second World War—to break the Afghan spirit. We are here today to witness that they have failed.

Despite all efforts to impose a virtual black-out on news of the war, eyewitness reports of inconceivable, heinous crimes testify to Soviet callousness in achieving their ultimate goal—creation of a docile, client state. Unable to pacify or control the countryside, the Soviets—with clinical precision—have, in some areas, resorted to tactics aimed at depopulating the land. Over 3½ million refugees—more than the population of many members of this organization and one-fourth of Afghanistan's prewar population—have fled the country. Migratory genocide is how one historian has described it. High altitude saturation bombings, the willful destruction of crops and livestock, widespread use of antipersonnel mines, civilian reprisals, and gruesome violations of fundamental human rights and decency have been and continue to be perpetrated against the Afghan civilian population. These are not tall tales or propaganda but rather a genuine human tragedy. The UN Commission on Human Rights has expressed "its profound concern at the grave and massive human rights violations in Afghanistan," and this aspect of the Afghan tragedy will be considered by the General Assembly later in this session.

But this is not all. In addition to strong-arm tactics aimed at physically crushing the Afghan spirit of resistance, the Soviets have embarked on a long-term effort to reshape this spirit into a docile, pliable mold. In a word, they wish to "Sovietize" it. How else can one explain the revision of Afghan school curricula in which Islamic teaching is replaced by dialectic materialism and Marxist-Leninist ideology? How else to explain the introduction of "new" history textbooks rewritten by Soviet scholars? How to explain the replacement of Aghan professors with those from communist countries who now comprise over 60% of Kabul University's faculty? This effort to "Sovietize" the younger generation of Afghans explains why children as young as 5 and 6 years old are separated from their families for up to 10 years during which they are indoctrinated in communism and the Soviet way of life. Since 1979, an estimated 40,000 Afghan students have been sent to the Soviet Union. These efforts to incorporate and absorb the Afghan people augur ill for an early solution to the war in Afghanistan.

There are currently between 118,000 and 120,000 Soviet troops in Afghanistan and an additional 30,000 poised on the Soviet side of the border. The Soviets continue to escalate their military effort. They continue to upgrade their firepower. They continue to assume a greater direct role in intensified fighting, relying increasingly on dreaded helicopter gunships, airborne troops, and surprise search-and-destroy operations. Their strategy is a long-term one, aimed at wearing down the resistance of and eroding international support for the *mujahidin*.

Despite their military offensives, their brutal scorched earth tactics, and their various subversive strategies, the Soviets are no closer today to achieving their objectives than they were on December 27, 1979, when their invading troops murdered President Hafizullah Amin and installed in his place Babrak Karmal. Hostility and active opposition to the Karmal regime now encompass the entire country. The Soviets cannot operate anywhere in the countryside without danger of attack. Even in Kabul, their most heavily guarded garrisons and airbases have been attacked. Unable to find qualified Afghan technocrats who are willing to participate in this puppet government, the Soviets have been forced to abandon the pretense that they are merely advising the Babrak Karmal regime and now either directly make, or are deeply involved in, every major political, military, or social policy decision of the regime. The Kabul regime's army—rent by disloyalty, desertions, defections, disillusionment, and indiscipline—has shrunk to less than half its preinvasion strength of 90,000.

What the Soviet Union has failed to realize—and, of course, refuses to acknowledge—is that the will of a people united in a national liberation struggle cannot be broken by force of arms. Nowhere in the world is this will stronger or more generalized than in Afghanistan. Nowhere is the simple moral issue of what is right and what is criminally wrong more starkly defined. On the battlefield, the Afghan resistance is better organized, better trained, and more effective militarily than ever before. In the Panjsher Valley, in Konar, in Paktia and Paktika, in Herat—in short, throughout the country—Afghan partisans have given a brilliant account of themselves against Soviet legions equipped with a terrifying array of the most modern instruments of war. *Mujahidin* have fought in other times and in other places. In this conflict, the Afghan *mujahidin* are proving once more that their defense of their faith and country and their desire for freedom are indomitable.

Like a number of my colleagues in this body, I was honored to be able to hear firsthand of the struggle in Afghanistan—from the spokesmen of the Afghan resistance alliance who visited here as a delegation last month. The leader of this delegation and his alliance colleagues not only lead a military struggle against a foreign oppressor but also translate into political terms the will of the Afghan people for freedom. As a former soldier, I know when I am in the presence of courage and resolve. The resistance is alive and well. The morale and determination of its members to continue to fight are unshaken.

It has been said that "in the moral world, there is nothing impossible if we can bring a thorough will to it. Man can do everything with himself, but he must not attempt to do too much with others." Nowhere is this more evident than in Afghanistan. The Soviets will never succeed in imposing their will on the Afghans. They will not succeed in breaking the Afghan national will to fight for their freedom and their way of life. The Afghans will never acquiesce in what amounts to their own destruction as a people and as a nation.

But how long can the world stand by and let this carnage continue? The toll in human lives—not to mention the destruction of homes, crops, and the fragile agricultural infrastructure—is staggering. If both sides remain true to their objectives, the only possible outcome is continued death and destruction. President Reagan, in his October 24 speech to this Assembly stated: "There is no purpose more noble than for us to sustain and celebrate life in a turbulent world. . . . Life—and the preservation of freedom to live it in dignity—is what we are on this earth to do." This body, conceived from the ashes of one war of liberation and dedicated to the preservation of peace, has a moral duty to end this war and the agony of the Afghan people.

The solution to the Afghan tragedy is not a military one. The only lasting solution is a negotiated political settlement that encompasses the four elements in the resolution to be voted on by this body. These are: the immediate withdrawal of foreign troops; restoration of Afghanistan's independent and nonaligned status; self-determination for the Afghan people; and the creation of the necessary conditions which would enable the Afghan refugees to return voluntarily and with honor to their homes.

On six previous occasions, this Assembly has overwhelmingly voted for a resolution urging a political solution to the situation in Afghanistan. Yet the war and the devastation continue. President Reagan's regional initiative, spelled out in his October 24 speech, was meant to spur diplomatic efforts to solve the Afghan tragedy. It is not enough for us to heap praise on the Afghans for their brave exploits against daunting odds. It is not enough to support the Afghan struggle passively. No country—large or small—can be indifferent to the fate of the Afghans. No country that truly loves freedom can vote against this resolution. It provides the basis for a just and viable settlement. It provides the means to stop the Afghan suffering.

The United States is prepared to guarantee a comprehensive and balanced settlement in Afghanistan, consistent with the General Assembly's resolutions and predicated on a complete withdrawal of Soviet forces in a fixed and reasonable length of time. We support and applaud the efforts of the Secretary General and his special representative to find a just and viable settlement that protects the legitimate security interests of all parties. Considerable progress has been made toward this end. The key outstanding issue remains the establishment of a timetable for the withdrawal of Soviet troops from Afghanistan. Without agreement on withdrawal, no solution is possible, and no guarantees can be given. Instead the carnage and destruction will continue.

We hope that adoption of this resolution will serve as renewed evidence of the international community's steadfast commitment to a negotiated settlement and will stimulate prompt resolution of this vital issue. This is the way to offer the Afghans another chance to live in peace and freedom.

UN GENERAL ASSEMBLY RESOLUTION 40/12, NOV. 13, 1985[2]

The General Assembly,

Having considered the item entitled "The situation in Afghanistan and its implications for international peace and security",

Recalling its resolutions ES-6/2 of 14 January 1980, 35/37 of 20 November 1980, 36/34 of 18 November 1981, 37/37 of 29 November 1982, 38/29 of 23 November 1983 and 39/13 of 15 November 1984,

Reaffirming the purposes and principles of the Charter of the United Nations and the obligation of all States to refrain in their international relations from the threat or use of force against the sovereignty, territorial integrity and political independence of any State,

Reaffirming further the inalienable right of all peoples to determine their own form of government and to choose their own economic, political and social system free from outside intervention, subversion, coercion or constraint of any kind whatsoever,

Gravely concerned at the continuing foreign armed intervention in Afghanistan, in contravention of the above principles, and its serious implications for international peace and security,

Noting the increasing concern of the international community over the continued and serious sufferings of the Afghan people and over the magnitude of social and economic problems posed to Pakistan and Iran by the presence on their soil of millions of Afghan refugees, and the continuing increase in their numbers,

Deeply conscious of the urgent need for a political solution of the grave situation in respect of Afghanistan,

Taking note of the report of the Secretary-General, and the status of the diplomatic process initiated by him,

Recognizing the importance of the initiatives of the Organization of the Islamic Conference and the efforts of the Movement of Non-Aligned Countries for a political solution of the situation in respect of Afghanistan,

1. *Reiterates* that the preservation of the sovereignty, territorial integrity, political independence and non-aligned character of Afghanistan is essential for a peaceful solution of the problem;

2. *Reaffirms* the right of the Afghan people to determine their own form of government and to choose their economic, political and social system free from outside intervention, subversion, coercion or constraint of any kind whatsoever;

3. *Calls* for the immediate withdrawal of the foreign troops from Afghanistan;

4. *Calls upon* all parties concerned to work for the urgent achievement of a political solution, in accordance with the provisions of the present resolution, and the creation of the necessary conditions which would enable the Afghan refugees to return voluntarily to their homes in safety and honour;

5. *Renews its appeal* to all States and national and international organizations to continue to extend humanitarian relief assistance with a view to alleviating the hardship of the Afghan refugees, in co-ordination with the United Nations High Commissioner for Refugees;

6. *Expresses its appreciation and support* for the efforts and constructive steps taken by the Secretary-General, especially the diplomatic process initiated by him, in the search for a solution to the problem;

7. *Requests* the Secretary-General to continue those efforts with a view to promoting a political solution, in accordance with the provisions of the present resolution, and the exploration of securing appropriate guarantees for the non-use of force, or threat of force, against the political independence, sovereignty, territorial integrity and security of all neighbouring States, on the basis of mutual guarantees and strict non-interference in each other's internal affairs and with full regard for the principles of the Charter of the United Nations;

8. *Requests* the Secretary-General to keep Member States and the Security Council concurrently informed of progress towards the implementation of the present resolution and to submit to Member States a report on the situation at the earliest appropriate opportunity;

9. *Decides* to include in the provisional agenda of its forty-first session the item entitled "The situation in Afghanistan and its implications for international peace and security".

[1]USUN press release 149.

[2]Adopted by a vote of 122 (U.S.) to 9, with 12 abstentions. ■

Soviet Occupation of Afghanistan

PRESIDENT'S STATEMENT, DEC. 27, 1985[1]

Today, December 27, marks the sixth anniversary of the Soviet invasion of Afghanistan. Since December 27, 1979, when a massive Soviet force crossed the Afghan frontier to support a faltering Marxist regime, the Afghan resistance has grown increasingly effective. The Soviet-supported regime in Kabul has failed to gain even a modicum of popular support or international acceptance. The Soviets and their Afghan surrogates have resorted to barbaric methods of waging war in their effort to crush this war of national liberation. Indiscriminate air and artillery bombardments against civilian areas, savage reprisals against noncombatants suspected of supporting the resistance, and the calculated destruction of crops and irrigation systems have ravaged the Afghan countryside. Thousands of young Afghans are being shipped to the Soviet Union for "reeducation" in summer camps, universities, and specialized institutions.

The Afghan people, however, are unswerving in their determination to resist the invader. The resistance fighters are more numerous, better armed, and more effective than ever before. Unable to trust Kabul's forces to counter the enhanced resistance, the Soviets have begun using their own troops in a more active combat role. But the effort has availed them little. Last summer, when fighting was at its peak, resistance forces repeatedly attacked Soviet lines of communication, convoys, barracks, and facilities and mounted their largest, toughest, and best coordinated offensive operation of the war. The resistance has also drawn together into a political alliance which can present Afghanistan's cause to the world in unambiguous terms and coordinate all aspects of the liberation struggle.

Since 1980 the United States has strongly advocated a negotiated political settlement, the only reasonable alternative to the bleak prospect of an open-ended military struggle. Seven UN resolutions passed by growing and overwhelming margins since that year show that the United States is not alone in this view. These resolutions call for the withdrawal of foreign troops, the restoration of Afghanistan's independent and nonaligned status, self-determination, and the voluntary and safe return of the refugees.

The United States reiterated its support for UN-sponsored talks during the November summit meeting in Geneva. We also indicated that the continued Soviet occupation of Afghanistan remains an obstacle to overall improvement in our relationship. Although we welcome any suggestion that the Soviets are prepared to back UN-led peace efforts, we will await positive developments on the ground and concrete evidence of Soviet willingness to agree to a timetable for withdrawal of their troops.

The victims of this war also command American attention. The United States has played, and will continue to play, a major role in the humanitarian efforts to alleviate the suffering of the 2–3 million Afghan refugees now living in Pakistan. Since 1980 we have spent over $430 million in aid. In the face of deteriorating conditions inside Afghanistan caused largely by the increasingly widespread Soviet reprisals against civilians suspected of opposing the regime, we have allocated, in the current 2-year timeframe, almost $25 million in assistance to the brave people who remain inside Afghanistan.

When the Soviet Union invaded Afghanistan 6 long and bloody years ago, few in the West knew much about that distant land and its proud people. That certainly has changed, as the Afghan people, in their determination to defend their liberty, have added new chapters to the long annal of human courage in the face of tyranny. Forged in a similar crucible two centuries ago, the United States stands squarely on the side of the people of Afghanistan and will continue its support of their historic struggle in the cause of liberty.

[1]Text from Weekly Compilation of Presidential Documents of Dec. 30, 1985. ■

U.S.-Soviet Relations

President Reagan's radio address to the nation broadcast November 23, 1985.[1]

This has been a busy and eventful week for Nancy and me. Now that the summit in Geneva is behind us, we need to look ahead and ask where do we go from here?

As I told Congress, we've made a fresh start in U.S.-Soviet relations. Every issue was on the table, and our 15 hours of discussions were tough and lively throughout. I got a better perspective from listening to General Secretary Gorbachev, and I think he went home with a lot to think about, too.

I plan to meet Mr. Gorbachev again next year in Washington, but between now and then, we have much work to do. Opportunities to address important problems of Soviet-American relations should not be squandered. We must always be realistic about our deep and abiding differences, but we should be working for progress wherever possible.

On arms control, the Soviets, after several years of resisting talks, have now agreed that each side should cut nuclear arms by 50% in appropriate categories. And in our joint statement, we called for early progress on this, directing the emphasis of the talks toward what has been the chief U.S. goal all along: deep, equitable, fully verifiable reductions in offensive weapons. If there's a real interest on the Soviet side, there's a chance the talks can begin to make headway.

Mr. Gorbachev and I discussed our work on SDI—America's Strategic Defense Initiative. I told him that we're investigating nonnuclear defensive systems designed to destroy offensive missiles and protect people. Although reluctant to acknowledge it, the Soviets have been carrying forward a research program, far more extensive than ours, on their own version of SDI.

I think it's fair to point out that the Soviets main aim at Geneva was to force us to drop SDI. I think I can also say that after Geneva Mr. Gorbachev understands we have no intention of doing so—far from it. We want to make strategic defense a strong protector of the peace. A research and testing program that may one day provide a peace shield to protect against nuclear attack is a deeply hopeful vision, and we should all be cooperating to bring that vision of peace alive for the entire world.

Regional conflicts were prominent in our discussions, and we'll be watching very closely for any change in Soviet activities in the Third World. Another resounding vote of the UN General Assembly has just called for Soviet withdrawal from Afghanistan. Next month a new round of talks on this question takes place, also under UN auspices. If these talks are to succeed, the Soviets must provide a timetable for getting out and recognize that the freedom fighters will not be conquered.

On bilateral and human rights questions, there were some small, encouraging steps before the summit, and in the agreements we reached there, to promote people-to-people contacts. In both areas, we're hoping greater steps will follow. As I also told the Congress, human rights is a true peace issue.

If there is one conclusion to draw from our fireside summit, it's that American policies are working. In a real sense, preparations for the summit started 5 years ago when, with the help of Congress, we began strengthening our economy, restoring our national will, and rebuilding our defenses and alliances.

America is strong again, and American strength has caught the Soviets' attention. They recognize that the United States is no longer just reacting to world events; we are in the forefront of a powerful, historic tide for freedom and opportunity, for progress and peace.

There's never been a greater need for courage and steadiness than now. Our strategic modernization program is an incentive for the Soviets to negotiate in earnest. But if Congress fails to support the vital defense efforts needed, then the Soviets will conclude that America's patience and will are paper thin, and the world will become more dangerous again.

Courage and steadiness are all important for freedom fighters, too. I made it clear in Geneva that America embraces all those who resist tyranny and struggle for freedom. Breaking faith with freedom fighters would signal that aggression carries no risk, and this we will not allow.

We are entering a season of hope. If we remain resolute for freedom and peace, if we keep faith with God, then our American family, 238 million strong, will be even more thankful for next year.

[1]Text from Weekly Compilation of Presidential Documents of Dec. 2, 1985. ■

Nicaragua

Excerpt from President Reagan's radio address to the nation broadcast December 14, 1985.[1]

. . . .

Now, I must address recent disturbing events in a country close to our borders—the communist dictatorship in Nicaragua. Nicaragua today is an imprisoned nation. It is a nation condemned to unrelenting cruelty by a clique of very cruel men—by a dictator in designer glasses and his comrades, drunk with power and all its brutal applications. They stripped the Nicaraguan people of their rights by a state decree last October 15th, yet that decree only made official, and by their reckoning permissible, the theft of liberty that took place years ago.

No institution more deeply embodies or glorifies or seeks to perfect the moral and spiritual goodness of man than the church in all of its denominations. Yet in Nicaragua, the church is the enemy. Protestant ministers and lay people have been arrested, interrogated, and tormented at secret police headquarters; some forced to stand naked in very cold rooms for long periods. A tiny population of Jews was bullied and driven out.

Cardinal Obando y Bravo, a great hero of truth and courage, is prevented from speaking freely to his flock. The state police have expelled foreign priests and drafted seminarians, who are virtual prisoners in the Sandinistas' armed forces.

And the Catholic Church's newspaper has been seized and Radio Catolica censored, sometimes shut down entirely. The same dictators who insulted Pope John Paul II also stopped Radio Catolica from broadcasting a letter from the Pope and this beatitude: "Blessed are those who are persecuted for righteousness sake, for theirs is the kingdom of Heaven." The truth is, these men are nothing but thugs, a gang of hardcore communists to whom the word of God is a declaration of liberation that must be stamped out.

Their denial of rights, their trampling of human dignity, their wrecking of an economy with suffocating socialist controls—all hurt and deeply offend us. But there's a cause for deeper concern: the specter of Nicaragua transformed into an international aggressor nation, a base for subversion and terror.

Some 3,000 Cuban military personnel now lead and advise the Nicaraguan forces down to the smallest combat units. The Cubans fly the Soviet assault helicopters that gun down Nicaraguan freedom fighters. Over 7,000 Cubans, Soviets, East Germans, Bulgarians, Libyans, PLO [Palestine Liberation Organization], and other bloc and terror groups are turning Managua into a breeding ground for subversion. A delegation of Nicaraguans is now in Iran. Nicaragua's border violations against Honduras and Costa Rica continue. And Nicaragua's connection with the recent terrorist attack against Colombia's Supreme Court is now clear.

What are we to do about such aggressions? What are we to do about Cuba's willful disregard of the 1962 Kennedy-Khrushchev understanding of which President Kennedy said, "... if Cuba is not used for the export of aggressive communist purposes, there will be peace in the Caribbean"?

The answer is: more than we're doing now. If Nicaragua can get material support from communist states and terrorist regimes and prop up a hated communist dictatorship, should not the forces fighting for liberation, now numbering over 20,000, be entitled to more effective help in their struggle for freedom?

Yes, and to reinforce this message, I sent my new national security adviser, John Poindexter, this week to visit the Central American democracies and make clear our commitment to a democratic outcome in Nicaragua. Those who struggle for freedom look to America. If we fail them in their hour of need, we fail ourselves as the last, best hope of liberty.

[1]Text from Weekly Compilation of Presidential Documents of Dec. 23, 1985. ■

A New International Era: The American Perspective

by Secretary Shultz

Address before the Pilgrims of Great Britain in London on December 10, 1985.[1]

I am very delighted to be here. As it turns out, I am a member of, what I've learned is known as, a sister organization in the United States. And so, I take particular pleasure in appearing at this luncheon.

Of course, there has been a great deal of talk about the Geneva meeting. For a long time, we insisted on calling it a meeting, and that was the word out of the White House. But as it seemed to have been a success, we now call it a summit. And we are even beginning to talk about the next summit. But choice of words is very important in all of these things, as we all know. I was alarmed in Geneva, when we were there before the meeting started. I wandered into a room and there were a bunch of White House people who were plotting things, and they were talking about arranging a tete-a-tete between the President and General Secretary Gorbachev. And I barged in and said, "You have got to knock this off. It's a one-on-one. You keep using these French words, and the next thing you know, you'll be talking about detente."

So much for the summit. A month ago, Washington was charmed by a visit from the Prince and Princess of Wales. We were also pleased and impressed that His Royal Highness visited our Library of Congress and attended a seminar on our Constitution with our Chief Justice and legal scholars. This noble document, of course, was a product of our rebellion against his ancestor; but it was also, we all know, a product of the British political heritage. We have a written constitution; yours is unwritten. But the principle of constitutionalism is the same: government limited by the rule of law to protect the freedom of the individual against arbitrary power.

One of the striking features of today's world is how durable and relevant this ideal is. The principle of liberty turns out to be a hardy and powerful idea with a compelling attraction to peoples around the globe. The notion of restraints on power, of course, has its international application, as statesmen struggle to build stability and balance into the international order.

Yet today, we all know, the world order has been challenged by a host of developments that yesterday's thinkers could not have foreseen. We face new strategic realities, new evidence of the power of ideas, new understanding of economic realities, and a new revolution in technology that will have profound political consequences. Each of these forces has posed a philosophical challenge to established orthodoxy, to conventional wisdom about strategic, political, and economic relations among nations.

The United States approaches this challenge confident that the free nations together are in a strong position to shape the course of events in accordance with our ideals. Perhaps it's just American brashness to feel this way. But in any case, let me describe how America views these new trends—in strategy, ideology, economics, and technology—and why we feel confident about what the future will bring.

The Classical Conception of International Order

Among the ideas that have been decisively altered in the postwar era is our conception of the balance of power. As a British audience knows, the classical conception served well as a functional description of international order. The idea of national sovereignty was born in Europe, and thus the problem of peace was to nurture some kind of equilibrium among sovereign states. Sometimes the balance was stable; sometimes not. When some continental power seemed bent on dominance, Britain would join others in restoring the balance.

Today, the classical conception still serves, to a degree. When faced with Soviet expansionism after World War II, for example, the West had no choice but to unite to deter and resist Soviet ambitions.

But the strategic realities of the postwar era demanded new modes of resistance and deterrence. In the classical or European model, the balance of power tended to be one-dimensional; its objective was the maintenance of equilibrium between the states in question. The balance of power in the contemporary world is, by contrast, multidimensional.

Multidimensional character could not be better illustrated than by the variety of topics on the agenda of the President's recent meetings with Mr. Gorbachev. As the classical conception of the balance of power would imply, the two sides discussed the strategic military balance. But we also discussed regional conflicts, in a world where ideology sometimes reflects and sometimes exploits the turbulence of vast regions of the globe. We discussed human rights, the irrepressible yearning of men and women everywhere for freedom and democracy, an issue which, in fact, lies at the heart of a number of conflicts in the world. And we discussed bilateral issues, seeking more open exchanges as a corrective to the self-isolation and rigidity which Soviet ideology imposes on the Soviet system.

The New Strategic Balance: Offense, Defense, and Stability

In the strategic dimension, the stability of the balance is literally the main focus of American efforts in arms control. Strategic stability, of course, is not just an American concern but an alliance concern. Stability means preventing war.

Sometimes you hear Soviet claims that the danger of war in Europe has been growing. That's nonsense. Since the late 1940s, Europe has faced on its doorstep the most heavily armed power on Earth. Yet in a century that saw two European cataclysms in one generation, Europe has known unprecedented peace in the last four decades. The military balance in Europe is stable because the alliance has maintained the strength to deter attack. We have made clear that a threat to any of us is a threat to all of us. Any would-be aggressor knows in advance that an attack will fail.

The ultimate deterrent to any such threat has been, and continues to be, U.S. strategic forces. Therefore, the Soviet strategic buildup in recent years that threatened to upset the balance had to be met by an American program of strategic modernization. This is essential to Europe's security as well as to our own. For any Soviet perception of a decisive strategic advantage over the United States would only encourage the Soviets to think they had an intimidating advantage over Western Europe. A war might never take place. But European nations would surely find their confidence in American protection diminished, the shadow of Soviet power looming larger, and their control over their own sovereign destiny reduced.

The main danger to strategic stability has come from the Soviet advantage in heavy, accurate ICBMs [intercontinental ballistic missiles] with multiple warheads that could threaten the survival of the land-based portion of U.S. forces. This category of strategic weapons—this *offensive* threat—has been one of our central concerns in arms control for many years. These offensive weapons menace deterrence; these offensive weapons represent a serious imbalance; these offensive weapons pose the danger of surprise attack. Therefore, American proposals for arms control have emphasized radical, equitable, verifiable reductions in these strategically significant systems.

The Soviet response, until very recently, was to ignore the problem. Their most recent proposals now embrace our idea of radical reductions, though not adequately. Their main contribution to arms control was continual denunciation of the President's Strategic Defense Initiative (SDI)—a research program into potential defensive systems that don't yet exist—while slighting the threat from menacing offensive weapons that already exist in excessive numbers.

SDI represents a conceptual leap into the future. If it proves feasible, it will enhance deterrence. It will supplement Western nuclear strategy with the prospect of being able to block or at least blunt an attack, reinforcing the traditional deterrence through retaliation; it will rest defense policy on a kind of mutual assured security instead of mutual assured destruction. The global system will be more stable if the U.S.-Soviet strategic relationship is more stable.

You have heard these points before. But I would stress here the relevance of SDI to Europe's security. First of all, if it proves feasible, it can blunt the threat of SS-20s and other missiles against Europe. It can only enhance the credibility of America's pledge to risk its own safety on behalf of yours. And a structure of deterrence *and* defense, coupled with radical offensive reductions, is likely to be the most stable environment of all, offering hope of a diminished danger of war into the next century.

The revolution in technology is already underway, and prudence clearly requires that we examine all new possibilities. Certainly the Soviets are doing so. Technology doesn't stop; history doesn't stop; the balance of power keeps changing its form. All of us who care about avoiding war and preserving peace must adapt our thinking to new conditions—especially when the new conditions offer a hopeful opportunity and a positive vision of a safer future.

Ideology and Regional Conflicts

The President and Mr. Gorbachev, as I noted earlier, spoke also about conflicts in the developing world that affect the stability of the international system.

It goes without saying that not all of these conflicts represent the division between East and West in miniature. But if there is any real danger of U.S.-Soviet confrontation, it is likely to originate in some crisis in the developing world—precisely because the central military balance in Europe is stable. Angola, Afghanistan, Nicaragua, Ethiopia, Cambodia—remember how these interventions fed the disillusionment with detente in the 1970s, disrupting the arms control process and shattering hopes for better East-West relations.

The problem of our time is to try to contain these regional conflicts—to help resolve them—and to understand what such a diplomacy requires in a turbulent world.

We live in an ideological age, when the international order is challenged by movements and passions that transcend national boundaries. Whatever theory one subscribes to about the true source of Soviet motivation—whether communist ideology or traditional Russian expansionism—it is not difficult to see the advantage to Soviet foreign policy of its alliance with radical movements throughout the developing world. Indeed, until the rise of revolutionary Islam, almost all of these radical forces were left-wing, claiming "socialist" aspirations and seeing the Soviet Union as a natural partner. And even revolutionary Islam shares with other radical forces a profound anti-Western impulse born of historical resentments, local social tensions, and a reflexive resort to force against the established order. This impulse clearly works to the geopolitical advantage of the Soviet Union—threatening moderate pro-Western governments, menacing the West's oil supply, spreading the evil of terrorism and the gospel of upheaval.

All of us in the West favor political solutions to such conflicts. We believe that peoples have a right to choose their own systems and their own leaders; that conflicts should be resolved whenever possible by negotiation and compromise; that a world of diversity and tolerance is a world compatible with our interests. We can live with any political solution that reflects the will of the parties and resolves their differences. Whether there is an important East-West dimension, as in the conflicts I have mentioned, or where there is less of an East-West dimension, as in the Arab-Israeli conflict, the United States adheres strongly to the view that negotiated political solutions represent the best hope for lasting peace. And this is our policy.

But it is important to understand what negotiated solutions depend upon. And here I want to address an issue that has been on my mind for some time, on which we and our European friends have occasionally had tactical differences. And that is the relation between power and diplomacy.

Negotiated solutions require two things. First, we, or the friends we support, must be willing to negotiate a fair solution. Whether we speak of Israel or our friends in Central America or in Africa or Southwest or Southeast Asia, we or our friends must pursue negotiation and compromise in good faith and with dedication. Such an attitude strengthens moderates on the other side, helps defuse radicalism, and offers hope for a solution

But this is only half the story. Almost always, it is the willingness of the other side to negotiate that is far more problematic. And thus a firm policy on our part, or our friends' part, is usually a prerequisite for good-faith negotiation on the other side. Only when they see the futility of their military "solutions" and the resolve of opposing strength will real compromise become possible.

Occasionally, the immediate problem we face is, regrettably, openly military—a Soviet invasion of Afghanistan, a Vietnamese occupation of Cambodia, a massive Soviet and Cuban military intervention in Africa, a Nicaraguan attempt to subvert neighboring countries, and Cuban combatants using Soviet weapons in Nicaragua. Diplomacy is unlikely to work unless there is effective resistance. In many of these countries, there is resistance. It is a tribute to the courage of brave peoples who somehow never heard that communism is the wave of the future, peoples who reject the Brezhnev doctrine and its claims of permanence for communist tyranny.

What the West should do in these situations varies with the circumstances. Sometimes we should give military and economic assistance to neighboring states that are threatened; sometimes we should extend moral or humanitarian or other kinds of support to those resisting. Sometimes help may be better given without open acknowledgment; covert action has been part of the arsenal of states since time immemorial, providing a means of influence short of outright confrontation. We should be prudent, realistic, and always cognizant of the political dimension of the problem. Nevertheless the factor of power is inescapable.

In the 1980s and beyond, most likely we will never see a world in a total state of peace—or a state of total war. The West is relatively well prepared to deter an all-out war, and we have to stay that way, or a Soviet attack on Western Europe or Japan; that's why these are the least likely contingencies. But day in and day out, we will continue to see a wide range of conflicts in a gray area between major war and millennial peace. Some of them—not all—will affect Western interests. Terrorism, particularly state-sponsored terrorism, is already a weapon increasingly resorted to by those seeking to undermine Western nations and friends of the West in the developing world. We must be equally well prepared and organized for this intermediate range of challenges.

We must recognize, as well, that we encourage moderate solutions not only by our own good faith but by denying success to those who seek radical solutions. In the Middle East, for example, the Arab world is divided: Moderates like Egypt and Jordan work actively for peace. But radicals oppose it. Sometimes it is said that the slowness of the peace process is a source of radicalism because it builds frustration. Partly true. But the violence comes from the enemies of peace, from those who would be more angry if the peace process were making rapid progress. These extremists must be resisted, not appeased. They must be shown that military options don't exist, that blackmail and pressures will get nowhere, and that negotiation is the only possible hope for achievement of legitimate Arab objectives.

We differ with some of our European friends over the role of the PLO [Palestine Liberation Organization]. To us it seems obvious that the PLO excludes itself as a player so long as it rejects UN Security Council Resolutions 242 and 338 and Israel's right to exist. Is the PLO becoming a more moderate organization? We shall see. Meanwhile, the PLO is not entitled to any payment in advance so long as it rejects what are, after all, the basic premises of the peace process. A country cannot be expected to make concessions to those who resort to terrorism and who treat negotiation as only a way-station on the road to its ultimate destruction. If PLO policy changes, that fact will be acknowledged. We have always said this. Unlike some of our European friends, however, we feel that gestures toward the PLO, while it has not accepted 242 and 338, only mislead its leaders into thinking their present inadequate policy is gaining them international acceptance and stature.

For diplomacy does not depend on good will alone; it does not depend on good intentions alone. Sometimes it depends on single-mindedness and will. In Lebanon 2 years ago, the Syrians, listening to the debate in the United States, concluded we were, in their words, "short of breath"; the rationale of our diplomacy—that the May 17 agreement was the way to bring Israeli withdrawal—was itself undercut when Israel pulled back.

Today, in Central America, by contrast, we do have staying power; it comes from bipartisan backing in the Congress for our program. In Central America, we are aiding moderates; we are supporting democratic governments like those of El Salvador, Costa Rica, and Honduras, with Guatemala about to form a civilian elected government—all threatened by Nicaragua. I might say that the role of the M-19 in its relationship to Nicaragua has been dramatized in the battle, in the Palace of Justice, in Colombia. So the threat of what Nicaragua supports is seen on a broader scale. Three-quarters of our aid to the region has been economic aid. We are supporting the Contadora process in pursuit of a diplomatic solution, and we are supporting the democratic opposition within Nicaragua, for they need our help to defend themselves against Soviet weapons and Cuban troops.

In the turbulent developing world, a balanced and realistic program of political objectives, leverage, and staying power—these are the ingredients of an effective diplomacy for global peace.

The Democratic Revolution

The course of regional conflict has required adjustments in our thinking about East-West relations and the developing world. But one of these adjustments is a happy one for the West: We must make room in our theories for the new vigor and vitality of the idea of democracy. As the battle rages between moderates and radicals in many regions of the globe, we should never underestimate the longing for peace or the new strength of the moderate center that rejects extremism of both right and left. This too is altering the global balance.

There was a time, not long ago, when it was fashionable to be pessimistic about the fate of democracy in the world at large. Democracy was thought to be culture-bound, a precious family heirloom of the industrialized West—with its prospects somewhat shaky even in parts of southern Europe. The developing world, in any case, seemed an inhospitable soil for democratic habits to take root. The massive social and economic problems that developing nations faced seemed to call for strong central authority; they could hardly afford the "luxury" of limited government; their passionate politics seemed ill-suited to constitutional restraints.

But today, it looks different. We should have known better. We have seen democracy flourish in non-European societies as diverse as Japan, India, and Costa Rica. And today in our own Western Hemisphere, we see the dramatic resurgence of democratic government after a long period of rule by military juntas and dictatorships. Over 90% of the people of Latin America now live under governments that are democratic or are in transition to democracy—in contrast to only one-third in 1979. In the last 6 years, elected civilian leaders have replaced authoritarian regimes in Argentina, Bolivia, Brazil, Ecuador, El Salvador, Grenada, Guatemala, Honduras, Peru, and Uruguay. In Brazil—as well as India—we have seen the tragic death of an elected leader followed by a peaceful constitutional transition to a new democratic leader. With all the problems that many of these countries have, this trend is an inspiring display of people's faith in themselves and of the power of the democratic ideal.

From the perspective of the United States, this means that a belief in democracy is not just a Wilsonian dream, or a naive crusade; it is a reflection of hard reality. Consider too the reemergence of human rights as a legitimate subject of international discourse—especially since the Helsinki Final Act 10 years ago.

As the Helsinki process reminds us, these are not only issues for the developing world but issues quite relevant to Europe—to the eastern half of Europe whose aspirations for freedom remain artificially suppressed.

I will be visiting Eastern Europe in a few days' time. We have all learned a great deal over the postwar period about both the opportunities and the limits of our influence in Eastern Europe. There is a new reality since Helsinki—an even more unmistakable yearning among these peoples for something better. This is a powerful force whose significance should never be underestimated.

Some day, the Soviet Union under wise leadership may learn that its own security needs can be met without suppressing the freedom of its neighbors. In the meantime, we do what we can to foster greater openness in these countries. We differentiate among them, and between them and the Soviet Union, to encourage more independent foreign policies, greater respect for human rights, and economic and social reforms. Governments that show such positive trends receive our reinforcing acknowledgment.

The economy of the future will be based more and more on information technologies. And the flow of information requires... freedom of thought and communication.... The communist rulers thus face an excruciating problem. They remember the power of the Ayatollah's message on tape cassettes in Iran; they fear the photocopying machine as a dangerous instrument to be kept under lock and key.

The Future: The Economic Dimension

Finally, I want to speak of another kind of revolution that is altering the world balance of forces—a reawakening of economic thought and a new era in the technology of communication.

The future of the world economy will do much to shape the world's political future—much more, indeed than some conventional theorists of the balance of power may recognize. I say this not because of a Marxist belief in economic determinism, but because it is obvious that the basic conditions of life can affect the cohesion and goals of societies.

In a world of nations less and less dominated by authoritarian structures and political elites, the basic needs of citizens will be all the more compelling in national policies. In the democratic world, growth is a key to social equity and also to societies' ability to look after essential defense needs; in times of slow growth, investment in defense always comes under budgetary strain. In the developing world, democratic or moderate governments are under stress as they struggle to overcome economic problems.

Economic problems are not new in history. What is new in recent history is the intellectual shift taking place about how to remedy these problems. Lord Keynes's point about practical men being in thrall to some defunct economist may be less true now than in the past. Or perhaps the wise perceptions of Adam Smith two centuries ago are once again gaining practical prominence. At any rate, reality is intruding on some long-held notions about economic policy.

There is a new skepticism about statist solutions, central planning, and government control. Perhaps the extraordinary vigor of the American recovery has made the point: 10 million new jobs created in 3 years, with low inflation and declining interest rates. We have much more work to do. We have to do something about our fiscal deficit. But we have revised our tax system to provide more incentives to work, to save, to invest, to be efficient, to take risks. We have reduced government regulation, intervention, and control. And we think it has paid off.

And this economic wisdom isn't culture-bound either. We see on every continent—Western Europe, East Asia, Latin America, and Africa—movement to decentralize, to deregulate, to denationalize, to reduce rigidities in labor markets, and to enlarge the scope for individual producers and consumers to interact freely in open markets. At the Bonn economic summit last May, the leaders of the industrial democracies stressed the importance of moving in that direction. This insight is revolutionizing agricultural productivity across the globe. It explains the extraordinary growth rates in noncommunist East and Southeast Asia, and it explains the extraordinary effort underway in China to liberate the creative energies of a billion talented people.

This reawakening in economic thinking itself coincides with a revolution in the technological base of the global economy. Microchip computers, advanced telecommunications, and an accelerating process of innovation are transforming the world we live in.

By no coincidence, this creativity is coming from the societies of the democratic world that let ideas, people, and capital resources flow freely across boundaries, that encourage entrepreneurship and experiment. These societies have grasped the plain fact that the source of economic vitality is individual creativity and not the state. The advance of these technologies is bound to challenge many traditional notions of sovereignty. But the West has the advantage because the free flow of information is intrinsic to our political system and principles.

The industrial age is coming to an end. The age when economic power was symbolized by the steel mill and the assembly line is passed. In some places, this age is completely over. The economy of the future will be based more and more on information technologies. And the flow of information requires freedom—freedom of thought and communication. Ideology has nothing to do with this: it's just a fact of life.

The communist rulers thus face an excruciating problem. They remember the power of the Ayatollah's message on tape cassettes in Iran; they fear the photocopying machine as a dangerous instrument to be kept under lock and key. The more they try to stifle these technologies, the more they are likely to fall behind in this movement from the industrial to the information age; but the more they permit these new technologies, the more they risk their monopoly of control over information and communication. In the end, though, they don't really have a choice, because they cannot reverse the tide of technological advance.

Facing the Future

One of the great qualities of America, I think, is its readiness for change, its willingness—indeed, eagerness—to adapt to new conditions. But all the industrial democracies have the same advantages and the same opportunities. We are not *status-quo* powers holding the line against the forces of change: We are the pioneers of change, the champions of the idea of freedom, accustomed to innovating and adapting, strong enough to resist threats to our interests and ideals, and skilled at helping shape positive solutions to international problems.

That is why we can be confident about the future of the West. I do not envy Mr. Gorbachev and the challenge he faces in trying to defy the laws of economics and squeeze more productivity out of a system of imposed discipline and bureaucracy. He must come to realize that he must loosen up. And he will find, as he no doubt fears, that he has whetted the appetites of his people, and the diverse peoples of Eastern Europe, for more freedom. Change is certain.

The West will undoubtedly suffer setbacks. The democracies have not always met their responsibilities—either in deterring aggression or in managing their economies wisely. But we have a precious advantage. We draw strength from our freedom, from one another, and from the newly democratic nations that are joining our ranks inspired by our heritage.

Britain, and America, and all the free nations face an exhilarating challenge, and we are readier for it than many people realize.

---

[1]Press release 275. ■

Berlin and the Cause of Freedom

by Secretary Shultz

Address before the Berlin Press Conference in Berlin on December 14, 1985.[1]

Berlin has a very special quality. To visit this great city is to be reminded of the blessings of freedom and of the responsibilities we all face in preserving it. It is a bracing experience for any American Secretary of State. Together with more than 6,000 Americans who are committed to defend your freedom, I am proud to be here.

There is no place where the vital questions facing the West are seen more clearly than in Berlin. There is certainly no place where the benefits of freedom are more evident than in Berlin. But it is sobering to note that there is no place where the threats to our democracy, to our security, and to our way of life are etched more deeply into the landscape than here in this divided city.

I have visited Berlin once before, as a private citizen, in the spring of 1982. I saw a little of it then, free of the duties and without the entourage of a Secretary of State. I admired the treasures of the Dahlem Museum and Charlottenburg Palace. But I was equally impressed by Berlin as a city of today—a city alive, a city still youthful in its energy and freshness and vigorous development.

Berlin can be proud that it is once again one of the most vital and impressive cities in Europe. It is a city that attracts young people looking for education and excitement; it beckons to men and women of many nationalities seeking a fresh start. Its distinguished universities make Berlin one of the outstanding centers of learning in Europe. The genius of German culture flowers at the *Deutsche Oper* and the Schiller Theater, and the Berlin Philharmonic is the envy of the world.

This is also a city where free enterprise is blossoming. Berliners are creating new companies, marketing new products, and trying out new business ideas. In the past 5 years, over 300 high-technology corporations have been established. Universities are working closely with research institutes and private industries. It reminds me of where I lived at Stanford University in silicon valley, where the same partnership is so evident.

The flourishing of this city is a tribute to its able leadership. It is also testimony to the character of the Berliner—and, I would add, to the strength and the power of the values that inspire free people everywhere. These values that Berlin represents—this is what I want to talk to you about.

Between East and West

You in this city understand the realities of East-West relations, both their limitations and their possibilities. You are optimists and realists at the same time. Your history since 1945 teaches many lessons—lessons that all of us in the free world would do well to learn as we seek to improve the relationship between East and West. So let me identify these lessons.

First, it is important for us all to understand what all Berliners understand when they look at the cruel wall that divides this city: you know that differences between East and West are far more than mere misunderstandings. Berliners know that coercion and control are the essence of governmental authority on the other side, and thus you understand that guns and tanks and rockets are a manifestation of basic differences, not the underlying cause. There isn't a Berlin Wall because there are weapons; there is a military confrontation because of a political system that is so dependent on force that it builds a Berlin Wall. This is why President Reagan has sought to place U.S.-Soviet arms control issues in their political context. East and West need to make progress on fundamental political differences in order to reduce the risk that our weapons will be used against one another—and in order to reduce the numbers of weapons on both sides.

Second, the political line carved through Europe is not the result of democratic decision by the people who live here. Berliners know that their city and all of Germany are not divided because their citizens decided it should be so. Nearly one-third of the German people have been denied the right of self-determination. They did not vote to live under a communist system or to be divided from their friends and relatives in the West. And the nations of Eastern Europe have never been given the right set forth in wartime and postwar agreements—including, I should stress, the Yalta agreement—to decide their own form of government and way of life. Quite the contrary, we have seen repeatedly in the postwar years that the people of East Germany and East Berlin and the citizens of Eastern Europe do not wish to live in a continent divided by barbed wire, under governments sustained by military power.

Third, the burning light of freedom is an attraction which no amount of intimidation or oppression can extinguish. The wall was built not to keep invaders out but to keep people in. Thus it speaks silently but eloquently about the moral condition of the communist system and about the beacon of liberty which the Western sectors of Berlin have always represented. In West Berlin free men and women, endowed by their Creator with rights and free will, choose their own leaders and shape their own destiny. It was your courage as champions of liberty that led John Kennedy to say in the name of free peoples everywhere that we are all Berliners. All free peoples are in your debt for demonstrating so well, and under such difficult circumstances, the vitality and success of freedom. No one can visit and compare the Eastern and Western sectors of this city and not come away with renewed confidence about freedom's future.

Nor can the visitor to the Western sectors be in any doubt of the peaceful intentions of the West. Why should we desire or risk war, when we can create so much and achieve so much, spiritually and materially, in peace? This is the fourth lesson for us of Berlin.

Fifth, Berliners know that the Soviets will push for advantage when they think they see weakness and indecision. In 1948 they sought to starve this city and force the allies out. They assumed that Berliners, exhausted by war and the exertions of rebuilding a devastated city, would simply give up, and that the United States, Britain, and France would stand by helplessly. But the Soviets did not count on the courage of the people of this city or on the unity and determination of the Western powers, who mounted the greatest airlift in history. When all of us stood resolutely with you and had the power to back up our position, the Soviets had no choice but to call off their blockade. Similarly, we had the strength and determination to stand up to Soviet pressures in later crises over Berlin.

The division of this city and the division of Germany are unnatural and inhuman. By staying in Berlin . . . we and our allies demonstrate clearly to all the world that we do not accept incorporation of Eastern Europe . . . into a Soviet sphere of influence.

Thus, the sixth lesson is that Western unity, strength, and patience are necessary to make freedom secure. They are also prerequisites of an easing of tensions and fruitful negotiations with our Eastern neighbors. This is the true significance of the Quadripartite Agreement of 1971. Important practical improvements for everyday living, travel, and communications have been achieved because the West was strong and united behind basic principles.

There are other examples. In the past 2 years, Western unity and firmness enabled us to carry through the NATO decision of December 1979 to maintain the balance in intermediate-range nuclear forces in Europe. We were not frightened when the Soviets walked out of the START [strategic arms reduction talks] and INF [intermediate-range nuclear forces] talks in December 1983 and said they would never talk once our missiles were deployed. The alliance held fast, and the Soviets returned to the bargaining table in 1985.

Then the Soviets said they would not discuss offensive reductions—in either START or INF—until the United States agreed to renounce the Strategic Defense Initiative (SDI). This, President Reagan has made abundantly clear, we will not do. Well, again our firmness produced results. Just over 2 months ago, the Soviets made a counter-proposal. It was deeply flawed, but in it they accepted the principle of deep reductions in offensive forces, on which President Reagan has long insisted. The United States has responded with new ideas of its own, and at the President's meeting with Mr. Gorbachev in Geneva, new impetus was given to the negotiations. Progress in the future, as in the past, depends vitally on Western unity and perseverence.

Challenges for the Future

The United States and the people of Berlin have come a long way together. What of the future?

When President Reagan spoke to the UN General Assembly in October, he reminded us that there can be no true peace where there is repression, partition, or mutual fear, or where we avert our eyes from unpleasant facts. We look to a peace secured by governments responsible to free citizens, to a peace where walls of partition give way to open communication, to a peace based on a balance of safety rather than a balance of terror, and to a peace where the use of force has given way to true observance of the UN Charter by all nations. The only true peace is one based on democracy, freedom, and justice; these principles are the surest foundation of a secure, peaceful, and prosperous world.

This is and will remain our vision. You will remember that President Reagan, when he visited Berlin in 1982, called upon the leaders of the Soviet Union to join him in fulfilling the hopes for unity, peace, and prosperity represented in this city. In his Berlin initiative for peace, the President made new proposals to reduce the threat of nuclear war and to increase contacts among peoples in East and West. Sadly, in 1982, the Soviet Union seemed unable to respond to the President's vision. Perhaps there is greater hope today. In this spirit, let me tell you something of our meetings in Geneva with General Secretary Gorbachev and of our plans and goals for the future.

The Geneva meeting was worthwhile for both sides because it was born in realism and developed into a mature exchange of views and ideas. Everyone in the age of thermonuclear weapons knows that our differences must be contained; our competition must be disciplined by a sense of common risk and an awareness of our common future.

President Reagan and General Secretary Gorbachev discussed the great issues of our time. The President explained how, in recent years, the American people and our allies have questioned the vast Soviet military buildup and the Soviet record of compliance with past arms control agreements. The President explained our proposals for radical reductions—real, equitable, and verifiable reductions that would make the strategic balance more stable and further reduce the risk of war. He described our Strategic Defense Initiative. He told Mr. Gorbachev that SDI means research into a non-nuclear defensive system—a system for blunting an attack—that threatens no one and that might eventually free all nations from the threat of mutual annihilation. He told him we know that Soviet scientists have been researching the same technologies for 15 years or more, and that Soviet military doctrine has always stressed the value of defensive systems. The President expressed his firm conviction that we should cooperate in moving toward a safer, defense-dominant world, if our research does, indeed, prove successful.

The two leaders agreed to keep negotiating our differences with vigor and purpose—and I consider that a good outcome. We also agreed to give a push to a number of other arms control efforts—such as preventing, pursuant to the 1968 treaty, the proliferation of nuclear weapons; reducing the danger of surprise attack in Europe; and halting the proliferation of chemical weapons. The United States, of course, has proposed a comprehensive global treaty banning chemical weapons.

The two sides also discussed the dangers to world peace arising from regional conflicts. The President made clear that our sympathies are always with those who struggle for freedom against tyranny. But he also stressed that we believe in political, not military, solutions. The two sides agreed to continue regular discussions on these issues at the experts' level, and to begin them at the foreign ministers' level.

The third set of issues we talked about was human rights. History teaches no clearer lesson than this: governments that respect the rights of their own people tend, inevitably, to respect the rights of their neighbors. And the yearning for liberty is a universal phenomenon; indeed, it lies at the heart of much of the turmoil we see in the world. Thus human rights, as the President has said, is not an abstract moral issue—it is a peace issue.

Finally, we discussed the barriers to communication between our societies. Americans want to know more about the peoples of the Soviet Union. And the peoples of the Soviet Union, it seems to us, have a right to know more about Americans—about our desire for peace and about how our free system works. We did reach a new agreement on scientific, educational, and cultural exchanges, and further agreed that they should be broadened in the future.

As you know, Mr. Gorbachev agreed to visit the United States next year, and President Reagan will travel to the Soviet Union the following year. We know the limits as well as the possibilities of summit meetings. Yet we believe the continued face-to-face dialogue of our top leaders could help move us forward. Just as we must avoid illusions on our side, so we must dispel them on the Soviet side. Meetings like this can help dispel Soviet illusions about the resolve of the West. And that is good.

It is worthwhile for the new Soviet leadership to see our resolve firsthand. The world can only be better off if these men see that the democracies will stand firm against pressures—and also that we are ready to deal with them constructively across the broad range of our differences. We will not be bullied; but we are ready for give-and-take in negotiations and for fair solutions to the problems that divide us. These are lessons that we have all learned from the brave people of Berlin. So, what does the future hold for this city?

Not surprisingly, some Berliners are asking why, 40 years after World War II, they are still living under a governing arrangement involving foreign powers. They ask whether this is not the time to make some changes. But I think we all understand the continuing conditions that make these arrangements still necessary.

Soviet and East German goals have not changed in Germany or in Europe. Europe, Germany, and Berlin remain divided. These artificial divisions are themselves a cause of tension. A basic tenet of the Western search for peace must be the overcoming of these divisions. But so long as they remain, the Western allies are prepared to preserve their role and act in Berlin as the trustees of the divided German nation.

What are we safeguarding? First, the precious right of all Germans to self-determination. The division of this city and the division of Germany are unnatural and inhuman. By staying in Berlin and retaining our rights here, we and our allies demonstrate clearly to all the world that we do not accept incorporation of Eastern Europe, including the G.D.R. [German Democratic Republic] and East Berlin, into a Soviet sphere of influence. By maintaining freedom in Berlin, we give evidence of our commitment to freedom in all of Europe.

The Soviets and East Germans know this. Why else would they expend so much effort to wall off and undermine the viability of this city? The flourishing of Berlin is a living challenge to their pretensions and their ambitions. I can assure you that the United States understands very well Berlin's important role in Europe and in the Western world. Our commitment to the freedom of the Western sectors is unshakable. Our insistence on strict observance and full implementation of the Quadripartite Agreement, as it applies to all four sectors of Berlin, remains as strong as ever.

But our responsibilities do not end there. Nor do our goals or dreams for this great city. As President Von Weizsaecker, your distinguished former mayor, has said, Americans came to Berlin in 1945 as liberators and became allies and friends. We think in the last 40 years we have also become true partners.

In education, for example, there is the bilingual John F. Kennedy School; the Kennedy Institute at the Free University; the Memorial Library in Kreuzberg; and the Aspen Institute run by New Hampshire-born, but Berlin's honorary citizen, Shep Stone. (I discovered this afternoon when he met my wife that they both grew up in Nashua, New Hampshire—not just New Hampshire.)

We are also partners in industry and development. American industry has invested heavily in this city. Ten percent of Berlin's industrial production is provided by American-owned firms. New investment is also coming, and we in Washington are doing all we can to encourage American companies to come to this showplace city.

We want to do still more—because we believe you want us to be with you in more than a defense and legal capacity, because we are honored to be associated with this great city and its people, and because we have confidence in your future. It is a mutually enriching partnership. We believe that in our continuing collaboration, we contribute an ingredient that makes this city unique among German cities. Berlin is truly an international city, a cosmopolitan city, a place where Europeans and Americans work together for freedom and progress.

Berlin stands today, as it has since 1945, as a model for all of us in the West, as a beacon to all who yearn for freedom everywhere. All who visit this city should contemplate the barbed wire and brick and stone that divide it in two. But they should witness, as well, Berlin's pulsating freedom, dynamism, and spirit. Let them experience firsthand the meaning of liberty, and the courage that sustains it.

This is the real lesson of Berlin today. The renaissance of this great city, as it approaches its 750th birthday in 1987, is a tribute to the faith and values that guide all of us, and an inspiration as we look to the future of the West.

[1]Press release 280 of Dec. 16, 1985. ■

Beyond the Debt Problem: The Path to Prosperity in Latin America

Secretary Shultz's address before the first plenary session of the General Assembly of the Organization of American States (OAS) in Cartagena, Colombia, on December 2, 1985.[1]

Let me restate, at the outset, on behalf of President Reagan and the American people, our profound sympathy for Colombia over the catastrophe of the Ruiz Volcano. Out of the volcanic ashes and the mud of Armero, however, we see once again the courage and resilience of Colombia's people. Just as Colombia has shown its leadership in regional efforts against drug trafficking and for a peaceful, democratic solution in Central America, we are confident that Colombia will overcome this latest challenge.

We in the United States reach out to other human beings beset by great tragedy. We have been privileged to respond immediately to every request from President Betancur's government with rescue workers, tents, helicopters, supplies, and scientific monitoring efforts. The huge outpouring of donations from private U.S. citizens expresses eloquently our sense of compassion and of brotherhood with the people of Colombia.

I also want to take this opportunity to praise President Betancur for his firmness against the criminal terrorists who invaded the Palace of Justice last month. As the terrorists themselves admitted, if they had known their action would be dealt with so firmly, they would not have attempted it. We can all learn from this Colombian example.

Five hundred years ago next month, Christopher Columbus proposed to the Spanish Court at Cordoba a venture to reach China and Japan by sailing West. After 4 years, the committee reviewing the proposal reported to Ferdinand and Isabella:

> We find no justification for Their Highnesses supporting a project that rests on extremely weak foundations and appears impossible to translate into reality to any person with any knowledge, however modest, of these questions.

Nonetheless, after its power was consolidated, the Spanish Crown authorized Columbus to sail—and his leadership, faith, and perseverance made history.

As we approach the 500th anniversary of the discovery of America—and the 100th anniversary of this organization—we, too, are navigating political and economic seas that are not well charted. We, too, must show the faith and fortitude that Columbus showed if this New World is to realize its promise.

Strengthening the OAS

This organization has a strong and proud record of achievement. For nearly a century, it has been a pacesetter for the world in the peaceful settlement of disputes. It has worked persistently and effectively to assure respect for human rights. And now the Secretary General has taken up the challenge of fighting drug abuse, for which my delegation commends him strongly. The United States looks forward to playing an active role in the conference next year on combating narcotics trafficking. We want this organization to be a vital force on all the issues that confront the hemisphere in the years ahead.

Therefore, I hope that in the few days we have together here we can take new steps to strengthen this organization. Can't we all agree, for example, that the Secretary General should be able to bring to our attention any issue that affects the peace and well-being of this hemisphere? Any member of this organization, likewise, should be able to bring to this General Assembly, or to the Permanent Council, any problem that concerns it. And we must all work with the Secretary General to make sure that the financial structure of the organization is repaired and restored to health. Let us take these steps here and now.

Democracy and Its Challenges in This Hemisphere

We meet at a moment of hope in the hemisphere. A democratic revolution has been sweeping Latin America. The United States supports and wants to nurture this process, which is a blessing in itself for the peoples who benefit directly and a vindication of democratic values to inspire the whole world.

In the past year, the democratic surge has been reinforced by presidential elections in Peru and Bolivia, by congressional elections in Argentina, and by Brazil's poignant but successful constitutional transfer of power after the death of its President-elect. Most recently, the elections in Guatemala and Honduras continue the democratic tide. There are still exceptions; there have been instances of backsliding. But liberty is on the march in the Americas.

The OAS Charter says it well:

> [T]he true significance of American solidarity and good neighborliness can only mean the consolidation on this continent, within the framework of democratic institutions, of a system of individual liberty and social justice based upon respect for the essential rights of man.

And precisely because it, too, embodies this democratic imperative, the United States supports the Contadora process, in which nine OAS members are currently engaged.

There are many challenges to democracy—from terrorist violence, from communist subversion, from rulers who refuse to permit free elections. But today, I want to speak about another challenge to democratic governments: the economic problems of this hemisphere. The subject of debt dominates our conversation these days. It was the topic of a conference involving many of your nations in this very city. The United States has been listening. We recognize, as you have urged, that the goal of economic adjustment is economic growth—not only for material well-being but also as a stable foundation for freedom and democracy.

The Debt Problem

Today, the rise in international debt has clearly placed a new hurdle in the path of growth in Latin America and the Caribbean. In 1977, the total external debt of all developing countries—all around the world—importing capital came to roughly $330 billion. By the end of 1984, only 7 years later, the debt had ballooned to $830 billion. Debt service has risen from 15% of exports in 1977 to 25% of exports in 1985. In the Western Hemisphere, debt service now consumes nearly 44% of exports. No one can doubt or ignore this burden on your economies and your people.

In the late 1970s and early 1980s, with the financial strains from the second oil shock, both borrowing countries and lending banks based their policies on the assumption that inflation would continue unabated and real interest rates would remain negative or close to it. Some borrowers and lenders also assumed continuously rising oil prices. Large amounts of debt were incurred at short-term and at variable interest rates. Then policies brought inflation down dramatically, real interest rates rose sharply, and recession struck, upsetting these expectations. The result has been increased debt service and slow growth. We have seen a similar phenomenon in the U.S. farm sector, which borrowed heavily on the expectation of continued low interest rates and rising land prices.

Over the past 3 years, all our countries have worked together to manage this debt burden. We have made progress. Payments problems of a short-term nature have been successfully surmounted; we have avoided major defaults that would have severely restricted the inflow of capital to your countries and constrained growth for a long time; major strides have been made in adjustment of external imbalances; and export-led growth began to recover in 1984. But we have not yet reached our more fundamental goal: to reestablish the conditions for vigorous, durable economic expansion.

Our challenge, in fact, is to combine two objectives:

First, to restore the growth that Latin America and the Caribbean so urgently need; and

Second, to restore debtor countries' creditworthiness and external financial balance.

These two objectives are not contradictory. On the contrary, the keys to resolving the debt problem are also the keys to sustained and vigorous growth. They involve actions that you, the Latin American countries, and the broader international community must take together. Each must do its part. An effective strategy, as I see it, must cover all dimensions of the problem.

First, the Latin American and Caribbean economies need to be able to deploy resources more efficiently, stimulate domestic saving, and encourage productive domestic investment.

Second, conditions must be created to attract inflows of foreign capital, particularly foreign direct investment.

Third, your reform efforts require appropriate support from official multilateral financial institutions and from private commercial banks.

None of these efforts can be truly successful, moreover, unless we all work to assure a growing and open international marketplace that facilitates the growth of exports and global economic expansion.

At the Bank/Fund [World Bank/International Monetary Fund] meeting in Seoul in October, our Secretary of the Treasury, James Baker, developed these points as he offered new proposals—the Baker plan—and explained our strategy. Let me share with you our analysis, reinforcing Secretary Baker's proposals.

Lessons From International Experience

The recent experience of the world economy is instructive. The world is recovering from the adversity of the 1970s and 1980s but at uneven rates. In 1984, the average growth rate for all developing countries was 4.4%. There was a wide variation between Asian developing countries, where growth averaged 8.1%, and sub-Saharan Africa, where growth averaged only 1.6%. The Western Hemisphere average was 3.1%

Why this wide variation? What are the factors that promote growth in some countries and inhibit it in others?

Experience gives us the answer. In good times, economic policy need not be brilliant to show some success. In hard times, enlightened policies make a real difference. The countries that have continued to prosper in the last decade have shared some characteristics. They work, they save, they invest, and they export. Above all, they unleash the creative energies of their peoples.

The successful countries have encouraged private initiative, avoided excessive regulation, and provided adequate incentives for productive investment. They have relied primarily on markets to set interest rates and prices and have maintained appropriate exchange rates. They have avoided excessive government consumption and control. The most successful countries have not relied on protectionism and import substitution but have followed a more outward-looking strategy. Many of them borrowed money—but they used it productively.

In the 1970s, interestingly, large, resource-rich developing countries grew more slowly than small, resource-poor countries. Large domestic markets perhaps gave policymakers the illusion that they could isolate themselves from world market forces. Inefficient industries were established that rapidly became a drain on the economy. When these industries were in the public sector, the damage was often long lasting since they were rarely allowed to liquidate their operations.

Fiscal deficits drain resources from productive use. From the late 1970s to 1983, the fiscal deficits for the developing countries roughly doubled in relation to GDP [gross domestic product], to about 5.5%. The composition of those deficits is striking. An IMF publication notes that, in the 1970s, overall fiscal deficits of a sample of developing countries were about 4.4% of GDP. Of this amount, about three-fourths was attributable to public enterprises. Expenditures for, and borrowing by, public enterprises have been growing rapidly in the developing world. In fact, only about 10% of the investment of public enterprises was self-financed. This reflects the difficulty of running public enterprises efficiently. In countries where capital is scarce, such policies starve the private sector of resources needed for growth. Therefore, it is encouraging that several Latin American governments are beginning to take steps to free themselves of this burden.

Another lesson of experience is about policies toward the outside world. Your economies possess great potential for expansion of output and export earnings. To achieve this potential, you need to take full advantage of the opportunities of the world trading system.

Here, I must be blunt if I am to be honest. Restrictive trade practices have only compounded the problems of many heavily indebted developing countries. All too typically, heavy foreign borrowing has supported fiscal deficits and overvalued exchange rates, putting a great burden on export competitiveness. Import barriers have been erected to protect favored domestic industries from foreign competition. These barriers have severely hampered the growth of trade among Latin American and Caribbean nations. Other distortions have been introduced by subsidies and by controls on prices of consumer goods and on interest rates.

Growth has also been hindered by hostility to foreign direct investment. This has only added to the dependence on debt financing; it has also shut out the potential benefits from the technology and marketing capabilities of

multinational firms. In some cases, foreign direct investment was attracted through promises of a protected market and then burdened by requirements for local content and export performance—a peculiar kind of "double whammy" negating economic efficiency.

Economies ended up hobbled by controls and restrictions, wasting both domestic and foreign capital, starving the external sectors of resources, unable to respond to changes in the external environment, and unable to generate export earnings to service rising debt. And, as in the United States and other countries, protectionist policies create vested interests. If dynamic growth is to be restored, major economic restructuring has to take place, with resources redeployed to the most productive industries that can compete effectively in the world market.

I understand how difficult this prescription is. Governments attempting fundamental reforms face opposition from powerful interest groups currently protected from competition. Governments need to show credible prospects for future improvements in standards of living in order to maintain domestic support for reform.

But to create such prospects requires investment. Domestic and foreign investors are wary. Though the demand for capital in the world may be infinite, the supply is finite. These resources will flow to where they are wanted—to where the conditions are hospitable. Countries wanting development capital will have to compete for it. Before contributing their resources, investors will need to be convinced that sound policies will be sustained.

A Comprehensive Approach

To tie all these elements together, there must be a comprehensive approach. Developing countries, industrial countries, international institutions, and commercial banks all have essential roles to play—in a kind of global bargain, if you will, to get debtor countries back on the path of sustained growth.

When Secretary Baker outlined our approach at Seoul, he stressed what is, in our view, the core of any comprehensive strategy—indeed, the sine qua non: namely, a more focused and determined effort of structural reform in the debtor countries aimed at greater efficiency, more domestic saving, and a more attractive climate for foreign investment. And, in conjunction with this, he addressed two other key elements designed to provide outside support and encouragement for structural reform: namely, more substantial and better coordinated assistance from multilateral institutions and more support from commercial banks. If each of these groups does its part, and if there is a clear need for additional capital for the multilateral development banks to meet the demand for quality lending, the United States would be prepared to address the issue of capital increases.

This was a creative effort, it seems to me, to bring the broader international community into the process of helping solve the debt problem. Both the World Bank and Inter-American Development Bank (IDB) are well placed to complement the continued central role of the IMF by providing financing and advice to countries taking the essential steps toward structural reform. The United States supports a number of creative steps taken recently by the World Bank, including the trade policy loan to Colombia, efforts for greater cofinancing with commercial banks, the decision to double the capital of the International Finance Corporation, and the creation of the Multilateral Investment Guarantee Agency (MIGA). The World Bank's considerable expertise can help devise programs for growth through structural reform. It can support these programs through increased lending to private sectors and through increases in policy-based lending.

We are also calling on the IDB to play a more active role in support of structural change oriented toward growth. This will require difficult reform measures by the IDB. I believe the IDB, with our and your help, can rise to this challenge. In particular, the Bank could introduce a major program of well-targeted nonproject lending as part of the upcoming replenishment negotiations. The Inter-American Investment Corporation, which we expect to become operational soon, should play an important role in developing the private sector in Latin America, particularly small and medium-sized firms.

The new commercial bank lending that Secretary Baker proposed—$20 billion over a 3-year period—is also a vital part of the near-term effort. Bank lending to the principal debtor countries has been declining, with very little new lending anticipated this year. Increased lending can provide important support for policies to promote efficiency, competitiveness, and productivity—the true foundations of growth. Such lending, however, will only be forthcoming if there is a clear commitment to adopt and implement such growth-oriented policies.

In the longer term, we want to see normal, voluntary international flows of capital resume their appropriate role in a way that will not renew or prolong current debt problems. Capital flows will need to be restructured, particularly to reduce reliance on bank lending, and to increase the role of equity finance.

Capital flight must be stemmed or, better, reversed. Our best estimate is that capital flight from Latin America and the Caribbean since 1980 amounts to well over $100 billion—it's your capital, and it's flown—offsetting a very substantial portion of lending to Latin America. In effect, much of your borrowing has gone not to finance productive domestic investment but to finance capital flight. I would like nothing better than to see your governments develop creative ways to attract these resources back to Latin America in the form of equity. Perhaps the privatization of public enterprises could offer an opportunity.

External capital must become better balanced between debt and equity. In the end, this means more foreign direct investment. There is no substitute for it. In bank lending, risk is borne chiefly by the country receiving the capital. Direct investment, on the other hand, allows receiving countries to share the risk with the supplier of the capital. It also provides a greater flow of technology, stronger incentives for productivity, development of local managerial talent, and access to international sales networks. All are vital for stronger growth.

I know of the reluctance of many countries to welcome direct foreign investment. But abuses can be controlled without overly restrictive laws and regulations that choke off the broad benefits of investment.

The international community can help as well. Investment guarantees on a bilateral basis, as provided by OPIC [Overseas Private Investment Corporation], or to be provided on a multilateral basis by the MIGA, could help spread risks and encourage productive investment.

At Seoul, Secretary Baker also proposed that the World Bank, IMF, and other donors develop joint programs to support medium-term structural adjustment in the world's poorest countries. This could be of direct benefit to some countries in this hemisphere. More

broadly, in today's interdependent global economy, the world community's efforts to promote growth throughout the developing world can also mean growing markets for Latin America's exports and a general stimulus to world trade.

But the basic preconditions for a sustainable, balanced inflow of foreign investment and for exploiting trade opportunities are the same preconditions as those for stimulating domestic saving and using it effectively; the internal environment must be attractive to both domestic and foreign savers and investors. Stable, noninflationary economic policies, prices, and interest rates determined by the market, and realistic exchange rates—all of these are vital. Without them, external support will be wasted.

A Sound Global Economic Environment

The external environment is relevant to the debt problem in another sense. Maintenance of an open, growing world economy is an essential prerequisite for solving the problems of debt and growth. The industrial countries bear the main responsibility for the overall, macroeconomic health of the global economic system. We have taken actions to foster stable, durable growth in our own economies, providing growing markets and generating more saving and investment.

Economic recovery in the industrialized world, however, has been accompanied by certain imbalances. These imbalances, the main symptoms of which are the strong dollar and the large U.S. trade deficit, have stimulated an upsurge in protectionist pressures that pose a serious danger to the world trading system and to our prosperity and yours.

The United States is actively involved in cooperative efforts to deal with this danger. On September 22 in New York, the major industrial nations agreed to work harder to achieve sustained and better balanced growth in their economies. The United States pledged to reduce its fiscal deficit and to encourage saving through revenue-neutral tax reform.

Other participants agreed to promote growth by a wide range of market-oriented policies designed to stimulate investment and reduce structural rigidities. We also agreed that a further strengthening of other currencies vis-a-vis the dollar was desirable in view of changing economic conditions and that we would cooperate to encourage this when to do so would be helpful. The initial impact on exchange rates has been gratifying, and I believe the fundamental policy actions underway will go much further in promoting balance and the durability of the recovery.

The U.S. economy, which has vigorously led the world economy out of recession, slowed its pace of growth in the first half of this year; and you all felt it. But the signs of growth have been much stronger in the second half, with a 4.3% annual rate of increase in real GNP [gross national product] for the third quarter. Prospects look solid for the remainder of the year and for 1986. Inflation in the United States remains low; interest rates have fallen sharply since the summer of 1984; and the substantial moderation in the strength of the dollar—especially against the yen—should bear fruit eventually in a stronger external balance.

Our expansion has been of direct benefit to you. Latin America's exports to the United States rose 25% between 1982 and 1984—which was over 75% of the total increase in your exports.

Prospects are good that growth will improve in the rest of the industrialized world. West European countries will be working to improve the strength and flexibility of their economies. Japan has announced measures to promote more domestic-led expansion. In both cases, lower tax burdens and freer markets can help. Lower inflation throughout the industrialized world favors sustained expansion. Protectionist pressures, however, pose continued dangers.

In New York, the industrial nations pledged to do their utmost to resist these pressures. We cannot afford to lose this battle. The stakes are simply too high.

It is essential that the industrialized world keep its markets open to your products. None of us is blameless, but the United States, your most important market, has done well in resisting protectionist pressures—for example, recently on copper and shoes. The latest challenge is the congressional bill sharply restricting imports of textiles and apparel. I will recommend to President Reagan that he veto it. We fully intend to keep up the fight.

Our strategy against protectionism involves three elements.

- The first is to correct the macroeconomic imbalances. We must work for sustained and more balanced growth among the industrial nations and for exchange markets which more fully reflect the progress in this direction.
- The second element is to assure our public that we are being vigilant in protecting U.S. industry, not from efficient foreign competition and shifting patterns of comparative advantage but from unfair foreign trade practices, such as subsidies and dumping. In this context, closed markets abroad seriously undermine our ability to keep markets open at home.
- Third, to build support for free trade, all our publics must see progress toward a strengthened, fairer, and more open world trading system. A new round of GATT [General Agreement on Tariffs and Trade] negotiations is, thus, a vital part of the U.S. strategy. Our aim is to reduce tariffs and quantitative trade controls. It is also to strengthen the role of GATT by reducing barriers and developing new rules for nontraditional areas such as services and high technology.

We are pleased that 90 countries agreed in Geneva last week to establish a preparatory committee for a new trade round. This is a major step forward. The inclusion of trade in services will be a key element in our efforts to strengthen the trading system.

We were disappointed with the hesitant response from many developing countries to the proposal for a new trade round. We believe there is a common interest in reducing barriers, particularly in such areas as agriculture where we and Latin America are both major exporters. We believe you, too, have much to gain from stronger rules governing trade in services. Their availability at reasonable prices and in the most up-to-date form can play a key role in the modernization of developing economies. We applaud the new strength that Mexico brings to the world trading system by joining GATT.

As deliberations proceed toward the launching of the new round, let us work together to overcome the narrow interests that threaten to impede our common progress. We all need a stronger trading system. All our peoples will be the winners.

Our Prospects and Our Opportunity

If all our nations unite behind this comprehensive strategy, I believe we can improve prospects for sustained growth and financial stability throughout the world economy. The industrial countries must promote their own noninflationary

growth and fight protectionism. The debtor countries must tackle the necessity of structural reform to generate and attract the resources needed for growth. The world community must see that its international institutions support the effort. Commercial banks should respond to genuine efforts at reform.

Global economic conditions now offer us a precious opportunity to put ourselves back on the path of sustained long-term growth. We know where we want to go and how to get there. Most of all, it will require us to examine our ways of thinking and to adopt policies that unleash the productive resources and sectors of our economies. The question is, do we have the political will to get the job done?

We in the United States share with the rest of the Americas the goal of surmounting the present economic problems. We will advance all our foreign policy objectives—peace and security, democracy and human rights, economic and social progress—if we succeed in overcoming current impediments to economic growth.

A few years ago, no one predicted the democratic surge that has taken place. Today, many doubt our capacity to restore sustained growth. I believe the skeptics will again be proved wrong.

If we let the lessons of experience serve as our guide, and if we work together to apply these lessons, the coming years can be a new era of prosperity and progress. The blessings of freedom and well-being that have been known by the relative few will be enjoyed by the many.

We cannot afford to let this opportunity slip away. Let us act, and let us act together.

[1]Press release 271. ■

Secretary's Trip to Europe

Secretary Shultz departed Washington, D.C., December 9, 1985, to visit London (December 10–11), where he addressed the Pilgrims of Great Britain (see page 24); Brussels (December 11–13); where he attended the regular semiannual session of the North Atlantic Council ministerial meeting and met with officials of the European Commission; Bonn (December 13–14); Berlin (December 14–15); where he addressed the Berlin Press Conference (see page 27); Bucharest (December 15); Budapest (December 15–17); and Belgrade (December 17–18). He returned to Washington on December 18.

Following are news conferences the Secretary held on various occasions during the trip and the texts of the North Atlantic Council final communique and a statement issued by the council's Foreign Ministers.

NORTH ATLANTIC COUNCIL FINAL COMMUNIQUE, BRUSSELS, DEC. 13, 1985[1]

The North Atlantic Council met in ministerial session in Brussels on 12th and 13th December 1985. Ministers agreed as follows:

1. Encouraging developments have taken place in East-West relations since our meeting in Lisbon in June. They demonstrate the validity of our policy—reaffirmed in the Washington statement—of preserving peace in freedom through adequate military strength and political solidarity and, on that basis, pursuing a more stable and cooperative relationship between the countries of East and West.

2. We welcome recent high-level East-West contacts, notably the meeting between President Reagan and General Secretary Gorbachev, which marks an important step in our efforts to develop a realistic and constructive dialogue with the countries of the East. We hope that this will lead to improved relations, more extensive contacts, including regular high-level meetings, and broad cooperation on the full range of East-West questions. We shall all play our full part in making further progress. We call upon the Soviet Union and its allies to join us in this endeavour.

3. Meanwhile, the continuing build-up of Soviet nuclear and conventional arms remains a major Allied concern. We do not seek military superiority. But we are determined to safeguard our security by maintaining adequate conventional and nuclear forces. Our strategy of deterrence has proved its worth preserving peace, and remains fully valid.

The close and permanent link between North American and European Allies, which has kept the peace for 36 years, remains the basis of our collective security. Alliance cohesion will continue to be ensured through close consultations on all matters affecting our common interests and security. The value of these consultations has again been clearly demonstrated in recent months.

4. We are committed to substantive progress in arms control. This must be based on the criteria of strengthened stability, equitable and significant reductions and effective verification.

5. We have reviewed the U.S.-Soviet negotiations in Geneva on their strategic and intermediate-range nuclear weapons, and on defence and space systems. These aim to prevent an arms race in space and terminate it on earth, limit and reduce nuclear arms and strengthen strategic stability. We strongly support U.S. efforts in all three areas of negotiation. We welcome the agreement between President Reagan and General Secretary Gorbachev to accelerate work at Geneva, in particular in areas where there is common ground, including the principle of 50% reductions in U.S. and Soviet nuclear arms, appropriately applied.

The Allies concerned endorse the constructive proposals on U.S. and Soviet INF [intermediate-range nuclear force] systems recently tabled in Geneva by the U.S., and support the idea of an interim agreement. They reiterate their willingness to modify, halt, reverse or dispense with longer range INF (LRINF) deployment as part of an equitable and verifiable arms control agreement. In the absence of such an agreement, they will continue to deploy LRINF missiles on schedule.[2]

6. The Allies participating in the Vienna MBFR [mutual and balanced force reductions] negotiations proposed on 5th December 1985 a verifiable agreement for U.S.-Soviet ground force reductions, followed by a collective no-increase commitment of three years on U.S. and Soviet and NATO and Warsaw Pact forces. The proposal embodies associated measures which open the way to the establishment of reliable force levels and which are essential to verify compliance with the agreement's provisions. It responds to an earlier Eastern proposal and represents an imaginative attempt to break a longstanding dead-lock.

7. We remain deeply concerned about the proliferation and use of chemical weapons. At the Geneva Conference on Disarmament we seek an effective and verifiable convention on a general and complete prohibition of such weapons and on the the destruction of existing stockpiles. We strongly support the agreement between President Reagan and General Secretary Gorbachev to accelerate their efforts to this end.

8. We call upon the Soviet and East European governments to implement effectively all provisions of the Helsinki Final Act and the Madrid Concluding Document. We note with regret that the Ottawa meeting on Human Rights and the Budapest Cultural Forum, although useful in themselves, revealed persisting deficiencies in the implementation of these documents, and were unable to reach common conclusions.

At the Stockholm (CDE) [Conference on Confidence- and Security-Building Measures and Disarmament in Europe], an integral part of the CSCE [Conference on Security and Cooperation in Europe] process, we are actively working for early agreement consistent with the Madrid mandate. Such an agreement would embody a substantial set of militarily significant confidence- and security-building measures, covering the whole of Europe, and give concrete expression and effect to the existing duty of all participating states to refrain from the threat or use of force.

All participating states reaffirmed their commitment to the Helsinki Final Act on its 10th anniversary. We seek to promote genuine and balanced progress in all its aspects, including those concerned with respect for human rights and the fundamental freedoms of the individual, and those relating to cooperation between states. We remain committed to meaningful results at the forthcoming Berne meeting on human contacts. The Vienna followup will review all aspects of the CSCE process.

9. The maintenance of a calm situation in and around Berlin, including freedom of access to the city, remains of fundamental importance for East-West relations. The strict observance and full implementation of the Quadripartite Agreement are essential to this end. In this connection, we support all efforts to promote the prosperity and viability of the city. We also support the efforts of the Federal Republic of Germany further to develop inner-German relations as a significant contribution to peace and to the well-being of the people of a divided Germany, particularly the Berliners.

10. We urge the Soviet Union to end the unacceptable military occupation of Afghanistan, now approaching its seventh year, to withdraw its troops and agree to a political solution restoring Afghanistan's independence and non-aligned status.

We emphasise the continuing need in Poland for genuine dialogue between the various elements of society and for national reconciliation.

We, for our part, respect the sovereignty and independence of all states. We will remain vigilant and will consult on events outside the treaty area which might threaten our common security.

11. We strongly condemn terrorism and will continue to work to eliminate this threat. We invite all states to join us in this resolve.

12. We have examined ways of enhancing armaments co-operation among all the countries of the Alliance. This co-operation reflects our continuing concern for effective defence, particularly in the conventional field. In the light of our examination, we have decided to implement a strategy aimed at improving co-operation. This should give a fresh boost to the work being done in this field within the Alliance and lead in a short time to specific co-operative programmes encompassing both its European and North American members.

13. In the spirit of Article 2 of the North Atlantic Treaty, we reaffirm the importance of special programmes for less favoured partners and remain committed to promoting the stability and well-being of our community of free nations.

14. The Spring 1986 meeting of the Council in ministerial session will be held in Halifax, Canada, in May.

NORTH ATLANTIC COUNCIL FOREIGN MINISTERS' STATEMENT, BRUSSELS, DEC. 13, 1985

Armaments cooperation plays an important part in our collective security. Ministers have, therefore, agreed to direct the Conference of National Armaments Directors (CNAD) to implement a new armaments cooperation improvement strategy. They have decided to communicate its main elements to the public.

Ministers have instructed the CNAD to address identified conventional deficiencies facing NATO with a view toward coordination of national and multilateral equipment programs, in order to redress these deficiencies expeditiously and effectively, in accordance with established priorities.

Emphasizing their political will to collaborate, ministers have agreed.

- That the challenge is to find improved ways of enhancing collaboration;
- That every effort should be made to harmonize requirements and to explore the prospects for meeting them collaboratively;
- That efforts to increase cooperation in research and technology, in particular to exploit emerging technologies, should be stepped up in order to achieve a more cost-effective use of resources of the countries of the alliance and facilitate the establishment of cooperative projects. A wider exchange of information is a key factor in these endeavors;
- That sustained moves to strengthen cooperation in the early preproject stage would facilitate agreement on common armaments priorities leading to an effective resources strategy of countries of the alliance;
- To stress the importance of effective and coordinated armaments planning of countries of the alliance and, accordingly, to direct the CNAD to place particular emphasis on the identification of opportunities for greater rationalization;
- That the CNAD should study the management of collaborative projects, which become increasingly complex as the number of participating countries increases, and submit its recommendations to the council;
- To encourage and support work aimed at improving industry-to-industry cooperation; and
- To direct the CNAD to study the best means of assisting those countries with a less developed and/or small defense industrial base to obtain a more adequate share of industrial participation in defense research, development, production, and maintenance, in order to enhance their long-term economic strength.

The framework for progress has been laid out. Major improvements will require a long-term sustained effort. The nations of the alliance are committed to carrying out the key elements of the improvement strategy.

NEWS CONFERENCE, NATO HEADQUARTERS, BRUSSELS, DEC. 13, 1985[3]

NATO is in good shape. Our discussion covered the full range of alliance questions, arms control, the important effort to improve NATO's conventional defense through cooperation in the development and production of armaments, and East-West relations. Our discussions reflected a common sense of realism with regard to East-West relations.

The allies reiterated their support for our positions at the arms control talks in Geneva. We all agreed that the true measure of the recent meeting between President Reagan and General Secretary Gorbachev will come in the months and years ahead. For our part, we are ready to continue our give-and-take, problem-solving approach.

I also took the opportunity over the past 2 days to inform the allies about our efforts at home—I might say, very much at the urging of the Europeans, but on our own—to bring down the budget deficit and the possible effect this could have on resources available to meet our foreign policy objectives.

This is the third month in a row that I've come to Brussels. Each time I have benefited enormously from hearing the views of our allies at first hand. These visits underline America's deep commitment to full and intensive consultations.

Q. The Spanish Foreign Minister said some moments ago that you are convinced of two things: that there's going to be a referendum on NATO in Spain and that the government is going to win it. Are you convinced of both things?

A. Of course, it's for the Spanish people to decide, and I certainly hope and I believe it's in their interest to be in NATO. I have appreciated very much my discussions with the Spanish Foreign Minister in this regard, and with the Prime Minister, both of whom very strongly support Spanish participation within NATO.

Q. Based on U.S. verification means, can you confirm or must you deny what Mr. Gorbachev said about dismantling of SS-20 bases in the European part of the Soviet Union?

A. We have no confirmation of that. But I think the point about the SS-20s is that they are mobile missiles, so you have to think about it in a global sense. In all our negotiations with the Soviet Union of these intermediate-range missiles, we have insisted on a global approach, and that, of course, remains our position.

Q. If you recognize a desire to move from generalities to specifics at the next summit meeting, what sort of specifics do you think are possible to achieve at this next meeting?

A. Of course, there were a tremendous number of specifics reflected out of the meeting in Geneva last month; a tremendous number of specifics. They largely fell into the area of bilateral matters. At the same time there were some important developments in nuclear and space talks, particularly in the Soviet counterproposal and our counter to it, prior to the meeting, but in anticipation of the meeting, and then the confirmation of the 50% reduction idea. So there were a lot of things in that meeting.

Insofar as the next one is concerned, of course, we want to see this process move forward. We'd like to see it move forward. And as I said a moment ago, we're committed to a full give-and-take, problem-solving approach. Whether anything will be agreed remains to be seen, and we will search hard for any good agreement that is possible. But, of course, we will not be put in the position where some deadline or the prospect of some meeting would cause us to agree to something that we don't think is in our interests. And I assume the Soviet Union would feel similarly on that.

Q. Two questions with nothing to do with NATO. The draft resolution on the Armenian issues was defeated last night in Washington, thanks to the Reagan Administration's efforts, we are told.

A. Thanks to the growing common sense of those who voted on the issue.

Q. They will try again, we are told, so how long can the Administration continue to put pressure on the Congress on that issue?

A. These issues do come up periodically, as you say. They don't come up if the sponsors think that their chances are low. I think, through our efforts and the efforts of others, there is a growing perception in our Congress of the reasons why such a resolution phrased as it is, is so objectionable, not only to Turkey but to us. That being the case, there are lots of people—we don't have to prompt people to go and give arguments. They know the arguments. And I think that perception grows and is increasingly understood.

Q. You've been talking very recently about the PLO [Palestine Liberation Organization] participating in the peace process. Can you tell us what are your exact, explicit conditions for the PLO to get into the peace process, and do you believe that the PLO can really fulfill them or is it with those conditions that you are trying to push them out of the peace process?

A. We have, for a long time, had certain conditions for a dialogue between the United States and the PLO. The peace process, obviously involving Israel, is a different proposition. As far as we are concerned, recognition of UN Resolutions 242 and 338 and Israel's right to exist have been the conditions. I think I need to say as well, particularly when you're talking about the peace process, that continued participation in terrorist activity would seem to rule anybody out of the peace process. So the so-called armed struggle is a part and parcel of this problem. It's hard, and from Israel's standpoint—well, they'll speak for themselves. But these are the conditions for a dialogue with the United States.

Q. Lord Carrington, under instruction from the DPC [Defense Planning Committee] has written a letter to the Dutch Government asking them to reverse their decision to dismantle two of their nuclear tasks. Has that been an issue in this meeting, and what is the U.S. position in the matter?

A. Of course, we would prefer to see all of these tasks retained. And it has been discussed. I do think that the key important matter right now is the fact that the Dutch have decided to proceed, and many questioned whether they would or would not, and as it's turned out they are. We have always felt confident in the Dutch resolve, just as earlier we felt the same way about the Belgian resolve. I believe that the favorable resolution of these issues in Belgium and Holland has contributed tremendously to the strength and cohesiveness of our alliance and thereby to the prospects of success in our discussions over control of armaments with the Soviet Union. So it is a move in a very positive direction.

Q. We haven't had an opportunity to talk to you since the President issued his Executive order requiring lie detector tests of top Administration officials. What's your reaction to that, and will you take the test?

A. That is, I think, a domestic U.S.-type issue, and I'll respond to it in a domestic setting.

Q. After your stay here in Brussels, you are going to visit some other countries in Europe, among them Hungary. What do you expect from your visit to Hungary, and what do you expect from your conversations there?

A. In Hungary I'm looking forward to an education. I've read a lot about developments in Hungary, and it's one thing to read about developments and it's another thing to talk to people about how they are managing their economic system in particular. And I look forward to talking with them about that and also sharing views about East-West relations generally.

Q. What kind of backing do you feel that the United States got for SDI [Strategic Defense Initiative] out of this meeting?

A. Very good. I think the fact of the matter is that the importance, the responsibility of the United States to undertake this research program is universally accepted; everybody recognizes that. It's not an issue. There are lots of issues, and different countries have different views about whether they wish to take a formal part in the program. But the importance of the United States having this program is not controversial at all, and I feel as though the views are supportive in that sense. We do want to look at the implications of SDI. But, of course, it is a research program, and for the present and foreseeable future we have to remember that deterrence, as presently conceived, has kept the peace in Europe, and it will continue to be what we rely on to keep the peace.

Q. Did you feel the need to counsel restraint here on optimism toward the prospect raised at Geneva, that of early progress on INF forces with the Soviet Union, or perhaps even an interim agreement on INF?

A. It seemed that everyone, as we went around the room, felt the need to counsel everyone else to exercise restraint, and it's a universal recognition that we have to be realistic here. We have the problem of managing a very complicated process. And in a very real sense, the meetings between President Reagan and General Secretary Gorbachev are the tips of the iceberg. They are very important, and they stick up there and everybody looks at them. But there is a big, important process going on here, and we have to recognize its complexity and the great richness of it. So people have counseled each other along those lines, and we have to strike the right balance between having realistic expectations and having aspirations that are appropriate for the importance of the subject. These are very important subjects, and you can be sure that the United States will be bending every effort to find a good agreement if there is such an agreement to be found.

Q. I imagine by now that you've seen the New Zealand Government's legislation on nuclear ship visits. Do you have any fears that any other non-nuclear allies may be tempted to follow suit, and do you have any intention of renegotiating military relations with Australia?

A. Our military relationship under the ANZUS treaty with Australia is very strong, and we've had continuing discussions with Australia. We have no problems. It's very strong, and we see no need for any revision; it's good.

And so far as New Zealand is concerned, what they seem to be in the process of doing is denying ship visits by the United States, and under the circumstances what they are doing is *de facto* withdrawing themselves from the ANZUS treaty, in which case we'll have to adjust our sense of what our responsibilities are. But the treaty will remain there, and if, at some point, there's a shift it will be there.

Insofar as other countries are concerned, no, we haven't seen any tendency to look for legislation similar to New Zealand's

Q. We understand that several European ministers, while perhaps counseling restraint, did say to you yesterday that Western public opinion would expect concrete results from the next summit and that a good atmosphere would not be enough next time. Does that worry you?

A. I think everyone wants to have as concrete and fulsome results to come about at the time of these meetings as is possible. Just as I pointed out earlier, we had quite a number of concrete results, although not in the field of arms control, in the last meeting in Geneva. So we want to work for that. And I recognize that people want that. We all want it.

I believe also people want us to be realistic, and I don't think our publics here or in the United States want the United States to make arrangements that are made at the expense of Western security and Western values. There's no pressure for that at all. We want good agreements. And we do want them. But they have to be good agreements.

Q. Can I ask you for a short statement on what is the aim of your visit to Yugoslavia?

A. It's somewhat the same as I mentioned earlier. I expect to be educated, and I also look forward to discussing the problems that both of us have on our minds, that have to do with world economic developments and the way in which different countries are affected by them. In particular, in Yugoslavia's case, the debt problem and how it's being handled is an important one that I've talked about with Prime Minister Planinc before and look forward to talking with her again about that. And, of course, Yugoslav perceptions of East-West relations are always of tremendous interest to us.

Q. In London in the Pilgrims speech, you gave a rather strenuous defense before a European audience of the notion of giving moral and even armaments support to democratic groups struggling against oppression in Central America, Angola, Afghanistan, and Cambodia. I imagine that at least most of those areas came up in your discussions of regional problems here. Do you have the feeling now that the European allies are more or less convinced of the points that you made in that section of the Pilgrims speech, unhappy with them, or what's the state of their attitude toward those points?

A. Of course, the view that I expressed, and have expressed on other occasions more extensively, is that we're on the side of freedom, and people who are fighting for freedom and independence, therefore, have our support. Now what does that mean? It varies with different circumstances, and you want to do things that are going to be effective. We try to adapt our efforts to the situation and to what can be effective but with no ambiguity about the fact that we're for the people who are fighting for freedom. That is a general view.

Tactically what you should do at a given time in a given situation, people can have different points of view about. I'd have to say that we didn't have here extensive discussions about that topic since our focus of attention was on other matters, and particularly East-West relations.

Q. The day before yesterday, you met with the Turkish minister once again here in Brussels. As the result of the continuing Turkish-American talks, does the U.S. Administration think about the form of a treaty with Turkey at the end of the negotiations?

A. We have an agreement with Turkey under which we proceed, and we continually discuss it and what may or not be needed and adjusting it, and we continue to do that. We don't have any particular end point in mind in terms, certainly not of any new treaty or anything of that kind. But it remains to be seen how we'll want to label this when the time comes. I think the important thing is that we have agreed with

Turkey that we want to work in a very careful and professional way, problem by problem, at resolving them, and we have been making a good effort to do that. Under Secretary [for Political Affairs] Armacost visited Turkey, as he did Greece, some months ago, and we see a continuing process here, and I think a healthy one. The collaboration that we had on the vote that came up here earlier in the press confererence is an example, but there are many other examples of this fruitful collaboration. The Prime Minister visited the United States recently and made a tremendous impression in the country and with our Congress. So it's a good, healthy process. I might say, I particularly look forward to my discussions with the Foreign Minister, whose experience in East-West relations and in the Middle East is quite unusual.

Q. In the section concerning terrorism, it's a line we've seen before: We strongly condemn terrorism. And it's been a very rough year for terrorism. Is there anything a bit stronger that can be said about it? Has anybody proposed—I don't know—a new strike force, anything more concrete than condemning it?

A. I think the words serve the purpose insofar as words are concerned. It seems that it isn't so much words as actions that are what we need to be doing and we are doing. I think that the people are more and more alert to the great importance of this problem—its international aspects. Our intelligence collaboration has improved greatly. Our sense of the ability to manage crises has improved, and so there is an ongoing pattern of action. I think that's where we want to place the emphasis. As far as the communique is concerned, this serves the purpose adequately.

Q. What about an actual force? An international strike force, anything like that?

A. I don't think an international strike force makes any particular sense. There are capabilities within governments. These capabilities need to be nourished, and we have to have the ability to use them in a collaborative and cooperative fashion and exchange ideas on technique, you might say, and we are doing so.

Q. We were told by another American official the other day that on a preliminary basis, it's been decided that on the Salt II Treaty, there will be no expiration date as such on December 31. Can you elaborate on what the position is on the Salt II Treaty?

A. It's the same position that has been in place since the President announced his position, I believe it was last June; namely that he decided there to go the extra mile. It involved breaking up the submarine, and he looks to Soviet performance insofar as compliance is concerned, insofar as arms control is concerned, and he will be examining this whole question, particularly in the light of an additional report on the subject of compliance. If he makes a decision to make a change, it'll be announced. And that's the position.

Q. Yesterday you had your third bilateral meeting with the Greek Foreign Minister. I would like to know if, after these series of meetings, you think there is an improvement in United States-Greek relations and a change in the Greek Government's policy toward NATO. And secondly, I would like to know if there are any encouraging signs from the Greek side if the American bases will remain in Greece after the present agreement expires.

A. Let me just lump both questions together because they are basically similar.

In my first meeting with the new Greek Foreign Minister, he said that his government wished to see the relationship between Greece and the United States improved, and we agree. We also agreed to set about it in a systematic way. And the way to do it, we agreed, was to identify the problems, in a concrete sense, and then try to resolve them—big ones and little ones, but just try to have a problem-solving process. As I mentioned earlier, Under Secretary Armacost visited, and we've had discussions back and forth, and we also agreed that good relations are based on substance. I think it's fair to say, and I believe he would agree, that we have made genuine headway on substance. Therefore I think our relationships are better, and we intend to keep working at it.

Clearly the bases are an important part of the picture, and, of course, from our standpoint in the United States, we need to know early on whether the intention of the Greek Government is to end the bases at the end of this current agreement or not. If the intention is to end them then the United States will just have to make other arrangements. You see, it's one thing to have a negotiation about renewal in the context that both parties agree that the bases will continue, and we've been talking about the terms; it's another thing to have a negotiation where the question is, are the bases going to be there at all? Of course, it affects the U.S. view of what we should currently do with the bases. We're not going to put a lot of money into bases that are about to be abandoned. We'll have to address this issue just as we will address, as we consider it central to our relationship, the Greek participation in NATO. All of these things represent matters that are under discussion and review, and that will continue. I think the record so far in this effort is a good one.

Q. A question about the proposals for an interim INF agreement. The figures which the United States put forward when the Geneva talks resumed for American launchers will be the same as the actual deployment. Does that in any way imply a willingness to delay or alter the deployment schedules over, let's say, the next 6 months or up to the next summit?

A. No, not in the absence of an agreement.

JOINT NEWS CONFERENCE, EUROPEAN COMMISSION, BRUSSELS, DEC. 13, 1985[4]

Jacques Delors, President of the European Communities Commission. May I remind you that this is the fifth time the Secretary of State and the other American ministers are meeting with the commission. This is a meeting which should be seen according to the wishes of the Secretary of State in a larger perspective. We meet frequently, bilaterally, and to congratulate one another; to express a common will or to fight. Therefore, this meeting was meant to draw a balance sheet of the past year and to take a look at 1986, identifying where the difficulties lie and also to extend cooperation and increase it where it is possible.

In that respect, we discussed economic developments in the world, in the United States and in the Community because the United States and the Community just together make up 50% of world GNP. We then discussed monetary matters, financial problems of debt, ways of strengthening world trade, and, finally, matters which are of great interest to the world as a whole but are of particular interest for our bilateral cooperation. We can say that this year, 1985, in terms of the world responsibility of both the Community and the United States, is finishing with better hope for the future than we had thought it would at the beginning of the year. And we hope that the end of next year, and we very much hope in Brussels, we can start the new GATT round which will, of course, last a fair amount of time, but which, when it starts, will be giving a signal to the world as a whole and a signal of the Community and the United States to get us to resist protectionist tendencies which are just as strong in the Community as in the United States, even if they assume a less spectacular shape and form.

Thanks also to the decisions of the Group of Five where we now have a situation where the exchange markets are more transparent and less jittery. Of course a signal like this is not enough, and I know that the intervention of the central banks on its own is not enough. But we now have to create the basis for a healthy pickup in the economy of the world. And everyone should make an effort, not just the United States in reducing its budget deficit, not just Japan by opening up its economy more and making it a full partner in the world economy, but also the Community, which has won the battle against inflation and most countries too have reduced their external deficits. The Community, therefore, should contribute more toward world trade. That was one of the subjects we dealt with, and we went through the proposals that Europe had made to make its contribution to this and to raise these matters and reach a common view at the industrialized summit.

Then on the matter of financial issues—and above all, debt—we took stock of the Baker initiative, and we discussed how we could take it further so that with more trade, with more investment and with more confidence, the LDCs—particularly the indebted LDCs—would find the right way of developing their economies in a healthy way. And here, of course, cooperation between the United States and the Community will be important. Apart from that, we discussed a number of points of joint interest—part of our daily bread-and-butter work—high tech, intellectual property, services. We are already working together on these points. But I think the important thing, as Mr. Shultz said, was that we should have this overall view, the overall perspective. Try and identify the difficulties, try and broaden our cooperation, and I think we can say without being oversatisfied that things are moving in the right direction. The world economy is moving in the right direction. A lot remains to be done, but we intend to do this together united by our common values.

Secretary Shultz. President Delors has given a very full and complete summary of the things that we talked about and the atmosphere of the discussion. I won't repeat it except to endorse what you said.

I think we need to keep reminding ourselves that the United States and Europe have a relationship of tremendous importance, depth, richness, which goes across the board of matters of concern to all of our citizens. And a very important element of it is essentially the economic relationship. These annual meetings have become a kind of stock-taking, as you said, and a report to each other, an assessment of our responsibilities in helping to manage this relationship.

The meeting this year, as you said, has been particularly significant because we had some important, broad matters to discuss. The global bargain on economic issues that's come to be known as the Baker plan, I think, is of great importance, and we talked about that and, of course, the key element in it of the emerging GATT round. I think it was especially significant that we talked about how we each see that and the great potential for collaboration in the preparatory commission and then, eventually, in the negotiations. All of this is of tremendous significance and satisfaction. I might say satisfaction to me because I'm the veteran of four of the five of these meetings that have been held, and this one I might say with the new commission has been particularly satisfying and worthwhile. It's been a pleasure to have this time to sit down with your new commission and exchange views.

Q. I was wondering if you could tell us if you, in the course of your discussions, reached any sort of *modus vivendi* with the Community on how to avoid future situations such as the recent "spaghetti war" and the other trade conflicts that have erupted?

Secretary Shultz. I think that when we come to something that we have a stiff difference of opinion on, we're going to have to fight it out. On the other hand, I think these discussions and the procedures and the understandings that develop out of them teach us that, sooner or later, these disputes are going to get resolved and it might as well be sooner and with as little acrimony as possible. But there may be some that will turn out to be somewhat explosive. So be it. We'll have to keep them in the perspective of the overall relationship.

Q. I have two questions. First, how did you summarize the situation following the Congress' decision concerning U.S. deficit to the Commission, and second, there is a picture of yours in many of today's newspapers showing you yawning at the NATO meeting. Did you find this meeting today less boring or more exciting than that? [Laughter]

Secretary Shultz. I didn't have to spend very much time on the budget reduction legislation, since basically it reflects what the Europeans generally and the European Commission has been telling us we must do. And I hope that we will be able to follow through and actually do it. Of course, one of the reasons why our troops are a little reduced from last year is that Secretary Block [of Agriculture John R.], for example, stayed in Washington. Why? Because we have a farm bill that's full of problems. And its going to cost too much. On the one hand the Congress has passed a bill saying we've got to get spending down and, on the other hand, they're working on a farm bill that's going to get spending up. So we're going to have to work on this very hard.

As far as excitement is concerned, I would say there is an interesting symbolism in having the NATO meeting and the European Commission meeting as two significant events for us back-to-back because it does suggest, again, this broad range of our interests together,

the common values that we share. And the NATO meeting was a very worthwhile and productive one and this one has been too. [Inaudible] seven time zones different, even you might yawn once in a while. [Laughter]

Q. Did you discuss the Jenkins bill, the prospects and whether the President is going to veto it?

Secretary Shultz. Is that the textile bill?

Q. Yes.

Secretary Shultz. Certainly the recommendations across the board here are that he veto it, and I would be astonished if he didn't. He may have already done so. And I might say further we think we have the votes to sustain the veto. So it won't become law.

Q. Last year it seems there was some clash of interests between the United States and the European Community concerning the enlargement. In a few days, the Community will have 12 members, and I wonder if you have come to any sort of agreement on the outstanding problems, mainly on the farm products?

Secretary Shultz. It isn't a clash of interests of the enlargement. We favor the enlargement, and we think a strong Europe is good for the United States as well as for Europe. We have always said we have that feeling but we don't want to have it take place at our expense. There are some real problems in connection with agricultural trade and we haven't got them resolved, but we have them identified and they're going to be worked at.

Q. I have a question for Mr. Yeutter [U.S. Trade Representative Clayton Yeutter], please. I understand the Commission has given you a list of what it considers to be unfair trade practices. Could you tell us something about this list and whether you feel the allegations are correct?

Ambassador Yeutter. I have not yet seen the list, although Commissioner De Clercq has indicated that he plans to provide it to me. So I cannot respond to it. I did give Mr. De Clercq a philosophical response this morning. That was simply that we believe very strongly in free and fair trade and, if there be any legitimate complaints of unfairness from the standpoint of U.S. conduct, we are pleased to have that challenged. We believe the Community has every right to challenge unfair trade practices of other nations or allegations or the prerogative of launching allegations of such conduct whether it be related to the United States or any other country. We feel very strongly ourselves that we should have that same privilege and, as you know, we have launched a number of unfair trade practice complaints during the past several months, a couple of them, *vis-a-vis* the Community. We do not construe action designed to rid the world of unfair trade practices as being protectionist in any way. Obviously, if we feel the Community's allegations are inappropriate, we will say so, just as they have every right to make that same commentary with respect to any allegations we might make. But it is only conjectural at this point since I have not seen the list.

Q. Can I follow that up to Mr. De Clercq, if he could tell us what the list is and what it is that you find unfair in the U.S. trade practices?

Mr. De Clercq. I don't think I'll surprise anyone if I say I am not going to comment on the list. It would be a bit of a diabolical liberty if Mr. Yeutter was to learn what was on the list during a press conference. I have got it in my briefcase. My day at work hasn't yet been completed and tomorrow morning, since I wasn't able to have dinner with Mr. Yeutter last night, I was in the European Parliament—in fact, there are so many, Mr. Yeutter has made so many speeches, in fact, that I had to answer all these points in the European Parliament. So, this shows how determined and how competent he is in defending legitimate interests of his country, but it means for me more work because I have to spend night time sessions dealing with related points in the European Parliament because some of the members of Parliament are a bit upset by these statements. So I missed dinner and I had to have a modest breakfast and between the croissant and the roll, I shall hand over this list and, then after that, we can discuss it, but please, not before.

President Delors. This shows you the competence and vitality of the opposite number of Mr. Yeutter, our equivalent. He also likes making speeches.

Q. Did you raise the question of the decision taken by your government to reduce the budget deficit over a 5-year period in your talks with the Commission, and what did you say about that? What will be the effect of this on trade relations between the United States and the Community? And, the second question, just now you referred to the possibility of disputes which might be of an explosive nature. Do you have any particular dispute in mind?

Secretary Shultz. No, I was just reacting to the spaghetti comment which in my country is called pasta. I assume that's what you are talking about as a very particular thing that gets people quite excited on each side and is important but, at the same time has to be kept in the right perspective. As far as the Gramm-Rudmann bill is concerned, I think I have said about what I have to say on that subject and I don't see that it particularly has any special bearing on trade relations as such.

Q. President Delors has mentioned that you discussed technology. Did you talk about the whole issue of Europe opening telecommunications markets to the Americans which I know Mr. Yeutter is concerned about, and I'd particularly like to ask both him and Mr. Delors that question and if you felt you got any satisfaction on that issue?

Secretary Shultz. Yes. We discussed the general subject of technology, but I'll ask Secretary [of Commerce Malcolm] Baldrige to comment on that or Clayton as well.

Secretary Baldrige. We do have some medium and long-range concerns on the whole issue of telecommunications. We didn't get into that in any depth today but it's very clear that the United States, after the breaking up of AT&T, has seen perhaps the most open telecommunications market in the world. We happen to think that that regulation [sic] was good but, on the other hand, it's certainly increased imports from European communities, Japan, and other places. I think there is an inevitable tug toward wanting now to see other telecommunication markets as open or not as open but getting closer to that point than they are now. So there will be discussions on that, that's for certain. But we didn't go into it in depth today.

President Delors. I have three brief remarks to make. First, a group, a study group, a joint study group involving the United States and the Community has been set up on high technology and this group has in particular discussed matters pertaining to biotechnology and telecommunications. It will continue to do so.

Secondly, I told our American friends, briefly, what the concerns of European firms were. They are trying to see where they stand in this rapidly changing world, particularly with projects as stimulating as are the SDI and others. They need to know whether they are in the starting blocks, if they stand on the same footing as other companies that are not Community companies. This is our preoccupation that leads us to detailed discussion and to a closer cooperation between the United States and the Community.

Thirdly, and this is the most important thing, there can only be coherence and hope for the future of the Community if in parallel it accomplishes its intentions on the internal market and if it participates more in multilateral trade. The two things go hand-in-hand. One cannot imagine building up the internal market on the inside without adopting an equally consistent attitude *vis-a-vis* the outside.

Q. In his introduction to this press conference, President Delors was referring to the Group-of-Five meeting on foreign exchange, and he said that although there was an agreement on intervention, these interventions had not been sufficient. What was the American reaction to that?

Secretary Shultz. I think, and of course President Delors will speak for himself, but I think the impact of the G-5 announcement has been a constructive one. Through some pattern of some intervention, perhaps even to a greater extent, actions within a country that signal what it is doing, such as the somewhat higher rates of interest in Japan and things of that kind, there has been an effect on exchange markets that is good and perhaps it's also good for exchange markets to feel that somebody is watching. On the whole, those are the types of things talked about, and I think probably you and I would agree that this announcement was a good thing. We didn't have a difference about it.

President Delors. Perhaps you misunderstood me, or perhaps I wasn't terribly clear. But I would remind you that at the Fontainebleau summit, I personally suggested that central banks should work more closely together, but I said at that time that this cross-intervention from the central banks could not in the long term remedy the unhealthy aspects of international economy.

But I did say that the meeting of the G-5 had a twofold positive effect. First of all, a psychological signal to the markets. Just a week later, the markets were less jittery and easier to read. This was the clear determination not to allow the markets to be too volatile and to give way to nervous trends, and at the same time, from a technical point of view, this cross-intervention from the central banks, not in excessive amounts, did show that it was effective to a certain extent.

Of course, however, this doesn't mean that we should not get to grips with the basic difficulties. There is, of course, among other things, the U.S. budget deficit. But at the same time, there is insufficient growth in Europe, there is insufficient participation of the Community in certain monetary and economic matters. There is also the role that Japan should play. So we should welcome the effects of this. But let us not have any illusions about this. Intervention of the central banks on their own will not deal with all the imbalances, or the unhealthy aspects of the international economy, and I am sure the Secretary will agree with me. We discussed the other points, the other things that we have to work together on in the broad perspective he sketched out.

Q. The relations which the European Community wishes to intensify with Latin America, particularly—Central America in particular—through the cooperation agreement signed in Luxembourg and which does not preclude Nicaragua. How is this perceived by the government in North America, and what is felt about relations between United States and the European Community and relations between the United States and Central America? Further, in a world shared by two superpowers, Europe is surely an alternative making it possible for Latin America not to have to make a choice with all that it implies between yourselves and the Soviet Union?

Secretary Shultz. First of all on the European meetings with a Central American group, we welcome that. Central America needs help. We try to give a lot of it, and we welcome Europe also giving help. Of course, giving help in this case means opening markets to trade, and we have opened our markets to trade with Central American countries and Caribbean countries on a preferential basis to try to encourage their economic development. That is the principal thing that they need.

As far as Nicaragua is concerned, Nicaragua is isolating itself. It's isolating itself in its own community, and it's isolating itself from its own population. Nothing was more dramatic in that regard than the Nicaraguan involvement with the M-19 terrorist group that murdered justices in Colombia and necessitated that terrible battle at the Palace of Justice in Bogota. And, I must say when I was in Cartagena about a week and a half ago for a meeting with Latin American Foreign Ministers in the OAS [Organization of American States], it was quite apparent that Nicaragua is the odd-man out. So, I expect that Europe may observe that too.

I don't think on your second question that Latin America needs to choose between the Soviet Union and the United States and land on Europe as the alternative. I don't think that's the way to look at it. For one thing, there isn't an alternative between the United States and Western Europe insofar as value systems are concerned. And it's very important to recognize the unity, not disunity, of Europe and the United States in that regard.

Insofar as trade is concerned, help yourself. The great volume of Latin American trade is with the United States and the surge of exports that's helped turn many of those economies around has come from the exports into the U.S. market in the last 2 or 3 years. So it's been of great benefit to them but the more they are able to ship to Europe, why the better. They need growth and they need markets, and we encourage the opening of European markets to them.

NEWS CONFERENCE, BUCHAREST, DEC. 15, 1985[5]

I wish to express my appreciation to President Ceausescu and his colleagues for receiving us today on a weekend and for the lengthy meeting that we had with the President. During the course of the meeting, we discussed all of the issues that were on our agenda to discuss, both in the bilateral area and in the international field; so you can see great significance to both countries. We

found areas of agreement, areas where we didn't see things the same way, others where more effort seemed to be called for. We certainly have determined that we will try to make it because we would like to see the relationship between the United States and Romania be as good as it can be. I again express my appreciation for what I consider to be a constructive and worthwhile and far-ranging discussion.

Q. The existence of a big number of conflicts is always a big danger for today's peace. What do you think about the possibilities to solve a number of existing conflicts, and what do you think about the use of force and intervention? I am referring to all the conflicts in the world, and the possibilities to improve detente on this.

A. Of course, the United States believes in peaceful solutions, in political solutions, in negotiated solutions. I call your attention to the Great Seal of our republic. It shows an eagle, and the eagle has in one claw an olive branch and in the other, arrows. And the eagle is always looking at the olive branch to show that in every sphere, the United States seeks peace. Peace with justice, but the eagle also holds onto the arrows because we have found through our experience that strength is the road to peace.

As we have approached the subject of East-West relations, and as the President approached his recent meeting with Mr. Gorbachev, we spent a great deal of time on the subject of arms control, and some progress was made, and we welcome that. But we recognized, and the President said, that countries arm because of the differences among them and not the other way around. It is important to look at the flashpoints around the world and see what can be done about them. It is important to look at the implications of things such as the Helsinki accords and the Madrid mandate and other things of that kind that go to the relationship between governments and human beings. And of course, also at Geneva, just as here in Romania, we talked about our bilateral relationships. I think there is a great deal that can be done in both cases to improve them.

Q. Could you tell us what you said to President Ceausescu about the pressures that have been building up in Congress to tie MFN [most-favored-nation] status more closely to Romania's human rights performance, and what response you got?

A. It isn't a question of pressures in Congress; it is a question of what, from the standpoint of the United States, we feel is right and proper. We discussed these matters, of course, recognizing the right of every country to govern its own internal affairs, but also the commitments that are undertaken by accords that I mentioned earlier. I consider that our conversations were candid and frank, and, as I said, worthwhile. We have set up some procedures that we hope will resolve what differences there are. Beyond that I don't wish to comment.

Q. At the Soviet-American summit in Geneva, both parties agreed to the principle of substantial, even 50%, reduction of nuclear arms. If there is this readiness, will you kindly explain why the testing and deployment of new arms are going on? Why is not beginning the process of military expenditures, reductions in favor of development?

A. Actually the story of the last decade is one in which the United States has been taking more nuclear weapons out of use than it has put in, in the course of modernization, whereas the Soviets have built up. I think the important thing to focus on is the importance of radical reductions. This has been our program for many years, and it is our program today.

I think it is a matter of some significance that in the counterproposal prior to the Geneva meeting and at the Geneva meeting, the two heads of state personally put their endorsement on this idea of a 50% reduction. That is an important idea. Obviously, it only takes you a certain distance because it is a question of 50% of what, and our views about the "of what" are very different. However, that is what the negotiation is about, to resolve those differences. So the United States will continue to work for radical reductions in nuclear weapons across the board.

Of the weapons that seem to be of greatest concern in Europe are the so-called intermediate-range weapons, our position has been from the beginning, and remains today, that the best solution is zero. Right away. And of course, we have stated, and so have the Soviets, that our ultimate goal is to eliminate nuclear weapons entirely. But you have to walk before you can run, if I can label 50% a walk. That's certainly the step that needs to be taken.

Q. The Romanian President, earlier today talking about U.S.-Romanian relations, said they could be better. After your series of meetings today, how would you characterize this relationship between the United States and Romania?

A. I think the President said it well. They could be better, and so one of the purposes of my trip here on the one hand is to pay my respects to the many interesting stands and positions Romania has taken and the relationship that we do have and its basic fundamental importance, but also to discuss some of the reasons why it isn't better and to see if there are things that we can do to make it so.

Q. You carried a letter from Minority Leader Michel to the Romanian Foreign Minister. Could you tell us something about that? I mean, what was the purpose of this?

A. It was a letter given to me by the Republican leader in the House of Representatives. As it turned out, he had met the Foreign Minister when the Foreign Minister, with another portfolio, happened to be in Washington. So I think it was a natural thing that he should write and express some of his own concerns. But I don't think it is proper for me to disclose the contents of a private letter between Mr. Michel and the Foreign Minister.

Q. President Reagan said once that he recognizes the frontiers in Europe after World War II. That is, that they recognized the political map of the Continent as it is today. As I understand, during your trip—your present trip to Europe—you said that it seems to you that Europe is artificially divided. Now I want to put a very clear question. Do they, the United States, recognize the frontiers as they are today?

A. We don't, in that comment that I made in Berlin last night or in any other comments, suggest that we are

trying to charge the boundaries that are established in Europe. But I think it is a fact that Europe is divided. It is divided artificially; it is divided by barbed wire; it is divided by a Berlin wall; it is divided by restrictions of all kinds on the freedom of Europeans to travel to each other's countries, so there is an artificial division of Europe. It is a division of the people from each other. That is what I referred to. I think the world would be more stable, more peaceful, more joyous if this division were brought to an end. We constantly make that point, and I might say that I have heard many of my friends in Eastern Europe echo the same point.

Q. Did you discuss with President Ceausescu the huge trade imbalance between trade—between Romania and the United States—and if so, what was discussed, and were any plans set forth for addressing this?

A. We discussed the subject of trade, and I discussed it some more with the Minister of Trade who happened to be seated next to me by chance at luncheon. But with the President, the main part of the discussion had to do with our policies on technology transfer, which he criticized and which I tried to explain. And that was the main burden of our discussion. However, the subject of trade is an important bilateral subject, and we would like to see trade flourish to the extent that it can, and I believe that it can increase more in the future, and I hope it does.

Q. I am wondering if you would express your support to President Ceausescu about independent policy of this country? If so, in what way do you express your support?

A. It isn't a question of expressing support; it's a question of having a discussion, which we did at some length, of various issues of foreign policy, and there are many important subjects on which we seem to have a rather parallel view. There are others on which we don't. We went through these, and I think it was quite a worthwhile discussion and worth doing that. I was interested—I don't want to quote the President; he will speak for himself, so I won't expand on the comments, but just say as I did.

Let me just conclude by saying, and I mentioned to the President that at the opening ceremonies in Los Angeles of the Olympic Games a year ago last summer, as the teams from various countries marched into the stadium—I happened to be there with President Reagan—it was quite striking that the team that got the greatest amount of spontaneous applause was the Romanian team. And so in that spirit and with the symbolism of that Olympic event, let me say that as we try to work at the problems that we have and the undoubted problems between the United States and Romania, we agreed that we would work at them in the spirit of the Olympics.

NEWS CONFERENCE, BUDAPEST, DEC. 16, 1985[6]

I'd like first to express my deep appreciation to the leadership and people of Hungary—of course, particularly my host, the Foreign Minister—for inviting me here, and for providing me with such an interesting program. Of course, it was exciting to see the Danube flowing through Budapest and to see the wonderful buildings and museum, but even more exciting were the interesting discussions here with the Hungarian officials, in particular, of course, Mr. Kadar, who was most generous with his time this afternoon.

Q. Would you please give us a post-Geneva rundown, scenario, the way you would like to see for in 1986?

A. I think that's a little hard for me to foresee. The crystal ball has fingerprints all over it. I can't see through it very well. But let me say this about the meeting in Geneva. The President considered it to be a most worthwhile meeting. He had a good opportunity for a thorough exchange of views with Mr. Gorbachev. Some things were agreed to that have genuine significance, and it was interesting to me here to have people point out to me something that I agreed with—namely, there's one thing for each of those leaders to say separately that a nuclear war cannot be won and must never be fought. It has a little bit more weight and meaning when they say it together in a joint statement.

We from the United States side are engaged in a very intensive followup process within our government and already in contact with the Soviet Union in following up on the Geneva meeting because we want to move things forward as much as we can. And it is our impression from the responses on the Soviet side that they are equally serious in trying to pursue the matters discussed at Geneva and do what we can to bring them to a successful conclusion. What the outcome will be I can't forecast. But I can say with great confidence that a strong effort will be made to maintain a constructive spirit and to maintain an ability to agree to things and work out problems to the extent we possibly can.

Q. Along those lines, did your discussions with Mr. Kadar include the question of the role of countries like Hungary in the process of improving relations?

A. My discussions were quite rewarding as far as I'm concerned. I did have some things to say, but I did a lot of listening and I felt that I heard a great deal of wisdom. It is certainly the case that the world and the U.S.-Soviet relationship, East-West relationships, are at a very important moment, perhaps promising moment. And the people here in Hungary, and Mr. Kadar in particular, offered interesting observations, I felt, and that's a genuine contribution. And so I consider my trip to have been most worthwhile.

Q. Did your discussion include a discussion of Mr. Kadar's visiting Washington in the near future?

A. That didn't come up, but I'm certainly in a strong position to say to everyone in Washington that Mr. Kadar is a very interesting interlocutor and well worth listening to.

Q. Did you discuss the prospect of improving trade and cultural exchanges [inaudible] with Hungary?

A. We discussed our bilateral relations quite a bit, and I think on both sides we think that they are progressing in a satisfactory way. We don't have major problems. We would like to see trade expand to a greater extent. The cultural exchange is moving and in process, and there will be coming to the United States this spring—I think it

opens in April—a major display of Hungarian silver and gold works that I'm sure people in the United States will find interesting. I was told in the museum today, that 100,000 people last month came through there, and I'm sure there were some Americans present among them. There is a lot of that kind of exchange and it's certainly to be encouraged.

Q. If my memory doesn't betray me [inaudible] you refer to the unnatural division of Europe. Now what exactly do you mean by that and [inaudible]?

A. Let me say what I don't mean and then what I do mean. I don't mean anything about how the lines are drawn on the map. They're there. They're drawn.

What I do mean is that it seems to be unnatural that there be restrictions on movement of people in Europe from one place to another. I spoke about this particularly in Berlin, where there is the Berlin Wall, and what does it say? It says that it is a symbol of division. And it's not only a symbol, it's a reality of division, and it's unnatural. It's unnatural that German families can't visit each other freely or reunify. And the same through many other dimensions of life. I had a question a minute ago on cultural exchanges. So whether you're talking culture, science, economics, family, the history of Europe is one of diversity among different national groups but of a tremendous flow and exchange among them, and it's unnatural that that not be so. I think we should work to bring it—to make it less so and eliminate it if possible. For example, as I understand it, there is no problem at all about people moving across the Hungarian-Austrian border. There's a free flow there. That's good. That's the sort of thing we ought to see on a more widespread basis. That's what I mean.

Q. According to the last census held in the United States, there are 1.8 million ethnic Hungarians in the United States and half a million of them speak Hungarian. How do you see their role in the relations between the United States and Hungary? Maybe it serves as some kind of link or bridge between the two countries, promoting better understanding of the governments and the peoples.

A. I think you make a very good point about the existence in the United States of people from many different countries and in this case an important group from Hungary. On the one hand, the Hungarian-Americans have made very significant and important contributions to life in the United States, and we appreciate that. On the other hand, they also most generally have an interest and pride in Hungary, and so they call it to our attention. I think it is undoubtedly helpful. It was interesting to me to have our current Ambassador to Hungary, Mr. Salgo, as we were coming out I think it was of the National Museum—point out a sort of a garden nearby and said that when he was a child in school, he used to play in that garden. He brings a special understanding and affection and has been the agent, I think, for a genuine improvement in our relationships, so you have put your finger on something very important with your question.

Q. The assessments that were published in today's papers about Hungarian-American relations mentioned that while it's a very good thing that there is a development in trade but still that many Hungarian managers are at a loss in the [inaudible] because they cannot plan; there is this annual basis of most-favored-nation status, and this really gives a hindrance or an obstacle of a longer or a greater flow of Hungarian-American trade. How do you see this problem, and was this problem raised in the discussion?

A. Yes, this question was brought up with me several times, whether or not there couldn't be some sort of multiyear or elimination of the MFN question. At this point I don't see any particular prospect of a change in the law under which that takes place. And it isn't really a question of Hungary, really.

At the same time, there is no opposition in the United States, or no basis for it, to the continuation or of MFN treatment for Hungary; so, it really isn't an issue. But I think it would be at some point when the time is propitious to deal with the question, because it's quite understandable that it helps to have the certainty that the conditions that are in effect, let's say today, are going to be in effect a year from now or 2 years from now. It helps in the conduct of trade and business and investment without a doubt. But I think that anyone who makes that assumption under today's conditions is making a correct assumption.

Q. It's your first visit to this part of Europe. Did the [inaudible] and information you got so far possibly enrich or probably modify your previous [inaudible] East-West relations [inaudible]?

A. It certainly enriched my understanding. It's always different, and better, [inaudible] to come to a country and talk to people there, as distinct from talking even to the same people in some other place. It's good for me to come here and get a better appreciation of the view of people, of the beauty, of the culture, of the history. You can feel it, when you're here, in a fuller sense. I don't think I could say I was surprised because I expected to have good, frank, searching, worthwhile, and rewarding discussions, and I have. I expected to see some things that would be quite extraordinary, and I have seen them. So I wasn't surprised. My expectations were high, and I wasn't disappointed.

Q. You called Mr. Kadar a wise interlocutor. Could you be more specific on what you wanted to learn from him—a discussion, a little more on your discussions?

A. We talked about developments in Hungary—that was enlightening to me—and how I should understand them. We talked about U.S.-Soviet relationships, and he gave his reflections on the meeting in Geneva and the importance of followup on Geneva, and we exchanged views on that, and we talked in general about East-West relations. He had many comments that I found worthwhile, but I don't think it's proper for me to go into detail, but those are the general areas on which we found it—good.

Q. In your speech in Berlin, you also talked about how the United States does not accept the incorporation of other countries into a Soviet sphere of influence. The United States has been, I think, rather passive in recent years toward most of the countries in this part of the world. Do you foresee, perhaps, more attention being given to having more American influence in the countries which do not perhaps have as good relations with the United States as Hungary does? I'm thinking of Czechoslovakia, Bulgaria, Poland.

A. I think that can very well be a natural tendency, and I hope it takes place just in the natural course of things. If it turns out to be so, and I

hope it will be so, that the general tenor of East-West relationships and U.S.-Soviet relationships improve. We do have some very interesting settings which are important for their own sake and also important for just the question of who's there.

I particularly would single out the Stockholm negotiations on confidence-building measures in Europe. These measures are important, but it's also interesting that attending those meetings and working at it are the NATO countries, the Warsaw Pact countries, and the neutral and nonaligned countries. It's a good mixture, and a good place for people to talk. It provided the occasion for Foreign Ministers' meeting in Stockholm, and, of course, the parent Helsinki process provided a similar setting last summer, and that was fruitful. I think in the normal course of events if things move in a direction we'd like to see them move, and of course they may not, but if they do, then we would expect to see more contacts, certainly.

Q. For Hungary, the economic side of the relationship is quite important. Do you see a possibility for a substantial improvement on this field as a result of your visit?

A. I don't know that it's the result of my visit, particularly, but the amount of trade between us is small. It's significant, but it's small. I think that it shouldn't be difficult to have a big percentage increase. Percentage increases on small bases are always a little deceptive, but if that's what you mean, yes, I think that could happen, and a visit doesn't necessarily solve any of those problems. Those are questions of trade, represent things that businesses do, not things that in our country that governments do, except that the governmental overlay and encouragement, perhaps gives some reassurance, for example, on the MFN question that you raised, and that may help. I hope it does. Also we discussed the general world economic environment and what needs to be done about it because both the United States and Hungary are a part of the world economy. We're affected by it. We're both trading nations, and so what happens in that sphere will have its impact without a doubt.

Q. How high are East-West relations on your personal agenda in American foreign policy? East-West relations turn out to be, in the majority of cases, American-European relations as well, as it became much of a fashion in the United States to talk about the decline of Europe, and about American attention concentrating much to the south and to the west within the United States [inaudible]. How do you see it?

A. I think the general subject of East-West relations and U.S.-Soviet relations is right up at the top of our agenda, and it will get full attention from President Reagan and all the people working with him. We will spare no effort to see that things go forward in that sphere. I think that in doing so, and doing it in collaboration with our friends and allies around the world, not just in Europe, we're doing something that I think people very much want to see. It is true that all around the world people would welcome a more constructive U.S.-Soviet relationship, if one can be built on a realistic basis that serves the interests of people around the world. So they want it, and they want it worked out, and we do, too, and we will do so.

Q. Regarding the policy of differentiating among the nations of Eastern Europe, and between them and the Soviet Union, during your talks, and especially your talks here in Hungary, what do you suppose is the most you can hope for in the way of results from that policy? What would you like to see that policy achieve for the United States?

A. I think that really it's a question of recognizing that countries differ from each other in the natural state of things. We speak of Europe, let alone Western and Eastern Europe, but when you come down to it, those words are a little too broad and you have to speak about individual countries.

The same is true in other areas of the world. Often in the United States, people talk about South America, but when you work at the problems of South America and travel and do business there, and so on, as I have, you quickly drop that and say, we'd better talk about Argentina or Brazil or Venezuela or Mexico or whatever because each country is distinctive in itself. Certainly that's true in this case, and what we seek to do is—where we can, where it's appropriate—develop a reciprocal pattern of improving our relationships with countries around the world, including here in Hungary.

JOINT NEWS CONFERENCE, BELGRADE, DEC. 17, 1985[7]

Secretary Shultz. I appreciate the reception here in Belgrade, and the very fully filled day of discussions. We've covered the subjects in our bilateral relationship, which basically is a good one; we've covered our interests in economic problems, including the international economic environment; and we've discussed political and security issues generally, with many interesting perceptions given to me by my colleagues from Yugoslavia about the development of East-West relationships and our own relationship with the Soviet Union and the President's meeting with Mr. Gorbachev in Geneva. In addition I had the fun of a visit to an extraordinary 19th century house. It was an interesting little visit to the history of your country and I appreciated that as well.

Secretary Dizdarevic. May I say that we quite appreciate the fact that we have Secretary Shultz visiting here with us in Yugoslavia. And as you heard from him already, ever since he arrived in Yugoslavia, until this present moment, we've practically been talking all the time. And at these talks we have exchanged opinions and assessments with regard to all aspects of our relations and also with regard to our bilateral cooperation.

Speaking of our bilateral cooperation, may I proceed from the assessment that our bilateral relations are good and that they are based on the fact that our two countries wish to cooperate, although we have different internal systems and although we have different international positions and although we have different views with regard to quite a few issues. However, there is an interest in cooperation on both sides, and we believe that in this way we can only contribute to world cooperation.

We have discussed a large number of topical international issues during our talks today, and we have heard some very interesting appraisals of the recent Geneva meeting from Secretary Shultz; also with regard to what has been happening since the Geneva meeting and also how he views the aftermath of the Soviet-U.S. relations. We also expressed our views and the views of nonaligned countries with regard to this process of negotiations, and I hope that Mr. Shultz

won't mind if I refer the attention of you all to the toast that he delivered at our luncheon today. I am convinced that it is going to be most useful to you for these particular purposes. May I say in conclusion that we are very satisfied with the talks we have had because these talks were very substantive, very frank and very friendly.

Q. Did you discuss the multiyear rescheduling of Yugoslav debt by Western governments and bilateral trade relations between the United States and Yugoslavia and if so, what's the U.S. position?

Secretary Shultz. You added the last part of your question or I could have just said, "yes." We did discuss those matters. Insofar as trade is concerned, we both believe that it could expand; we'd like to see it expand. I think one of your colleagues just returned from the United States in a mission with the U.S.-Yugoslav economic mission. There are certain problems we discussed: textiles, steel, the application of dumping, and such legislation. All this is part of the scene as it affects all countries, not just Yugoslavia. But I think I can fairly say and my Yugoslav hosts did note that the U.S. market is basically open, and we are ready to receive their goods. We would like to sell goods here. We talked about that, too.

Insofar as the MYRA [multiyear rescheduling agreement] is concerned, we discussed that and also I was able to say on my own behalf and my government's that we're really tremendously impressed with the steps taken here and the results of them. Insofar as the commercial MYRA is concerned, that's been signed. We encourage that. And on the question of MYRA on official debts we have an open mind, and we're prepared to discuss this with the Government of Yugoslavia. We talked enough about the ins and outs of that at some length.

Q. [Inaudible] the irreplaceable role and the contribution of nonaligned countries to the easing of tensions is well-known. How do you view the role of nonaligned countries today, bearing in mind the fact that relations between the two superpowers have thawed?

Secretary Dizdarevic. You know that the policy of nonalignment and the movement of nonaligned countries ever since its very outset, that is, starting with the Belgrade conference, was involved in the easing of tensions, the process of negotiations and cooperation with the participation of all and to the benefit of all. The kind of policy and these objectives of the movement have always received our full support. And as you could see at the conference in Lusaka and also at this present point of time, the dialogue that the two superpowers are involved with now have received the support of the movement of nonaligned countries, which on the one hand did present its point of view with regard to these intentions and the process of negotiating, but on the other hand which also contributed with its own activity to the general international atmosphere, which would be conducive to the development of this process and to giving it a more sustained support. It was, after all, we believe that there could be no detente, no relaxation of tensions, if there is no easing of tensions and, if there is no cooperation between the two superpowers, but we also do not think that this can be a lasting process if it does not encompass all countries and if it does not rely upon the easing of tensions between all countries and with regard to all problems.

Q. At your press conference in Budapest a few days ago, you said that you thought there was an improvement in East-West relations and you also said that it was the point of view of the German side that there have been some positive impulses from the Soviet side. What did you have in mind?

Secretary Shultz. I was referring to the followup process after the Geneva meeting. I said that we were working hard on that on the U.S. side and that we, of course, were having contact with the Soviet side of that process. Judging from the responses that we've had, we would estimate that the Soviet side is working seriously on these issues as we are. So neither we nor the Soviets have taken a deep breath after Geneva and said, "Fine, that's over and now we'll wait a year or something like that." We have picked right up and are following up and doing all that we can to see that as constructive and stable a relationship is developed as is possible.

Q. You said before you left Washington that you would be visiting three countries named Romania, Hungary, and Yugoslavia that would benefit from your visit. Does this still hold true and if so, what benefits did you have in mind? Question for Secretary Dizdarevic. You said that flashpoints of crisis were discussed in these talks. Could you say something more specific on that?

Secretary Shultz. I don't think I said that these three countries would benefit from my visit. That's for them to decide. I hope they do. What I believe I said was that I expected to benefit from the visit myself by virtue of going to, in the case of Yugoslavia, a country that I have been to before but not for quite a while and by visiting two other countries that I haven't visited. And in talking with them about our direct relationship and in reflecting with them about developments in the world, including East-West developments, and hearing their perspectives. That has been clearly helpful to me, and I am glad that I had a chance to make this visit.

Secretary Dizdarevic. We did have an exchange of views on flashpoints of crisis throughout the world, that is, both Secretary Shultz and myself had our talks and also Secretary Shultz in his talks with the President of the Presidency Vlajkovic. Each side expressed its own views with regard to these flashpoints. The thing we have in common, if I can speak on behalf of us both, is that we find it difficult to speak of easing tensions worldwide and to make steps toward a better situation without having these flashpoints overcome.

Q. Did you discuss the question of hijacking and international terrorism, and could you say what the position of the two sides are on the question of Mohamad Abbas?

Secretary Shultz. We did discuss the subject of terrorism and, from the U.S. side, I expressed the great concern we have about this problem, about the fact that it has become a major problem that is not a national problem; it's an international problem. Hijackers and terrorists operate across national boundaries, and so we seek to cooperate with other countries in dealing with this problem. We think that we need to create an atmosphere where terrorists have no place to hide and are brought to justice. We're glad to see the four who are being held in Italy on trial. We would like to see Mr. Abbas in the same position. I expressed my disappointment that he was allowed to pass through Yugoslavia, and, at the same time, I think I can fairly say that the Yugoslavs stated their agreement on the importance of the problem. We've had an exchange through our Ambassador in charge of this problem, Mr. Oakley, who's been here, and we hope to continue to evolve a cooperative relationship with Yugoslavia, because we think

of this as a problem of great importance to both countries and to countries around the world.

Secretary Dizdarevic. We did discuss the problem of terrorism. You are familiar with Yugoslavia's stance and that is that it is a very serious problem that is an international problem. It calls for the involvement of everyone individually and for cooperation in combating terrorism.

Yugoslavia has been active in this respect for a long time, because it has been a victim of acts of terrorism for a long time, too. While expressing our views with regard to this particular matter, we also expressed Yugoslavia's readiness to cooperate with the United States of America with regard to that issue as well.

I should like to remind you of Yugoslavia's point of view with regard to international terrorism and that is also that Yugoslavia clearly distinguishes between the struggle against colonialism, against aggression, against racism on the one hand and terrorism on the other hand. When speaking of terrorism and the struggle against terrorism, one must also view the causes that lead to it, because we believe that by the elimination of positive terrorism, the phenomenon itself can be controlled and eliminated. As regards the Abbas case, I should like to say one thing: Everything that we had to say to each other concerning the Abbas case, we did say at the time when this was a topical issue and as far as Yugoslavia is concerned, this has been overcome.

Secretary Shultz. I would like to add a point, if I may, on this question of causes. Hijacking the Italian ship, murdering an American, torturing and holding of a whole bunch of other Americans is not justified by any cause that I know of. There is no connection with any cause. It's wrong, and the international community must step up to this problem and deal with it unequivocally, firmly, definitely. There must be no place to hide for people who do that kind of thing, and you probably feel the same way.

Secretary Dizdarevic. I told you today and you do know that Yugoslavia is against all forms of terrorism and against all terrorism acts.

Q. In an interview 2 days ago, Yasir Arafat said that the PLO would be prepared to accept all resolutions of the United Nations Security Council including Resolutions 242 and 338. What would the attitude of the U.S. Government toward the PLO and an international conference on these issues be in that case if all of this really materializes—what Arafat mentioned—

Secretary Shultz. U.S. conditions for a discussion with the PLO have been clear for many years: Let them state their support for UN Resolutions 242 and 338, and recognize the right of Israel to exist. I might say from the standpoint of the peace process generally, it's hard to imagine them taking part at the peace table when they advocate the elimination of Israel by armed struggle and take part in terrorist activities. It's not a matter of speculation that they take part; they claim credit for terrorist activities. There has to be a shift of gears and I hope certainly that somehow or other a shift does take place.

Q. [Inaudible] did you discuss hijacking in Romania and Budapest and [inaudible]?

Secretary Schultz. I discussed the subject of terrorism generally in each place that I stopped and I can't think of a country that I ever go to where we don't discuss the subject. It's on everybody's mind. It doesn't have to be me all the time that brings it up. Other people have it on their minds as well.

Q. [Inaudible] the increasing of the hostility of the United States against Nicaragua. So you believe that at any moment the United States can order the invasion of Nicaragua?

Secretary Shultz. No, there's no plan at all for the United States to invade Nicaragua. This is a figment of Nicaragua's imagination. What the trouble with Nicaragua is is that it is alienating itself from its own people and its own neighborhood. The most recent example is, with clear relationship to Nicaragua, the activities of the M-19 terrorist group that took over in the House of Justice in Bogota, Colombia, and in the firefight that ensued, murdered most of the justices. It's clear that what they were after was the justices who were dealing with the drug trafficking, with which these terrorists are aligned. So there's Nicaragua for you and that is what is alarming its neighborhood. Nicaragua's problems are of its own making.

Q. [Inaudible] you have been in Romania first, and as well Bucharest and Budapest, you [inaudible] up the issue of human rights plays a big role although in different ways in both capitals. Now recently is published a report of Amnesty International about Yugoslavia in which Amnesty expresses concerns about the human rights situation in Yugoslavia. Was it also an issue in your talks here in Yugoslavia, and if you say it was so, was there also made the same linkage as was made in Romania and Hungary between economic relations and the human rights record?

Secretary Shultz. The problem is entirely different, and we have said our piece on that. We work constructively with the Government of Yugoslavia on these problems.

Q. You said you condemn acts of terrorism. Do you specifically condemn the hijacking of the Achille Lauro? Secondly, as the Secretary said unequivocally that the PLO is connected with acts of terrorism, do you agree with that statement and will you respond to it?

Secretary Dizdarevic. You could have read that at the time of the hijacking—Yugoslavia's official views as presented in the press release of the Federal Secretariat for Foreign Affairs where this specific action was condemned.

Q. What about the connection between [inaudible] and the PLO and what the Secretary of State said it's not a matter of speculation about those that are involved in terrorist activities?

Secretary Dizdarevic. You know what Yugoslavia's stand with regard to the PLO is. We consider the PLO to be a liberation organization and the legitimate representative of the Palestinian people. The policy of the PLO is not a policy of terrorism. And the acts and views of individual Palestinians and individual groups should not be confused with the PLO as an organization and with the policy of the PLO as an organization. Obviously, our views differ on this matter.

---

[1]The Minister of Foreign Affairs of Spain reserves his government's position on the present communique [text in original].

[2]Denmark and Greece reserve their positions on the INF part of this paragraph [text in original].

[3]Press release 282 of Dec. 16, 1985.

[4]Press release 281 of Dec. 31.

[5]Press release 285.

[6]Press release 287 of Dec. 18.

[7]Press release 292 of Dec. 31.■

News Conference of December 6

Secretary Shultz held a news conference at the Department of State on December 6, 1985.[1]

On Monday I will begin a trip to Europe—Western Europe and Eastern Europe. In the wake of the Geneva summit, the United Stated rededicates itself to its alliance with its fellow democracies and reaffirms its commitment to the cause of peace and freedom throughout that Continent.

Since the end of World War II, the countries united in the Atlantic alliance have drawn strategic, political, and economic sustenance from cooperation with one another. This solidarity has made the success at Geneva possible. Our hopes for a more constructive East-West relationship depend on the democracies' standing firm on basic principles.

In my discussions with NATO foreign ministers in Brussels and in my visits in London and Bonn, I'll carry forward the intensive consultations which the President began on his way back from Geneva. Economic interdependence is also part of the bedrock on which the alliance is based. At our annual ministerial consultations with the European Community, we will address the pressing issues of trade policy to ensure the openness and fairness of the world trading system.

I'll also visit Berlin. Berlin is an inspring symbol—a city that knows better than any other what is really at stake in the conflict between East and West, a city whose very survival dramatizes how Western solidarity is the key to freedom, prosperity, and peace.

From Berlin, I'll continue on to Romania, Hungary and Yugoslavia. The United States and its allies have always insisted that the division of Europe is artificial, unnatural, and illegitimate. The peoples of the Eastern half of the continent did not choose to be cut off from the peoples of the West. If there are to be more constructive East-West relations, they, too, must share in its benefits.

Romania, Hungary, and nonaligned Yugoslavia have each shown that the countries of the Eastern part of the continent have their own identities and aspirations. My visits there will show that we acknowledge this and support it.

And so our foreign policy is moving forward with our allies, seeking further developments in East-West relations across a broad front.

Q. In your trip to Eastern Europe, would the United States like to see more independence on the part of those countries you're visiting, more of a sense of nonalignment?

A. Well, of course. But we also are interested in their internal situation. I personally will be fascinated to get a firsthand feel of developments in Hungary. We have been very much interested in the extensive emigration from Romania; and Yugoslavia, of course, in its nonaligned status and leadership in that regard has always been a place of great interest to us.

Q. Are there any specific pragmatic things that you are prepared to do to encourage that sense of nonalignment?

A. The visit itself is a recognition of some of the things that are currently going on. And I think it is helpful to us, and I hope to them, to hear from the United States what our view is of East-West relations and what our view is of developing U.S.-U.S.S.R. matters and arms control matters and discussions across the board. And so various officials periodically visit, and this is an opportunity for me to do it. I've wanted to do it for some time, and it's the first real chance I've had.

Q. Could you tell us, please, what is holding up the Mideast peace talks that the United States hoped to see begin by the end of the year?

A. Our problem, of course, is to see how we can get the mechanics of bringing them into being into place. There has been some very considerable progress.

I think the recognition all around that in the end direct negotiations have to be the way in which an answer is found is positive. I think the recognition that it's a process that we need get going rather than feeling that there has to be end result preordained is progress.

But, nevertheless, it's very hard to find what the right way is to represent Palestinians. That's been a problem all along. It's a problem stated, in a sense, in the Camp David accords, and it remains a difficult issue just as the problem of some sort of an appropriate international auspices is a problem. So those are problems, and they're difficult. We're working on them.

I might say Ambassador [Richard] Murphy has had a very interesting trip through the area. He's in London today meeting with ambassadors, and I look forward to talking with him on his return.

Q. You spoke of a preordained outcome. Well, of course, there always had been a notion that the Palestinians—even the Jordanians—know what they want the results to be.

Are you saying that the Palestinians are prepared to go into a Mideast peace conference without a Palestinian state being preordained? Do you know such Palestinians?

A. I see that King Hussein [of Jordan], with support from Palestinians, is prepared to enter a process if we can find the way to do it, and there isn't any preordained outcome. We don't know what the outcome is. That's the whole point of the negotiation. The negotiation will have a dynamic to it once it gets started. That's the way it will work.

As I think is pretty clear, King Hussein has said if the answer is that we enter negotiations and what happens is we go back to the pre-1967 borders and arrangements, he said, "I don't need any Palestinian participation to agree to that." But I assume that that's not what's going to come out of it, and so therefore, there has to be a kind of participation that can allow a deal to be made and lived with.

Q. Are significant numbers of Cuban troops fighting in Nicaragua, and are you concerned, as is Assistant Secretary [Elliott] Abrams, that the next step might be the establishment of Soviet bases in that country?

A. I certainly am concerned about the Cuban presence and military presence in Nicaragua and on the mainland of this hemisphere. It's not news to us that this is taking place, but the bringing down of the helicopter with a Cuban pilot and copilot on it is sort of incontrovertible evidence.

We'll have some more evidence for you by late this afternoon and some defector reports that are being declassified and will be made available through the Press Office. But the fact that the Cubans are active militarily is clear, and the fact that this is happening through Soviet-supplied military equipment is clear.

Q. How about the Soviet-base angle?

A. To the extent that the Soviets are supplying and influencing and have a predominant role in Nicaragua, I suppose you can say that amounts to a base. Now, we certainly don't want that and have been pointing up consistently the potential of this problem.

Q. Following up on that question of the Cuban military personnel in Nicaragua, is there any sense in the Administration that because of that there might be a need to request military aid for the Nicaraguan insurgents from Congress next year?

A. It remains to be seen what we may request next year. I think it is worth noting that in the legislation under which the current assistance is being provided, recognition was made that it's a dynamic situation; and so there is a provision for a privileged—in other words, fast—vote on any request that may be sent up. But beyond that, I don't want to comment right now.

Q. After Mr. [Chester] Crocker's talks in Lusaka with the Angolan Interior Minister, we were told there were reasons for optimism that some kind of peace could be worked out in southern Africa. Could you tell us what those reasons are?

A. Just that there has been some movement and recognition going beyond, on the one hand, acknowledgment of the principle that Cuban troop withdrawal is a part of the problem. It has to be dealt with; do a little bit more discussion about that, on the one hand. And from the South African standpoint, similarly, responsiveness to some of the things that we have been saying.

So I suppose the best way to put it is that the negotiating process is very much alive. But beyond that, I don't want to go into detail about it.

Q. In the past, various members of the Administration have characterized the growing Soviet—or the growing Cuban involvement in Nicaragua as something that is intolerable to the United States. If it's intolerable, what are you going to do about it?

A. I think the first step is to be sure that people see it and understand it and believe it. The Administration has been pointing this up for some time, and we have gotten great skeptical responses. But at this point, I think there are pieces of evidence that are undeniable, and it does pose a serious problem. And as the problem is genuinely taken on board, there may be further steps that will be possible.

Q. The Angolan Government has for some time stated that it accepts the principle that the Cubans must eventually withdraw from Angola but has never done very much to put something on the table that would be meaningful.

Did they do so in these last talks? And number two, what is your view today toward the provision of either overt or covert aid by Congress to the Savimbi people?

A. What has happened is that this issue of principle, in a sense, was resolved, as you pointed out, and we made some more concrete suggestions that laid on the table, so to speak, both in Angola and South Africa, for some time. Now we've seen some responsiveness to those more concrete suggestions.

That doesn't mean that we're somewhere near a settlement, but there has been some responsiveness to things that move beyond a question of principle into things that have quantities and timetables and so forth attached to them. That's where we are.

As far as assistance to UNITA and Mr. Savimbi are concerned, as the President has said and I have said, we support those who fight for freedom against the Soviet and communist regimes around the world, including in Angola. Our desire is to support them effectively. And we don't think that the program being put forward by some in Congress, while its purpose is one that we agree with, is likely to be effective.

Q. Let me go back for a moment to the Middle East, if I may. As a result of the Geneva summit and of Secretary Murphy's travels in the region, do you see any reason to believe that Syria is any more prepared to play a constructive role toward getting to direct negotiations? You said a moment ago that there seemed to be recognition all around. Does that include Syria?

A. I was not including Syria in that. I was thinking about those who have been working on it most intensively, particularly Jordan and the Egyptians, the Israelis and to some extent states that have been supporting the moderate elements.

I would say, without wanting to go into detail on it, that Dick Murphy had some very interesting discussions and worthwhile discussions in Syria, and Syria is obviously a country of key importance, and so we keep in touch with Syria.

Q. Mohammed Abbas, the Palestinian being sought by the U.S., was quoted yesterday as being in Baghdad. He has been in the past traveling on an Iraqi passport.

Has the United States sought Iraqi assistance in extraditing—in confirming whether he's there and extraditing him? Have the Iraqis been cooperative? Is there any consideration, if not, of returning Iraq to the list of terrorist countries?

A. We have been pursuing him, and I believe the Italians are as well now. His complicity is clear, and so far we haven't been successful in getting him. That's where I'll leave it.

Q. You said a little earlier, "Further steps are possible" with respect to a U.S. response to Cuban involvement in Nicaragua. I wonder if you could elaborate on those further steps?

A. No, I wouldn't want to elaborate on those further steps other than pointing out what I already pointed out—that the legislation under which we're operating envisaged in its terms that the situation is dynamic and therefore it provides that, if an Administration request is made, there will be a privileged vote on that request.

Q. In the last 5 years, there's been a gradual escalation of Cuban and Soviet involvement in the country. As far back as 5 years ago the United States had threatened to go to the source and to take action, and it seems, at least from the outside, that so far the American reaction to this escalation has been to increase its support for the insurgents rather than to take direct action against the Cuban Government. Will action be taken against the Cuban Government?

A. I think our strategy in Central America has been working very well as we see the emergence of democracies in the region. We see the increasing isolation and self-isolation of the communist government in Nicaragua from others in the region and increasingly from its own people. We see the recognition of the relationship of that government, for example, to terrorism in the region—the M-19—and so I think the contrast between what they're doing and what they represent, and what others in the region are doing and represent, is increasingly clear.

So, I think, in that sense, our strategy is working. But it is incumbent on us, as a moral matter as well as a strategic matter, to support those in Nicaragua who are fighting for freedom in that country, and we will continue to do so.

Q. Has the U.S. Administration formulated a well-defined attitude or a position toward the idea of an international context for the Middle East negotiation?

A. When you say, "Middle East negotiation," it's a big place, and I call your attention to the fact that the bloodiest war going on right now is the war between Iran and Iraq which we would like to see brought to an end. Our influence with Iran is negligible.

On the other hand, we have been counseling our friends not to send arms to Iran, because they are the intransigent party at this point in coming to a peaceful resolution. And we feel that if that kind of policy can be implemented, including the flow of arms from friends of the Soviet Union, perhaps we can see a resolution to that war.

Now, I don't know whether that's the war you were speaking of, but I think it's well to keep that in mind. It's a very important part of the picture. It has its implications for the gulf, and it's had its fallout into people's concerns about oil supplies and so on.

As far as the Arab-Israeli conflict, we have a clearly defined set of goals and a general strategy for trying to get there; and I've described, in response to an earlier question, some of the tactical difficulties that are, indeed, very great difficulties and have made it hard to move this process forward for some time. There has been some movement, and we'll continue to work on it.

Q. Could you tell us in that context what role you see for the Soviet Union, particularly in terms of an international conference?

A. I think the Soviet Union has to ask itself, is it going to establish full diplomatic relations with Israel so that it has a footing with all of the countries involved? Is it going to examine the way it treats Jews in the Soviet Union? Is it going to take a look at its emigration policies? All of these sorts of things affect the receptivity to the Soviet Union's activities in the region, and these are questions, I think, that need to be asked before we start talking about an international conference.

Q. Can you report any progress on the talks with the Israelis on having Justice Department and, I take it, State Department people in Israel to interrogate people involved in the Pollard case? And can you be more specific on what it is we're looking for from the Israelis? Do we want all the documents back on this case?

And a parallel question: Are you concerned about the case involving the CIA [Central Intelligence Agency] employee with the Chinese Government, because, I mean, after all, we've had friendly relations with the Chinese for some years now and even have offered military help to them, and yet, clearly, espionage activity was going on in that period.

A. Obviously we're concerned about all espionage against the United States, from whatever quarter, and that goes across the board. As far as the Pollard case is concerned, we have had continuing discussions with the Israelis about it, and a team will go to Israel early next week, and we have every reason to believe that the issues involved will be resolved satisfactorily.

Judge [Abraham] Sofaer will lead the team, there will be Justice and FBI [Federal Bureau of Investigation] representation, and we expect matters to go forward expeditiously and properly.

Q. The delivery of American aid to the Nicaraguan democratic forces seems to have a bad case of the hiccups—deliveries not made—and Honduran authorities are now saying that the American Government is holding up economic aid in retaliation. What's the situation, and what's the remedy?

A. The situation is that we are delivering assistance in a proper way. I don't want to describe in detail exactly how that's being done. There are problems. There always are problems. We confront problems; we overcome them. New ones arise; we'll overcome them. But it's an ongoing process, and the instructions to our office that's administering that are: (a) do it properly in faithful conformance to the legislation under which we're operating; (b) get it done, get the deliveries made. And that's what's taking place.

Q. You say U.S. policy in Nicaragua is working well. My question is, where is this policy heading? We have right now the Contadora peace initiative basically disintegrating at the same time that there is an escalation on both sides, if you count helicopters from the Soviet Union and missiles. Where is this going?

A. First of all, when you look at our policy and ask how its doing, what you really have to look at is what is happening; and what is happening is that democracy is taking root in the region, steps are moving forward toward economic development in countries other than Nicaragua. There are great difficulties because of the fighting, but nevertheless there is definitely motion there. The situation is much healthier than it was, let's say, 3 years ago.

And as far as Nicaragua is concerned, the true nature of the Nicaraguan communist government is increasingly clear to everyone—in South America, in Europe, as well as here. And the way in which they are treating their own people is evidenced by the strength of the movement that opposes them and which we support.

Now, we'd like to see this come to an end, and the President some months ago made a peace proposal which the Nicaraguan communists ignored, but that offer, that proposal, remains on the table. In the meantime, however, we will support our friends and try to help them develop and flourish and democracy take root and flourish; and we'll continue to oppose what the Cubans and Nicaraguans, with Soviet support, are trying to do in the region. It's not only bad for Nicaragua, it's a cancer in the region.

Q. The Nicaraguans have withdrawn their ambassador over this incident. They're accusing the CIA of supplying the missile that shot down the helicopter.

First of all, do you have any intention of recalling the U.S. Ambassador for consultations over this? And, secondly, is there any truth to the Nicaraguan charge?

A. There's no truth to the charge that these weapons are being supplied by the United States. Our legislation prohibits that, and we are faithful to the legislation.

Obviously, these kinds of surface-to-air missiles are available on the international market. We know that the Nicaraguan communists have plenty of them themselves, so it may be that they got them out of—captured them from there, but somehow or other they got ahold of them. And the point is that the Soviet and Cuban presence and materiel is there and being used against the Nicaraguan people, and thank goodness

that they did get ahold of some weapons that can knock these choppers down and were able to use them.

Q. On the question of the ambassador?

A. Ambassador [Harry] Bergold happens to be in the United States right now. He wasn't recalled, but we're certainly going to have strong consultations with him. But we don't have any intention at this point of withdrawing him. He provides a valuable presence in Managua.

Q. Going back to the Middle East, since you didn't include Syria in the list of countries which are helpful to the peace process at the present time—

A. We hope that Syria can be helpful to the peace process, and I said that I just—in terms of my statement of all around accepting the idea of direct negotiations, I didn't mean to include Syria. But Ambassador Murphy had very interesting discussions in Syria.

Q. I might just—bear with me—how do you see the Jordanian-Syrian rapprochement? Will it be helpful to the peace process that is going on now?

A. You like to see stability in the region. It's a little bit puzzling to me, and I don't feel that I have a good, full understanding of all of the factors involved in it. But, clearly, that tension between Jordan and Syria has many dimensions to it, including PLO [Palestine Liberation Organization] and Palestinian dimensions and many other elements.

Q. The Soviets have increasingly been talking about Mr. Gorbachev's proposed visit here next year as some kind of a target date or deadline for agreements in the nuclear arms field. Do you think that's useful?

A. Certainly, any major event like that provides a sort of a deadline against which to work. At the same time, the President will approach the next meeting in the same way that he approached the last one—namely, that if there are agreements that are in the interests of the United States to be found, we will want to find them and use whatever incentive a meeting gives to make that search.

On the other hand, we won't be in the position of feeling that the meeting itself provides such a prominent venue that we would be willing to agree to something that we don't think is completely in the U.S. interests. So that's the way we have approached these things in the past. That's the way we'll continue to approach them.

Actually, I think the Geneva meeting did produce, when you look at it in what took place preceding it, quite a little movement in the nuclear and space talks. After all, as part of the prelude to it, the Soviets finally put a counter-proposal on the table, and we came back very rapidly with a counter-counter-proposal. The motion was reflected in the statement of agreement, and so there was some motion connected with that, and perhaps there will be some as we move along—I certainly hope so—next year.

Q. You lamented the unnatural division of Europe; and yet one of the people you're going to see on this trip, Janos Kadar, was the man 30 years ago, when he had the chance, sought to foster the unnatural division. And I wonder, are you visiting him as a kind of a demonstration that a leopard can change its spots?

A. There are a lot of interesting developments in Hungary in the way they are managing their affairs; and as a person interested in economic development, I like to see it first hand. I've had a number of visits from prominent Hungarians since I've been Secretary of State and talked to them here. But I've also had the experience and know that it's one thing to talk to somebody here; it's another thing to go to that person's country and get a feeling for what they're doing. And so I think it will be an interesting experience for me.

Q. I don't know if you answered an earlier question about whether the conflict in Nicaragua is escalating in view of the Soviet helicopters and the surface-to-air missiles (SAMs). Do you think it's escalating down there?

A. The Soviet helicopters and the Cuban presence have been there for quite awhile, and this process of militarization of Nicaragua, as one of the earlier questions brought out, has been going on for a long time. It's not some sudden surge; it's there. And those who oppose the perversion of their revolution have been growing in numbers.

The use of helicopters is an effective military tactic if it isn't opposed, and the fact that the *contras* now seem to have an ability to shoot at these choppers may censor their use somewhat, and that is very good. And I hope they have more of these weapons.

Q. Couldn't it have the reverse effect, that if the *contras* use SAM-7, or whatever, missiles to shoot down helicopters, that the Soviets will, in fact, introduce still a higher escalation of weapons and, in fact, give Salvadoran guerrillas SAM missiles—similar missiles to shoot down U.S.-supplied helicopters?

A. My impression is that they have been putting stuff in there as fast as they can, and as fast as they think it can be absorbed, in any case. So we are basically, or the *contras* are, reacting to what they're contending with, and what they're contending with are these helicopters, and they have to deal with them if they're going to be successful.

Q. But there have been limits—there seem to have been, if you will, sort of lines drawn. The Soviets have not introduced fighter aircraft into Nicaragua. The Salvadoran guerrillas still do not seem to have ground-to-air missiles.

A. I don't think that we can expect people, who are fighting for freedom in their country and facing the kind of fire from helicopters that they have been getting, to think that that can happen and they shouldn't do something about it. If I were them, I'd certainly want to; and they do, and they have gotten ahold of missiles—surface-to-air missiles—and they have figured out how to use them, and they've used it effectively in this case. And I say, fine, I'm all for it.

Q. Has a date been set for a followup summit?

A. No.

Q. And have you got a date to meet with Mr. Shevardnadze again?

A. No.

Q. Do you expect that before the arms control delegations get back to work in Geneva there will be some new instructions worked out, or do you think the United States can stand on its previous counterproposal?

A. On the last question, of course, we have put a counter-counterproposal on the table in Geneva, and that was the last thing that happened at the end of the last round. There wasn't, really, an opportunity for the Soviets to respond. So I think it is perfectly proper and to be expected that the next thing that should happen is that they should respond. So we'll expect that to take place.

Now, certainly, out of the discussion in Geneva that the President had, we will reflect on that. Out of the pledges made on each side that we want to move aggressively in these negotiations, we're going to be examining matters. But basically we have a very interesting counter-counterproposal on the table, and we'll want to see what the Soviet response to it is.

As far as the first two questions are concerned, we are, of course, working on when would be an appropriate date for the General Secretary to come here. There hasn't been anything worked out, but we're working on that. And it's also the case that when we were in Geneva, it was agreed that there should be more frequent meetings other than the annual meeting in connection with the United Nations of Foreign Minister/Secretary of State. And so we are starting to try to find where and when those would take place, but we haven't made any agreement on that as yet.

Q. Would you bear with me for one more followup, and then I will cease. There has been some confusion on just what the Administration intends to do on December 31 about the SALT [strategic arms limitation talks] II Treaty. I and some others have been led to believe that the President's policy of last June is open-ended and that December 31, in itself, is no particular mark that has to be met. On the other hand, some people have drawn attention to it because of the expiration date. What is your view on that?

A. My view is that when the President decides what he wants to do on that subject, it will be announced; and I will wait with bated breath to see what he has to say. But it's a presidential decision, and when he makes it, it will be announced, and I will provide my thoughts to him in the meantime.

[1]Press release 274.■

Recent Developments in Liberia

by Chester A. Crocker

Statement before the Subcommittee on African Affairs of the Senate Foreign Relations Committee on December 10, 1985. Mr. Crocker is Assistant Secretary for African Affairs.[1]

I am pleased to appear before this committee today to give my assessment of recent developments in Liberia and the consequences for U.S. foreign policy toward that country.

As you know, the United States and Liberia have a history of long, friendly, and special relations. Our country was closely involved in the founding of Liberia. Many Liberians have family ties and educational and other cultural connections in America. Nearly 5,000 Americans live in Liberia. U.S. investment there approaches half a billion dollars. We have important regional communications facilities in Liberia, including the Voice of America transmission station which sends our country's message through radio to people in cities and villages all over Africa and to parts of the Middle East and Southwest Asia. Liberia has been a reliable ally in war and a good friend in peace, at the United Nations and elsewhere. We want to maintain our friendly, mutually beneficial relations with the Liberian Government and people. For all of these reasons, we have taken a special interest in Liberia's efforts to put itself on a course of stability, national reconciliation, democracy, and economic growth following the overthrow of the previous government in 1980.

The October Elections

The Liberian Government under Head of State Doe announced in 1981 its intention to return the country to civilian rule by 1986 through democratic elections. Those elections were held in October of this year, with a view to inaugurating the new civilian government in January 1986. Our government was active in each step along the way, encouraging the Liberian authorities to live up to their promise to issue in a second Republic of Liberia which would extend to all its citizens for the first time in their country's history the right to vote and participate equally in their country's political and economic life.

There have been a number of criticisms of the October elections, and we share some of them, as the Liberian Government knows. In our view, it would have been better if all political parties which wanted to campaign had been allowed to do so. As it was, two were banned—the Liberian Peoples Party and the United People's Party—because, the government said, they proposed socialist programs which had no place in Liberia. Opposition parties which did participate were not registered until late, and Decree 88A, which forbids criticism of the authorities, could inhibit open debate. Finally, the vote was counted behind closed doors without the presence of opposition party representatives, albeit by a large, government-appointed commission of 50 people from various walks of life.

Despite these shortcomings, there were noteworthy, positive aspects of the elections. Four political parties competed for the voters' support. Four newspapers and three radio stations—government and nongovernment ones alike—reported the campaign with coverage of all parties' activities. Those are rare achievements in Africa and elsewhere in the Third World, where one-party elections covered by a single, government newspaper are too often the norm. The turnout of voters was enormous: some people stood in line 10 hours to vote, and the authorities extended the hours of the polls until 11 p.m. so that everyone who wanted to vote could do so. Although there were allegations on all sides that some voting irregularities occurred, there is general agreement of observers—resident diplomats, even Liberian opposition leaders—that election day went off very well, indeed. There is now the beginning, however imperfect, of a democratic experience that Liberia and its friends can use as a benchmark for future elections—one on which they want to build.

Samuel Doe and his National Democratic Party of Liberia were declared the winners by 51% for the presidency and 80% of the legislative seats. The three opposition parties did not accept those results and announced their intention to challenge them in court. Meanwhile, the declared victor—Samuel Doe—called on all citizens for national reconciliation, as did leading religious and other members of the community.

The prospects for national reconciliation were brightened by Doe's claim that he won only a narrow, 51% election victory—virtually unheard of in the rest of Africa, where incumbent rulers normally claim victories of 95% to 100%. In claiming only 51% of the vote, Doe publicly acknowledged that a large segment of society—49% of the voters—supported other points of view and leadership than his own. That public acknowledgment offered the prospect that Doe would accommodate those other interests in the new government which he would head.

He seems to have been moving in that direction in October. We understood that Doe was considering appointing to important positions in his new civilian government some Liberians of proven talent who were not, at the time, members of his party and that some of them were moving toward accepting those appointments. Doe publicly asked opposition members to take the seats in the legislature which they had won in the elections. One of those was Mrs. Johnson-Sirleaf, whom Doe had pardoned after her conviction for violating the law against criticism of government authorities—a law, Doe observed, that was passed by the previous government.

The November Coup Attempt

It was in this setting that the attempted coup d'etat occurred in Monrovia on November 12. The perpetrators apparently were a small group of less than 40, not all of whom were Liberians. They captured the undefended government radio station outside Monrovia and the military Barclay Training Center in Monrovia—an installation whose mission is not combat. Despite broadcasts on the captured radio station that Quiwonkpa was Liberia's new ruler, his small force and those whom he won to his side from the Barclay Training Center were unable to overcome the resistance of the guard at the executive mansion, where Doe was. Once Doe was able to communicate with the First Infantry Battalion some 25 miles outside Monrovia, it was all over. The First Battalion quickly retook the radio station, which then announced that Doe remained in control. The remaining coup participants were defeated or fled soon thereafter.

The coup attempt set back the prospects, as they existed after the October elections, that Liberians might be finding a way toward a measure of national reconciliation and would get on with the difficult business of addressing their pressing economic problems. Events occurred during the coup attempt and the days that followed that have left bitter scars. During the hours of November 12 that Quiwonkpa claimed to be in control of the government, some senior members of Doe's government were brutally assaulted, threatened with execution, and their houses and other property taken or destroyed. Along with the celebration of many in the streets at what they believed was a change in government, there were instances in Monrovia and throughout the country of retribution against Doe's supporters. There seems also to have been some settling of old scores not necessarily related to politics.

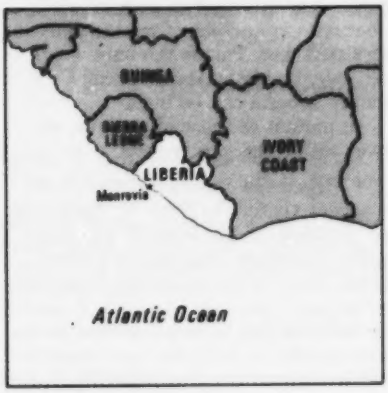
The same was true on the other side once it became known that the coup attempt had failed. Violence against some who staged the coup and those in the military who went over to their side was especially brutal. Retribution—including some killings—against civilians who were thought to have supported or sympathized with the coup attempt occurred, but rumors about this violence far outstrip confirmed reports. We are now beginning to learn that many reports along these lines were wrong, including reports of the death of key opposition leaders.

There is no evidence that the leaders of the coup condoned, much less directed, the violence against civilians which some of their supporters committed. For his part, Head of State Doe

Liberia—A Profile

People

Nationality: *Noun and adjective*—Liberian(s). **Population** (1983 est.): 2.0 million. **Annual growth rate:** 3%. **Ethnic groups:** 5% descendants of freed American slaves, 95% indigenous tribes, the largest of which are Kpelle, Bassa, Gio, Kru, Grebo, Mano, Krahn, Gola, Gbandi, Loma, Kissi, Vai, Mandingo, and Belle. **Religions:** Traditional 65%, Muslim 20%, Christian 15% (est.).



Geography

Area: 111,370 sq. km. (43,000 sq. mi.). **Cities:** *Capital*—Monrovia (pop. 306,000). *Other cities*—Harbel (60,000), Buchanan (25,000), Yekepa (16,000). **Terrain:** Coastal plain rising to rolling plateau and low mountains near inland borders. **Climate:** Warm and humid all year.

Economy

GDP: $315 million at constant factor cost in 1971 dollars. **Annual growth rate:** -9.2% in 1982 (adjusted for inflation). **Per capita income:** $400 (in current dollars). **Avg. inflation rate** (1983): 1.6% per year.

Natural resources: Iron ore, rubber, timber, diamonds, gold.

Agriculture (14.7% of GDP): *Products*—rubber, rice, oil palm, cassava, coffee, cocoa.

Industries (59.9% of GDP): Iron, gold and diamond mining, rubber processing, food processing, lumber milling.

Trade (1981): *Exports*—$540.7 million: iron ore, rubber, timber, diamonds, gold. *Major markets*—FRG, US, Italy, Belgium. *Imports*—$549.0 million: machinery, petroleum products, transportation equipment, foodstuffs. *Major suppliers*—US, Western Europe.

Official exchange rate: Liberia uses US dollars.

US economic aid received (1983): $72.6 million.

Membership in International Organizations

UN and most of its specialized agencies; Organization of African Unity (OAU), Economic Community of West African States (ECOWAS), Mano River Union.

Taken from the *Background Notes* of June 1984, published by the Bureau of Public Affairs, Department of State. Editor: Juanita Adams. ■

quickly appealed publicly for an end to retribution and rumormongering that feed further violence. A curfew was instituted to help preserve the peace.

Nonetheless, bitter memories remain on all sides. The Liberian authorities now are less inclined than they were 5 weeks ago to invite into their Cabinet persons from organizations whom they suspect collaborated in the coup attempt—an attempt which they say was set in motion before the October elections. Opposition leaders may be less willing to serve in a government, some of whose supporters reacted so violently against opposition members after the coup attempt failed. Other Liberians who are not active politically but whose talents would make them valuable government appointees, especially for addressing the country's economic problems, may be reluctant to enter public service after seeing on November 12 how they could be personally threatened if there were a sudden change in government.

Promoting Economic and Political Stability

In the wake of these events, how can we help to get Liberia down the track of political stability that is so essential for economic growth, of national reconciliation, and of democratic practices and respect for human rights?

I believe we must make an effort to achieve those goals. Our long, special ties to Liberia and our important, real interests there require us to try. To walk away would be irresponsible and clearly viewed as such elsewhere in Africa, where we are seen as having a unique responsibility for assisting Liberia. Abdication of that responsibility could provoke chaos and bloodshed, endangering the lives of the nearly 5,000 Americans in the country.

We have already begun. It is essential that we use our influence—and have a basis for influence—with the authorities in Monrovia who last month had a showdown of force with those who wished to replace them. They control the instruments of law and order in Liberia today—the armed forces, the police, the Ministry of Justice, and the courts of law. We want to encourage Head of State Doe to take measures that will win his government the national support and talent that are so necessary for the period of economic austerity and enlightened economic actions that Liberia must experience in the months ahead.

In the economic sphere, the United States has been encouraging the Government of Liberia to make policy changes necessary for economic stabilization—changes which would put Liberia back on the path to long-term growth. Liberia's public sector suffers from a chronic cash shortage which can have a profound effect on Liberia's business climate. Any Liberian Government will face this problem for several years, no matter how responsible its policies. The problems were being addressed through combined U.S., IMF [International Monetary Fund], and IBRD [International Bank for Reconstruction and Development] programs, but during the elections period in Liberia, the IMF program collapsed. Liberia must now undertake major steps to restore its economic credibility. U.S. assistance will be badly needed to keep the arrearages from building to a point which could permanently estrange Liberia from international financial institutions and private creditors. Such a development would not be in the U.S. interest or in the interest of Liberia because it would foreclose the possibility of stabilizing the economy and restoring growth.

Beyond national reconciliation and economic growth, we want to encourage Head of State Doe to follow a course of respect for human rights that will strengthen the fabric of Liberia's national life and win Liberia today added support abroad, including in the United States. And we want to counsel all Liberians—in and out of government—to work together. This is the only way a politically stable and economically healthy Liberia can be built.

In pursuit of those objectives, we have, within the past month:

- Urged the Liberian Government to permit visitors to those civilians who are detained on suspicion of complicity in the November coup attempt—that should clear up uncertainties about their welfare;
- Urged the Liberian authorities to move quickly to hold the open trials in civilian courts that they have promised for civilians suspected of complicity in the coup attempt and to permit outside observers such as local diplomats and the American Bar Association, which has expressed an interest in observing the proceedings;
- Urged the Liberian Government to take concrete measures, such as arrests against those suspected of continued acts of retribution, if Head of State Doe's public appeal for an end to those violent acts is not fully respected; and
- Urged the Liberian Government to continue to seek ways to promote national reconciliation so that the energy, talent, and support of all Liberians can be used to address the difficult economic problems that the country faces.

We are somewhat encouraged by some recent moves of the Liberian Government. Families have begun to visit civilian detainees, and initial reports of their welfare are encouraging. Already, several persons previously rumored to have been killed have been seen to be alive and well. Seventeen civilian detainees—including leaders of two opposition parties—have recently been released for lack of evidence against them. The government says it intends to move quickly to begin civilian trials. As already mentioned, Head of State Doe has called publicly for an end to acts of retribution. The government is moving forward with plans to inaugurate civilian rule next month. The Head of State continues to urge opposition parties to take their seats in the legislature, even those who currently are facing charges of complicity in the coup, if they are not convicted and sentenced. We view it as essential that Doe as President pursue his stated intent to seek national reconciliation as he forms his new government. We note also that some leading members of Liberia's private sector are of the view that the time has come to join in efforts at home to save their country at this critical time.

The Road Ahead

The road ahead will be difficult and uncertain for all. But it is difficult to imagine a course of action that offers better prospects for achieving what we want to do. We want to influence the Liberian Government to act in ways that I have just mentioned to promote national reconciliation and respect for human rights. We want to encourage the Liberian Government to institute needed measures of economic reform that will restore Liberia to international creditworthiness and that will improve its economic management—both key requirements for reversing the economic decline of that country. We want to carry out an economic assistance program in Liberia that will improve the standard of living and quality of life for all the Liberian people, with whom we

have such historic ties. These goals are worth pursuing on behalf of the aspirations that Americans share for Liberia and of our important interests there. As we follow this path, we will carefully assess along the way what has been achieved and the options before us. We intend to remain in touch with the Congress in this effort.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Appointment of Advisory Committee on South Africa

SECRETARY'S STATEMENT, DEC. 19, 1985[1]

Last September 9, the President signed an Executive order concerning our relations with South Africa. Since then, all but one of the major provisions have been elaborated publicly and, basically, have been put into effect. I refer to provisions on bank loans, on sales of sensitive technology, on imports of krugerrands, on the minting of a U.S. gold coin, South African-made weapons, promoting fair labor standards by U.S. firms, and increasing official aid to the country's disadvantaged majority.

As part of the Executive order, the President also directed me to establish an Advisory Committee on South Africa. Today I am very pleased to announce the establishment and the composition of this advisory committee.

Twelve distinguished Americans have agreed to serve on this committee. As you will note, they represent a broad range of views and come from diverse walks of life. Their purpose will be to recommend to me further measures that we, as a government and as a nation, can take to encourage peaceful change in South Africa.

The committee will also render its advice on how U.S. policy can be most effective in promoting equal rights in South Africa and ending apartheid. And it will consider ways in which the U.S. Government can work with private organizations in this country and in South Africa to advance our common objectives in that country.

The committee will be undertaking its task at a truly critical time; 1986 may well determine whether South Africa can emerge as a country at peace with itself and its neighbors or whether it will drift further into violent strife at home and ever greater international isolation.

The next few months will reveal whether the South African Government can muster the vision and bold leadership that will be required to move from confrontation to negotiation and a new constitutional order, deriving its strength from the consent of the governed.

The committee's report, which it will submit by the end of next year, will inevitably reflect its judgment on how this challenge has been met and what the policy implications are for the United States. Its recommendations will help us chart our course for the future.

The President and I are greatly indebted to these 12 Americans for volunteering their service in this undertaking. I've just met with them, and I want their counsel—not only in terms of a final report to be delivered in a year but also as we go along through the year. All of the facilities of this Department will be available to them as they carry out their task. A distinguished former Ambassador, William Kontos, will serve as Executive Director of the committee.

In directing me to establish this committee, the President's goal was straightforward. He wanted me to have the advice of a cross-section of wise Americans on the best ways to promote the central U.S. goal of constructive change in South Africa.

This is a serious undertaking, one that the President and I hope will lead to a bipartisan consensus that is a positive and necessary force behind any effective U.S. foreign policy. I'm looking for straight talk on our policy within the context of the unanimous U.S. position that apartheid must go, that we want it to go in a peaceful way, without a blood bath in South Africa, and that we desire all South Africans to get together urgently to shape a political order based on justice, equality, and rule by the consent of the governed.

The President and I are honored by the participation of these 12 Americans, and we're grateful for their patriotism as they undertake this task.

[1]Press release 298, which also includes a question-and-answer session with news correspondents. ■

Members of the Advisory Committee on South Africa

Griffin B. Bell, senior partner in the law firm of King & Spalding; former Attorney General of the United States
Owen F. Bieber, President of the UAW
Frank T. Cary (cochairman), former Chairman of the Board and Chief Executive Officer of the IBM Corp.
William T. Coleman, Jr. (cochairman), senior partner in the law firm of O'Melveny & Myers
John R. Dellenback, President of the Christian College Coalition; former Congressman
Lawrence S. Eagleburger, President of Kissinger Associates; former Under Secretary of State for Political Affairs
Timothy S. Healy, S.J., President of Georgetown University
Vernon E. Jordan, Jr., senior partner in the law firm of Akin, Gump, Strauss, Hauer & Feld; former President of the National Urban League
Helene L. Kaplan, senior partner in the law firm of Webster & Sheffield, Chairman of the Board of Trustees of the Carnegie Corp. of New York and of Barnard College
Roger B. Smith, Chairman and Chief Executive Officer of the General Motors Corp.
Leon H. Sullivan, Pastor of the Zion Baptist Church of Philadelphia and author of the Sullivan principles
Franklin A. Thomas, President of the Ford Foundation■

The Nuclear and Space Arms Talks: Where We Are After the Summit

by Paul H. Nitze

Address before the Atlantic Council on December 5, 1985. Ambassador Nitze is special adviser to the President and the Secretary of State on arms control matters.

We stand today at the edge of what we hope can be a fresh start in the U.S.-Soviet relationship, ushered in by the summit meeting between President Reagan and General Secretary Gorbachev. We are poised not just between rounds III and IV of the Geneva talks but also, in a sense, between the first summit and the beginning of preparations for the second.

It does not detract from the worthwhile nature of the November summit to reflect on the difficult issues which continue to divide the two sides at the Geneva negotiations on nuclear and space arms. It is my intent to review the positions of the two sides in the talks and to dwell for a moment on those differences which appear most intractable.

The November summit and the autumn events leading up to it represent not only the possibility for a fresh start in the U.S.-Soviet relationship but mark what we hope is the beginning of a genuine process of give-and-take in the nuclear and space arms talks. The barriers to agreement are, however, substantial.

Soviet Counterproposal

The first break in the ice came at the end of September with the tabling of a Soviet counterproposal to our March 1985 offer. While the effects of that counterproposal would be inequitable and destabilizing, it also contains, as the President expressed it, "seeds which should be nurtured."

The Soviet offer consists of various bans and freezes, as well as limits on and reductions in offensive forces.

- "Strategic delivery systems" would be reduced by 50%, to a level of 1,250 for the U.S.S.R. and 1,680 for the United States. However, the Soviet definition of strategic delivery vehicles would also cover, on the U.S. side, LRINF missiles and "medium-range" nuclear-capable aircraft in Europe, in Asia, and on all of our aircraft carriers, while about 2,000 comparable Soviet nuclear delivery vehicles, as well as 300 Backfire bombers, would not be limited. Thus, were the United States to retain equality in strategic nuclear delivery vehicles, it would have to cut LRINF missiles and dual-capable aircraft to 430, 20% of the current Soviet level. If the United States were to retain LRINF missiles and dual-capable aircraft at current levels, it would have to cut strategic nuclear delivery vehicles to less than half the allowed Soviet number.
- "Nuclear charges" would be sharply reduced to a level of 6,000. However, they would be defined to include the gravity bombs and short-range attack missiles carried by U.S. heavy and medium-range bombers. By counting such bomber weapons as equivalent to Soviet ballistic missile RVs, despite the massive Soviet air defenses faced by bombers and the lower readiness rate of bombers compared to ballistic missiles, the United States would be significantly penalized.
- "Charges" on any one component (that is, ICBMs, SLBMs, or bombers) would be reduced to 60% of the total, leading to a maximum level of 3,600 ICBM RVs. Although this sublimit would represent a major reduction, Soviet prompt counterforce capabilities would actually grow against the reduced number of U.S. hardened facilities.
- All cruise missiles with ranges above 600 kilometers would be banned, terminating the U.S. ALCM, SLCM, and GLCM programs.
- All "new" nuclear delivery systems would be banned, probably precluding the U.S. D-5 and Midgetman missiles and advanced technology bomber, while allowing the Soviet SS-25, SS-X-24 and SS-NX-23 missiles and Blackjack heavy bomber.
- Research, development, and deployment of "space-strike arms" would be banned, halting the U.S. SDI program and allowing many Soviet ABM activities to continue.

In sum, despite significant reductions, the Soviet counterproposal would block U.S. strategic defense programs while allowing Soviet programs to proceed; it would halt the modernization of U.S. strategic offensive forces; and it would include in reductions U.S. systems which defend our allies and exclude Soviet systems which threaten them. The net effect would be a lopsided nuclear balance, a weakened U.S. deterrent, and decreased stability for both sides.

However, in spite of its numerous flaws, the detailed Soviet counterproposal did include the principle of deep cuts in strategic offensive arms and, along with subsequent offers in Geneva, seemed to contemplate an interim INF outcome which would allow for U.S. LRINF missiles in Europe. Building on such positive elements, President Reagan directed that a new U.S. proposal be advanced at the negotiations on November 1.

U.S. November Proposal

Strategic Offensive Arms. The new U.S. proposal builds on the 50% reduction concept in a constructive and equitable way.

- Reentry vehicles on ICBMs and SLBMs would be reduced to a limit of 4,500—about 50% below current levels.
- Reentry vehicles on ICBMs would be reduced to 3,000—about 50% below the current Soviet level and roughly halfway between our earlier proposal for a limit of 2,500 and their proposed limit of 3,600.

Acronyms

ABM—Anti-Ballistic Missile (Treaty)
ALCM—air-launched cruise missile
GLCM—ground-launched cruise missile
ICBM—intercontinental ballistic missile
INF—intermediate-range nuclear forces
LRINF—longer range intermediate-range nuclear forces
RV—reentry vehicle
SALT—strategic arms limitation talks
SDI—Strategic Defense Initiative
SLBM—submarine-launched ballistic missile
START—strategic arms reduction talks

• The highest overall strategic ballistic missile throw-weight of either side would be reduced by 50%, in this case, from the Soviet level of 11.9 million pounds. (By way of comparison, the United States has 4.4 million pounds.)

• Contingent upon acceptance of RV and throw-weight limits, the United States would accept equal limits of 1,500 on the number of long-range ALCMs carried by U.S. and Soviet heavy bombers—about 50% below planned U.S. deployment levels.

• For reasons previously alluded to, the United States cannot agree to one common limit on ballistic missile RVs and ALCMs. But if the Soviets were to accept our proposed limit of 4,500 RVs along with our proposed limit of 1,500 ALCMs, it would result in reduction to a total of 6,000 ballistic missile RVs and ALCMs on each side.

With respect to strategic nuclear delivery vehicles, the United States has proposed a reduction in strategic ballistic missiles to a limit of 1,250–1,450, or about 40–45% below the current higher Soviet level. In this context, the United States could accept further reduction of heavy bomber limits to 350 (compared to our earlier proposal of 400)—about 40% below the current U.S. SALT-accountable level.

For reasons similar to those applying to an RV and ALCM aggregate, the United States cannot agree to the Soviet proposal to include in a single aggregate strategic ballistic missiles and heavy bombers. However, if agreement were reached on a range of 1,250–1,450 for ICBMs and SLBMs, and on heavy bomber limits of 350, it would result in reduction of the total of strategic ballistic missiles and heavy bombers to between 1,600 and 1,800.

The U.S. proposal also contains a ban on the development and deployment of all new heavy strategic ballistic missiles and on the modernization of existing heavy missiles due to the destabilizing character of such systems. All mobile ICBMs would also be banned because of inherent verification difficulties and asymmetries in deployment opportunities between the sides. "Build-down" is the suggested means of implementing the agreed reductions.

Intermediate-Range Nuclear Forces. With respect to intermediate-range nuclear forces, the United States continues to prefer total elimination of the entire class of U.S. and Soviet LRINF missiles. Thus, our previous proposals remain on the table. We have also made a new proposal as an interim step toward this goal.

• The United States would cap its own LRINF missile launcher deployments in Europe at the number deployed as of December 31, 1985 (140 Pershing II and GLCM) in return for Soviet agreement to reduce SS-20 missile launchers within range of NATO Europe to the same number.

• There would be freedom to mix between systems deployed as of December 31, 1985, but the mix would be a subject for discussion. For example, we could agree on a mix giving the United States an approximately equal number at around 420 to 450 LRINF missile warheads in NATO Europe (based on 4 warheads per GLCM launcher, 1 warhead per Pershing II launcher, and 3 warheads per SS-20 launcher).

• The Soviets would be required to reduce SS-20 launchers in Asia (not within range of NATO Europe) by the same proportion as the reduction of launchers within range of NATO Europe. The end result would be equal global LRINF warhead limits.

• Appropriate constraints would also be applied to shorter range INF missiles.

Defense and Space. With respect to defense and space, the United States has made clear that we are committed to the SDI research program, which is being carried out in compliance with the ABM Treaty. We seek a Soviet commitment to explore with us now how a cooperative transition could be accomplished, should new defensive technologies prove feasible. We are also proposing that the Soviets join us, even now, in an "open laboratories" arrangement under which both sides would provide information on each other's strategic defense research programs and provide reciprocal opportunities for visiting associated research facilities and laboratories.

Verification and Compliance. The United States continues to stress the critical importance of agreeing to effective means of verification so as to be able to assess with confidence compliance with provisions of all agreements resulting from the negotiations. The importance of verification is more evident now than it was before, given Soviet violations of existing arms control agreements.

The United States continues to stress the need for the Soviets to take necessary steps to correct current instances of noncompliance with existing arms control agreements, for noncompliance is both politically corrosive and militarily hazardous. Restoring compliance is, thus, a critical step.

The Soviet Union must alter current practices which obstruct U.S. verification of compliance. One initial step is for Soviets to alter their current encryption of telemetry and revert to telemetry practices in use at the time of signing of SALT II. This is militarily important in its own right and is also of considerable political significance.

The November Summit

You know the duration of the sessions at the November summit between President Reagan and General Secretary Gorbachev: some 5 hours of one-on-one dialogue and more than 8 hours of discussion in plenary. The two leaders had an intensive and frank examination of the issues in all four agenda categories. The potential intangible benefits to be derived from the development of personal rapport between these two men is obvious, so I will confine my observations to the language relating to the nuclear and space talks which appeared in the joint statement published at the conclusion of the summit and to a discussion of issues it addresses.

We were able in the joint statement to achieve Soviet commitment to early progress in the negotiations, focusing particularly on "the principle of 50% reductions in the nuclear arms of the U.S. and USSR appropriately applied" and "the idea of an interim INF agreement." As I have already mentioned, these concepts are common elements in the fall proposals of the two sides, but it is not clear that the Soviets do not still link such language to termination of the U.S. Strategic Defense Initiative. SDI is, of course, not mentioned at all in the joint statement. The Soviets were content, in the end, to repeat the language of the joint agreement of January 8, 1985, which included the goal of preventing an arms race in space. We have made abundantly clear to the Soviets that, in our view, SDI is consistent with this goal; we are calling for a cooperative approach to the deployment of defensive systems—as opposed to a "race"—were our research, or theirs, to demonstrate that such systems could help the world get rid of the threat of mutual destruction.

I would highlight another passage in the joint statement: "During the negotiation of these agreements, effective measures for verification of compliance

with obligations assumed will be agreed upon." It will be useful for us during the negotiations to have this acknowledgment that effective verification measures must be devised concurrently with the resolution of other issues. It represents another modest step in our efforts to put verification concerns on a par with the reductions or limitations themselves.

One of the less encouraging aspects of the summit was Gorbachev's unwavering opposition to SDI. There were, indeed, no signs of movement from even the most untenable elements of the Soviet position on strategic defenses, such as the proposed ban on all research. The Soviets also refused to move from any of their fundamentally unacceptable positions on START and on INF. More encouraging are the growing indications that the Soviets may be willing seriously to discuss all three aspects of the negotiations concurrently when the nuclear and space arms talks resume in Geneva in January without demanding a prior agreement on a ban on SDI research.

It is also noteworthy that the President seems to have made some progress in convincing Gorbachev that he is sincere in his stated intentions for SDI, even though the Soviet leader vigorously disputed the President's conclusions about its consequences.

During the next round of the nuclear and space arms talks, commencing on January 16, 1986, we will be able to judge the Soviet implementation of our mutual commitment to accelerate work. We plan to spend the opening weeks describing our November 1 proposal in greater detail. Max Kampelman[1], Senator Tower[2], and Mike Glitman[3] will have authority to explore opportunities for give-and-take. We hope to elicit constructive responses from the Soviet side so that we may then be able to report that they are engaged in a genuine process of serious negotiation toward balanced and verifiable agreements which will improve stability and reduce the risk of war.

[1]Max M. Kampelman, head of U.S. delegation on arms control negotiations and U.S. negotiator on defense and space arms.

[2]John Tower, U.S. negotiator on strategic nuclear arms.

[3]Maynard W. Glitman, U.S. negotiator on intermediate-range nuclear arms. ■

Nuclear Testing

WHITE HOUSE STATEMENT, DEC. 19, 1985[1]

The Soviet Union has both publicly and through confidential diplomatic channels continued to press its proposal for a moratorium on all nuclear explosions that it made public on July 29.

For our part, the President has long advocated a dialogue with the Soviet Union to arrive at the improved verification procedures necessary for any testing limitations. It was the President who extended an unconditional invitation to Soviet experts to visit the U.S. nuclear test site to measure the yield of a U.S. nuclear test, with any instrumentation devices they deemed necessary. This initiative was designed with the hope that it might set in motion a process that could increase confidence and cooperation between our nations regarding limitations on nuclear testing. The United States would, of course, welcome Soviet willingness to agree to reciprocal visits to nuclear testing sites.

It is through measures of this type that a basis could be created to develop and institute the type of verification measures needed to make effectively verifiable the pending treaties dealing with nuclear testing, namely, the Threshold Test Ban and Peaceful Nuclear Explosions Treaties.

This is an issue, however, quite separate from that of a moratorium on nuclear explosions. As we have stated many times previously, the United States has learned through experience that moratoria cannot be counted on to lead to the enhanced security desired. The Soviet Union broke a nuclear testing moratorium a quarter of a century ago with the most intensive nuclear test series in history—some 40 explosions over a period of several weeks.

We made clear when the Soviets announced their moratorium the reasons for our nuclear testing limitation policy, as well as for continuing the U.S. testing program. U.S. testing is required to ensure the continued credibility and effectiveness of our deterrent and to ensure the reliability and safety of the U.S. arsenal.

While we are actively investigating technologies that may one day make the United States less dependent on offensive nuclear weapons for our security, nuclear weapons will remain, for the foreseeable future, the key element of our deterrent. In such a situation, where both the United States and our allies must rely upon nuclear weapons to deter aggression, nuclear testing will be required.

A comprehensive test ban, however, is a long-term objective of the United States in the context of achieving broad, deep, and verifiable arms reductions; substantially improved verification capabilities; expanded confidence-building measures; greater balance in conventional forces; and at a time when a nuclear deterrent is no longer as essential an element as currently for international security and stability. The United States is currently involved in discussions with the Soviet Union in most of these areas.

[1]Text from Weekly Compilation of Presidential Documents of Dec. 23, 1985. ■

Western Proposal Tabled at MBFR Negotiations

PRESIDENT'S STATEMENT, DEC. 5, 1985[1]

Consistent with the joint statement issued by General Secretary Gorbachev and the President at the conclusion of the Geneva meeting, and with our efforts to promote a more constructive East-West relationship, we and our NATO allies are introducing in Vienna today a new proposal designed to break the long deadlock on conventional arms reductions in Europe.

Since the early 1970s, NATO has engaged the Warsaw Pact in discussions aimed at limiting the numbers of troops on both sides in central Europe. These discussions, known as the mutual and balanced force reduction (MBFR) talks, now constitute one of the longest continuously running arms control negotiations in history.

The NATO allies have consistently tried to move these negotiations forward. In 1982 and 1984, the United States and the allies presented new proposals designed to achieve progress in

the MBFR negotiations. Regrettably, both proposals were rejected by the Warsaw Pact. After extensive national reviews of these talks and their objectives, we and our allies have concluded that a significant and forthcoming new move could provide new impetus to the negotiations.

In an effort to move the negotiations forward, and taking into account expressed Eastern concerns, we have today tabled a new proposal for reductions with effective verification.

The proposed package of verification measures is intended to verify the numbers of troops withdrawn as well as the numbers which will remain. Thus, in exchange for a comprehensive and effective package of verification measures, NATO would be willing to accept the general framework of the February 1985 model proposed by the Soviet Union and its allies for a noncomprehensive agreement. We will no longer insist, as we have since the outset of negotiations, that the sides come to an agreement on Eastern troop levels before treaty signature. Nor will we continue to insist, for now, on a comprehensive approach whereby East and West must agree at the outset on all the steps needed to reduce to parity.

In this context, the United States is now prepared to accept a reduction of 5,000 U.S. and 11,500 Soviet ground troops in the central European reduction area. These figures reflect the ratio between existing U.S. and Soviet troop levels in the area.

As soon as these reductions are completed, NATO is prepared to accept a commitment by both alliances not to increase forces in central Europe. As verified by implementation of the verification measures, this no-increase commitment would last for 3 years.

The new Western proposal builds on key aspects of the Warsaw Pact's ideas of February 1985. These include: a time-limited, noncomprehensive agreement; reductions without prior data agreement on Eastern forces; and a no-increase agreement. The main element which NATO has added is in the area of verification.

Fair, effective, and reciprocal verification measures are essential so that both sides will be able to know whether the terms of the accord are being complied with. This is especially important if we are to accept a no-increase commitment on troops in the area without prior agreement on the level of those troops. The Soviets have contended that such prior agreement was unnecessary and that Western concerns could be satisfied through implementation of verification measures. This new Western proposal offers them an opportunity to pursue that approach. Agreement on all aspects of the proposed verification measures would, of course, have to be reached prior to the signature of a treaty.

We urge the Soviet Union and the other Warsaw Pact countries to consider carefully the details of our proposal. This NATO initiative can help fulfill the commitments made at the Geneva summit and produce real progress in Vienna which would reduce forces in central Europe.

WESTERN STATEMENT BY AMBASSADOR ALEXANDER, VIENNA, DEC. 5, 1985[2]

For over 12 years, the participants in these talks have been trying to find a formula which would permit some reduction in conventional military force levels in central Europe. Despite limited progress in some aspects of the talks, real success has remained out of reach. The pattern of proposal and, too often, incompatible counterproposal has been a major reason for this lack of success. The two sides have for too long failed to get into a position where they were talking about the same kind of approach at the same time.

On February 14 this year, the East tabled its "basic provisions" for a first-phase (as opposed to a comprehensive) agreement. The idea of a modest first-phase agreement was first put forward by the West in 1979. It was subsequently, in 1982, dropped in response to Eastern criticism of its alleged lack of linkage with follow-on reductions. Since February the West has been pointing out at length the gaps in the East's text—among them the absence of any requirement for prior agreement between the sides on the size of forces in the reductions area before the implementation of reductions and limitations.

In parallel with this somewhat unproductive debate, Western governments have carried out in recent months a review of the situation in these talks as a whole. Bearing in mind the West's 1979 proposal, our governments have concluded that the approach in the East's basic provisions, despite their imperfections, might form a framework on which the two sides could work together with some hope of reaching an agreement. That our governments have taken the difficult decisions underpinning this conclusion is a measure of the importance they attach to the talks and to resolving the problems with which we are dealing. Our governments have been encouraged in their action by the outcome of the Geneva summit last month.

In the West's view, there is now a considerable number of points—they are enumerated in the full statement—where broad agreement exists between the two sides. The opening up of this area of accord has been made possible by an imaginative act by Western governments, one which involves a basic change in the position which we have maintained consistently since the talks began in 1973. Until today we have always held the view, and it has been eminently reasonable to do so, that an essential prerequisite for progress was a common understanding on the starting point, i.e., on the size of the forces deployed by the two sides in the reduction area.

It has proved impossible to reach such an understanding. After much deliberation, Western governments have, therefore, decided, in the context of a time-limited agreement, to make a major step to move the negotiations forward. Although there remains a very substantial difference between our estimate of the forces deployed in the Eastern part of the reductions area and the Warsaw Pact's own figures, our governments have agreed to offer to negotiate, without further delay, a joint reduction in American-Soviet force levels in central Europe and a subsequent collective no-increase commitment.

In order to ensure that both sides' commitment to the principle of undiminished security is preserved, the West has proposed some changes in the East's approach. These include, most importantly:

- A change in the numbers of American and Soviet forces to be withdrawn under the agreement;
- The giving to each side of discretion to decide how to deal with the armaments of withdrawn troops and the omission of armaments from the no-increase commitment; and
- The establishment of a verification regime capable of giving confidence that the agreement was being honored.

These changes correspond to the need for practicality, precision, and predictability in the agreement. Every

condition in the agreement will apply to both sides. Thus, rights for one side will be rights for the other. There will be no unilateral advantage to be won. Rather there will be a gain in mutual understanding, in mutual confidence, and ultimately in the security of all.

The West has, this morning, taken a major step. It brings the possibility of a limited agreement on force levels in central Europe within reach. We hope there will be no more suggestions from the East that the prior data requirement, that differences of principle, that differences about framework, etc., etc., are blocking the way forward.

Nonetheless, much bargaining undoubtedly lies ahead. The East may not welcome the way we have handled the armaments issue. But they themselves have begun to recognize recently the objective difficulties of including armaments in a limitations agreement. They may not welcome the detail of our ideas on verification. But Foreign Minister Shevardnadze has stated authoritatively to the United Nations this autumn "where verification with national technical means may be inadequate to provide the necessary degree of confidence, we are ready to supplement it with additional mutually agreed procedures." The West welcomes that assurance and hopes the East is ready to act on it.

We are talking about a limited agreement. But an agreement of any kind involving reductions in force levels in central Europe and a subsequent no-increase commitment would be an event of very great political significance. If the East can match the West in flexibility, in imagination, and in pragmatism such an agreement can be reached, and the long deadlock in Vienna can be broken.

AMBASSADOR BLACKWILL'S STATEMENT, VIENNA, DEC. 5, 1985[a]

Introduction

In my plenary statement today on behalf of the West, I recalled that President Reagan on September 26 pledged that the West "will actively seek every avenue of possible agreement in the round in order to achieve a verifiable accord that reduces conventional forces in central Europe in an equitable manner." With the imaginative initiative just put forward today, the West has fulfilled this promise and has brought our talks to a decisive crossroads.

Data Issue

As everyone knows too well, these negotiations have been deadlocked for many, many years. The impasse has persisted. Week after week. Month after month. Year after year.

Our Eastern colleagues have repeatedly made clear that this situation, in their view, is due primarily to what they term the "data barrier." One Eastern representative, for example, has called the data issue the "decisive obstacle on the road to an agreement since the very beginning of the talks." And, another has told us, "in this stalemate, the greatest difficulty, as you know, is created by the question of numbers." It is a matter of record that the main aim of the approach adopted by the East in these talks beginning in 1983 has been to "do away with the 'data barrier.' " Indeed, as a third Eastern representative has noted, this is "central" to the proposals the East has put forward since the January 1983 Prague meeting of the Warsaw Pact Political Consultative Committee.

Our Eastern colleagues, moreover, have repeatedly suggested that if the West were to drop its requirement for prior data agreement, substantive progress could be made; indeed, that the path would be cleared to an agreement. For example, the East has observed that "the key to a decisive step forward in the Vienna negotiations is to free oneself from the undergrowth of the unproductive discussions which have been conducted for many years and to agree without further delay on simple, practical steps to initiate the process of reductions."

For well-known reasons, the West has tried unsuccesfully during the more than 12 years of these negotiations to persuade the East of the merits of first reaching a mutual understanding on the size of the forces in the reductions area. *Inter alia*, this position was based on a sound and logical premise: namely, that there should be an initial meeting of minds on the basic facts of the situation. The sides should know where they are starting from, as well as where they are going.

Despite our continuing conviction that prior data agreement would have been the more sensible and effective means to making progress in these negotiations, in the interest of breaking the decade-long logjam, the West today has announced its willingness to drop this longstanding, important aspect of its position. In doing so, we are prepared at the same time to work toward a time-limited, first-phase agreement, building on the framework proposed by the East in February. We are, in the words of one veteran Eastern representative, prepared to adopt a "radical solution" to the data issue and to "cut this Gordian knot connected with the problem of numbers."

This decision was not taken lightly. It has been considered at the highest levels in the West. It is a sign of our determination to produce a breakthrough in these negotiations.

Areas of Agreement

The initiative advanced by Western participants today, however, goes beyond this historic step to overcome the basic cause of deadlock. As the head of the U.K. delegation has noted, we accept the general framework of the East's February 1985 "basic provisions" proposal. Indeed, he has identified 16 specific areas of agreement which now exist between the Eastern and Western sides to these talks. Nevertheless, as Ambassador Alexander pointed out, there remains more work to finish.

Verification

Not long ago the East stated that "if our Western partners have realistic ideas with regard also to the verification of an agreement, they should have no difficulties in presenting them along with an official response to our proposal of 14 February 1985." We have responded to that invitation today.

We are also mindful of the authoritative statement at the United Nations on October 24, 1985 by Soviet Foreign Minister Shevardnadze: "Where verification with national technical means may be inadequate to provide the necessary degree of confidence, we are ready to supplement it with additional mutually agreed procedures. We state this very emphatically, because there are those who would like to make world public opinion believe that the Soviet Union is against verification." And, as an Eastern representative to these talks stated recently, the Warsaw Pact states "regard verification and associated measures as an important part of a future agreement."

We in the West, too, firmly believe that verification is a fundamental aspect of effective arms control. Indeed, any arms control agreement, if it is to build confidence between the sides, is only as good as its verification regime. As we have explained to our Eastern colleagues on a number of occasions, a set

of effective verification measures is vital. Such measures are manifestly necessary, not only with respect to reductions but particularly with regard to no-increase commitments:

- To help assure all parties that treaty provisions are being fully complied with;
- To deter violations of treaty obligations by increasing the likelihood that such violations would be detected; and
- To assist resolution of any disagreements over compliance.

Conclusion

In the Geneva joint statement of November 21, the United States and the Soviet Union "emphasized the importance they attach to the Vienna negotiations and expressed their willingness to work for positive results."

In its assessment of the summit meeting, the Politburo of the U.S.S.R. noted that "the long-term significance of the Geneva meeting will show itself in concrete practical actions." The West agrees with this view, as the proposal we have put forward today demonstrates beyond a shadow of a doubt. We call on the East to join us now in producing a concrete result in this negotiation. It can be done.

AMBASSADOR BLACKWILL'S STATEMENT, DEC. 12, 1985[4]

I am very pleased to be here today to discuss the Vienna negotiations on mutual and balanced force reductions (MBFR) with you. As you are aware, the NATO allies participating in these talks put forward to the Warsaw Pact last week an imaginative and far-reaching proposal aimed at breaking the decade-long deadlock in these discussions on conventional force reductions in central Europe.

Before turning to this new Western move, perhaps some general comments regarding the Vienna negotiations are in order.

These talks—which now constitute the longest continuous arms control negotiations in history—are a unique case of NATO-Warsaw Pact dialogue. They are the only forum in which we and our NATO partners regularly discuss security concerns and arms control with the Warsaw Pact on an alliance-to-alliance basis. As you know, our NATO allies attach great political and military importance to MBFR—not least because it is an East-West arms control forum in which they are able to participate directly and actively.

This said, the talks have failed to date to achieve their declared objective; that is, the negotiated reduction and limitation of forces in central Europe. During the past 12 years, some progress has been made on several issues, but real success has remained out of reach. Fundamental differences have persisted on two key points.

First, there has been a longstanding disagreement over the number of Warsaw Pact troops stationed in central Europe—the so-called data issue. Since the outset of the negotiations in 1973, the West has tried unsuccesfully to persuade the East of the merits of first reaching a common understanding on the size of forces in the reductions area.

Second, the sides remain far apart on the question of verification. There are differences on the actual scope and functioning of negotiated verification measures and on the necessary degree of intrusiveness of the verification regime. There are also differing views over the question of when measures should go into effect, i.e., during or after reductions. The East has so far refused to accept verification measures as precise and comprehensive as those proposed by the West.

After extensive national reviews of these talks and their objectives, we and our NATO allies recently concluded that a significant and forthcoming new move could provide new impetus to the negotiations. Consistent with the joint statement issued by the President and General Secretary Gorbachev at the conclusion of the Geneva summit meeting—and with our efforts to promote a "fresh start" and a more constructive East-West relationship—the United States, together with our NATO allies, introduced on December 5 a major new proposal designed to break the long deadlock in Vienna.

Despite our continuing conviction that prior agreement on force data would have been the more sensible and effective means to making progress, NATO now is willing to drop this longstanding, important aspect of its position in the interest of breaking the decade-long logjam at the Vienna talks. This move comes in response to repeated Eastern suggestions over the years that if the West were to drop demands for prior data agreement, substantive progress could be made—indeed, that the path would be cleared to an agreement.

In addition to this major step, the West now accepts the general framework of the East's February 1985 "basic provisions" proposal; that is, we agree to negotiate on a time-limited, first phase agreement consisting of initial U.S. and Soviet ground force reductions, followed by a no-increase commitment covering the forces in central Europe of all participants in the MBFR negotiations.

This willingness to accept the framework proposed by the other side is an important development. In the past, the negotiations have been characterized by one side advancing a proposal, followed by the other side—usually after some interval—tabling a counterproposal. Too often these have borne little or no relation to each other, thus limiting practical possibilities for real negotiation. Now for the first time in the negotiations, the sides—as a result of the Western move—are in a position where they are talking about the same kind of approach at the same time. Whether this marks a beginning of real negotiations will depend, of course, upon the Eastern reaction to our proposal.

With regard to the specifics of the Western proposal, we have identified at least 16 specific points on which, as a result of the West's review of its position and subject to resolution of detail, there would now seem to be broad agreement between the two sides. These are identified in the attachment to my statement. There also are a number of areas in which the sides appear to be in near agreement—for example, on a provision allowing for normal peacetime military activities such as NATO reinforcement exercises and the call-up of reservists for training.

The most important differences between the new Western positions and those of the East are as follows.

First, the West is now proposing that initial reductions should be 5,000 American and 11,500 Soviet ground troops. These figures reflect the ratio of U.S. and Soviet forces in the reductions area. The new figures thus continue to provide for a proportionate level of reduction and verification procedures of this first-phase agreement.

Second, while the East has proposed that troops to be withdrawn take with them their organic armaments and combat equipment, the West proposes that, in order to achieve a timely first-phase agreement, each side should have discretion to decide for itself how to deal with such armaments. Moreover,

we do not believe it would be meaningful or practicable to apply a no-increase commitment to armaments, as the East has proposed. Indeed, the East itself has begun to recognize recently the difficulties of including armaments in a limitations agreement.

Third, as noted previously, the East envisages minimal provisions for verification. The West proposes an effective verification system which has several key features.

- It converts the observation points proposed by the East into permanent and permanently manned entry and exit points through which all forces—those entering as well as those leaving the reductions area—should pass.
- It provides for the exchange of detailed information, disaggregated down to the battalion level, on forces remaining in the reductions area after initial U.S. and Soviet withdrawals. The initial information exchange would constitute the basis for verifying the no-increase commitment.
- It provides for an inspection regime under which each side would have the right to conduct 30 inspections during each of the 3 years immediately following the completion of U.S. and Soviet reductions.
- It provides for the establishment of a consultative commission, whose tasks would include clarifying ambiguities expeditiously and helping to resolve disputes.

Fourth, while the East envisages both alliance-wide and national ceilings on armed forces, the West believes the no-increase commitment should simply be alliance-wide, with subceilings only on U.S. and Soviet forces, since they are the only forces involved in initial reductions.

Finally, as in any international agreement of this kind, the West proposes to include a clause recognizing the right of each side to take steps to protect its security interests in the event of activities by the other side which are incompatible with the object or purposes of the agreement or which jeopardize those interests.

It is too soon to predict how the negotiations will evolve in the wake of the West's new proposal. The Western move, however, offers a unique opportunity to maintain the momentum following the Geneva summit and to produce real progress in Vienna.

The Soviet representative, on behalf of the East, has promised that the Western proposal would be "thoroughly studied." We will probably have to wait until the next negotiating round, which begins on January 30, before any authoritative Eastern views are registered. It was, however, disappointing that the Soviet representative, as a preliminary reaction, also ventured to express the view that the Western proposal "does not inspire optimism" and to suggest that the Western position on dealing with armaments and verification "does not contribute to the achievement of a mutually acceptable agreement." Eastern press reaction we have seen thus far, moreover, has followed this line and has failed to acknowledge the many positive elements in the new NATO initiative.

This said, it is now up to the Soviet Union and its Warsaw Pact allies to show that they can match the West in flexibility, imagination, and pragmatism.

ATTACHMENT: POINTS OF AGREEMENT

As a result of the West's review of its position and subject to resolution of the details, there would now seem to be broad agreement between the two sides on the following points.

1. The concept of a first-phase agreement as providing a general framework for our future work.
2. The omission in the context of a first-phase agreement of any reference to the need for prior agreement on data.
3. Initial reductions by the United States and the Soviet Union within 1 year from the entry into force of the agreement.
4. Reductions in units, with up to 10% as individuals.
5. Withdrawn forces shall return to within their national boundaries.
6. Withdrawn forces shall not be deployed in new locations in such a way as to diminish the security of any state participant in the negotiations, including those with special status.
7. Lists shall be exchanged of the American and Soviet military units to be withdrawn from the area of reductions.
8. The United States and the Soviet Union shall inform all parties about the start of the practical arrangements to reduce their ground forces in central Europe and about their completion.
9. Observation points should be established through which withdrawn Soviet and American forces shall pass.
10. Each side should determine independently the location of these points in its own territory.
11. There shall be a no-increase commitment following the period of reductions.
12. National technical means of verification should be used in a manner consistent with generally recognized principles of international law and the sides should undertake not to interfere with the national technical means of verification of the other side.
13. The agreement envisaged should be of limited duration.
14. Implementation of a verification regime would also provide most valuable experience in applying associated measures, which would prove useful in the future in the course of more substantial reductions.
15. The agreement should be legally binding.
16. The East proposes that the sides should undertake to pursue the negotiations on the reduction of armed forces and armaments in central Europe with the object of reaching parity at equal collective levels of up to 900,000 men, including up to 700,000 men in ground forces. The West agrees that, subject to the successful implementation of a first-phase agreement, this should remain our objective.

---

[1]Text from White House press release.

[2]Ambassador Michael Alexander is head of the U.K. delegation to the MBFR negotiations.

[3]Ambassador Robert D. Blackwill is head of the U.S. delegation to the MBFR negotiations.

[4]Made before the Arms Control Panel of the House Armed Services Committee. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Soviet Noncompliance With Arms Control Agreements

Following is the President's unclassified report on Soviet noncompliance with arms control agreements along with his letter of transmittal to the Speaker of the House of Representatives and to the President of the Senate on December 23, 1985.

Transmittal Letter

Dear Mr. Speaker (Dear Mr. President):

In response to Congressional requests as set forth in Public Law 99-145, I am forwarding herewith classified and unclassified versions of the Administration's report to the Congress on Soviet Noncompliance with Arms Control Agreements.

Detailed classified briefings will be available to the Congress early in the new year.

I believe the additional information provided, and issues addressed, especially in the detailed classified report, will significantly increase understanding of Soviet violations and probable violations. Such understanding, and strong Congressional consensus on the importance of compliance to achieving effective arms control, will do much to strengthen our efforts both in seeking corrective actions and in negotiations with the Soviet Union.

Sincerely,

RONALD REAGAN

Unclassified Report

In reporting to the Congress on February 1 of this year on Soviet noncompliance with arms control agreements, I have stated that:

> In order for arms control to have meaning and credibly contribute to national security and to global or regional stability, it is essential that all parties to agreements fully comply with them. Strict compliance with all provisions of arms control agreements is fundamental, and this Administration will not accept anything less. To do so would undermine the arms control process and damage the chances for establishing a more constructive U.S.-Soviet relationship.

I further stated that:

> Soviet noncompliance is a serious matter. It calls into question important security benefits from arms control, and could create new security risks. It undermines the confidence essential to an effective arms control process in the future. With regard to the issues analyzed in the January 1984 report, the Soviet Union has thus far not provided satisfactory explanations nor undertaken corrective actions sufficient to alleviate our concerns. The United States Government has vigorously pressed, and will continue to press, these compliance issues with the Soviet Union through diplomatic channels.

The important role of treaty compliance for future arms control was recently recognized by the United Nations. On December 12, 1985, the General Assembly passed by a vote of 131-0 (with 16 abstentions), a resolution on arms control compliance which had been introduced by the United States and other co-sponsors. The resolution:

- urges all parties to arms limitation and disarmament agreements to comply with their provisions;
- calls upon those parties to consider the implications of noncompliance for international security and stability and for the prospects for further progress in the field of disarmament; and
- appeals to all U.N. members to support efforts to resolve noncompliance questions "with a view toward encouraging strict observance of the provisions subscribed to and maintaining or restoring the integrity of arms limitation or disarmament agreements."

At the request of the Congress, I have in the past two years provided three reports to the Congress on Soviet compliance issues. The first, forwarded in January 1984, reviewed seven compliance issues, concluding that the Soviet Union had, in fact, violated a number of important arms control commitments.

In September 1984 I provided, at the request of the Congress, a report on Soviet noncompliance prepared by the independent General Advisory Committee on Arms Control and Disarmament. That report concluded that over a 25-year span the Soviets had violated a substantial number of arms control commitments.

In February 1985, I submitted a report to the Congress updating the Administration's January 1984 report and reviewing 13 issues that could be treated in unclassified terms and an additional group of six issues treated on a classified basis. That report discussed the pattern of Soviet arms control violations, probable violations, or ambiguous activity in seventeen cases. The U.S. Government found seven Soviet violations, three probable violations, one likely and one potential violation. The Soviets were found to be in compliance in two other cases examined.

One of those issues, Yankee-Class submarine reconfiguration, is not addressed in the current report. While a submarine reconfigured to carry long-range cruise missiles constitutes a threat similar to that of the original SSBN, I reported in February that Soviet reconfiguration activities have not been in violation of the SALT I [strategic arms limitation talks] Interim Agreement. This issue, therefore, requires no further judgment in terms of compliance at present.

Public Law 99-145 requires the Administration to provide on an annual basis by December 1 of each year a classified and unclassified report to the Congress containing the findings of the President and any additional information necessary to keep the Congress informed on Soviet compliance with arms control agreements.

The current report responds to this Congressional requirement. It is the product of months of careful technical and legal analysis by all relevant agencies of the United States Government and represents the Administration's authoritative updated treatment of this important matter.

The current unclassified report examines one new issue and updates all of the issues studied in the classified report of February 1985, except the issue of Yankee-Class submarine reconfiguration. There are violations in nine cases. Of the nine cases involving violations, one SALT II issue—that of Soviet concealment of the association between missiles and their launchers—is examined for the first time. The Soviet Union has now also violated its commitment to the SALT I Interim Agreement through the prohibited use of remaining facilities at former SS-7 ICBM [intercontinental ballistic missile] sites. In addition, Soviet deployment of the SS-25 ICBM during 1985 constitutes a further violation of the SALT II prohibition on a second new type of ICBM. Several other issues involve potential, probable or likely violations.

The current unclassified report reaffirms the findings of the February 1985 classified report concerning ABM [antiballistic missile] issues, making public two of them for the first time. It also reaffirms the February findings concerning SALT II issues involving violations,

including one concerning strategic nuclear delivery vehicles, which has not previously been made public. In two SALT II issues with respect to which the Soviets were not judged to be in clear violation in the classified report of last February, the findings are altered or updated. These two issues are the SS-16 and an issue made public for the first time—Backfire Bomber production rate.

The Administration's most recent studies support its conclusion that there is a pattern of Soviet noncompliance. As documented in this and previous reports, the Soviet Union has violated its legal obligation under or political commitment to the SALT I ABM Treaty and Interim Agreement, the SALT II agreement, the Limited Test Ban Treaty of 1963, the Biological and Toxin Weapons Convention, the Geneva Protocol on Chemical Weapons, and the Helsinki Final Act. In addition, the U.S.S.R. has likely violated provisions of the Threshold Test Ban Treaty.

While we remain concerned about Soviet violations of Basket I of the Helsinki Final Act and the Limited Test Ban Treaty, there is no unambiguous evidence of new 1985 Soviet violations of these two treaties. With regard to the Biological and Toxin Weapons Convention, or the Geneva Protocol on Chemical Weapons, there also is no unambiguous evidence of new 1985 Soviet lethal attacks that meets our strict standards of evidence. However, the Soviets clearly remain in violation of the Biological and Toxin Weapons Convention.

THE SIGNIFICANCE OF SOVIET NONCOMPLIANCE

Through its noncompliance, the Soviet Union has made military gains in the areas of strategic offensive arms as well as chemical, biological and toxin weapons. If the yields of Soviet nuclear tests have been substantially above 150 kilotons, then Soviet testing would allow proportionately greater gains in nuclear weapons development than the U.S. could achieve. The possible extent of the Soviet Union's military gains by virtue of its noncompliance in the area of strategic defense also is of increasing importance and serious concern.

In a fundamental sense, all deliberate Soviet violations are equally important. As violations of legal obligations or political commitments, they cause grave concern regarding Soviet commitment to arms control, and they darken the atmosphere in which current negotiations are being conducted in Geneva and elsewhere.

In another sense, Soviet violations are not of equal importance. While some individual violations are of little apparent military significance in their own right, such violations can acquire importance if, left unaddressed, they are permitted to become precedents for future, more threatening violations. Moreover, some issues that individually have little military significance could conceivably become significant when taken in their aggregate.

The Krasnoyarsk Radar

The radar under construction near Krasnoyarsk in Siberia is disturbing for both political and military reasons. Politically, the radar demonstrates that the Soviets are capable of violating arms control obligations and commitments even when they are negotiating with the United States or when they know we will detect a violation. The 1972 ABM Treaty prohibits the Soviets from siting an ABM radar, or siting and orienting a ballistic missile detection and tracking radar, as the Krasnoyarsk radar is sited and oriented.

Militarily, the Krasnoyarsk radar violation goes to the heart of the ABM Treaty. Large phased-array radars (LPARs) like that under construction near Krasnoyarsk were recognized during the ABM Treaty negotiations as the critical, long lead-time element of a nationwide ABM defense.

When considered as a part of a Soviet network of new LPARs, the Krasnoyarsk radar has the inherent potential to contribute to ABM radar coverage of a significant portion of the central U.S.S.R. Moreover, the Krasnoyarsk radar closes the remaining gap in Soviet ballistic missile detection and tracking coverage.

ABM Territorial Defense and Other ABM Activities

The Krasnoyarsk radar appears even more menacing when considered in the context of other Soviet ABM-related activities. Together they cause concern that the Soviet Union may be preparing an ABM territorial defense. Some of these activities, such as permitted LPARs and the Moscow ABM deployment area, are consistent with the ABM Treaty. Others involve potential or probable Soviet violations or other ambiguous activity, including:

- the apparent testing and development of components required for an ABM system which could be deployed to a site in months rather than years;
- the probable concurrent testing of air defense components and ABM components;
- the development of a modern air defense system, the SA-X-12, which may have some ABM capabilities; and
- the demonstration of an ability to reload ABM launchers and to refire the interceptor missile in a period of time shorter than previously noted.

Soviet deployment of an ABM territorial defense contrary to the ABM Treaty would have profound implications for Western security and the vital East-West strategic balance. A unilateral Soviet territorial ABM capability acquired in violation of the ABM Treaty could erode our deterrent and leave doubts about its credibility. Such a capability might encourage the Soviets to take increased risks in crises, thus degrading crisis stability.

SS-25

The SS-25, a clear and irreversible violation of the Soviet Union's SALT II commitment, also has important political and military implications. Testing and deployment of this missile violates a central provision of the SALT II Treaty, which was intended to limit the number of new ICBMs. The Treaty permits only one new type of ICBM for each Party. The Soviets have informed us that their one new type will be the SS-X-24, which is now undergoing testing, and have falsely asserted that the SS-25 is a permitted modernization of the silo-based SS-13 ICBM.

Under the pretext of permitted modernization, the Soviets, since the last compliance report, have deployed a prohibited second new type of missile, the SS-25, which is mobile and could be made more lethal. The SS-25 also could be modified to carry more than a single warhead. Most worrisome is the technical argument by which the Soviets sought to justify the SS-25, for it might be applied to additional prohibited new types of ICBMs in the future.

Telemetry Encryption and Concealment of Missile/Launcher Association

Two other Soviet violations impede our ability to verify the Soviet Union's compliance with its political commitments. Soviet use of encryption impedes U.S. verification of Soviet compliance and thus contravenes the provision of the SALT II Treaty which prohibits use of deliberate concealment measures which impede verification of compliance by national technical means. A new finding of this report is that current Soviet activities violate the provision of the Treaty which prohibits use of deliberate concealment measures associated with testing, including those measures aimed at concealing the association between ICBMs and launchers during testing. These deliberate Soviet concealment activities impede our ability to know whether a type of missile is in compliance with SALT II requirements. They could also make it more difficult for the United States to assess accurately the critical parameters of any future missile.

Since the SALT I agreement in 1972, Soviet encryption and concealment activities have become more extensive and disturbing. These activities, Soviet responses on these issues, and Soviet failure to take the corrective actions which the United States has repeatedly requested, are indicative of a Soviet attitude contrary to the fundamentals of sound arms control agreements. Soviet encryption and concealment activities present special obstacles to maintaining existing arms control agreements, undermine the political confidence necessary for concluding new treaties, and underscore the necessity that any new agreement be effectively verifiable. Soviet noncompliance, as documented in current and past Administration reports and exemplified by the encryption and concealment issues, has made verification and compliance pacing elements of arms control today.

Chemical, Biological and Toxin Weapons

The Soviet Union's violations of its legal obligations under the Biological and Toxin Weapons Convention and the Geneva Protocol have important political and military implications. The Soviets had a program of biological and toxin weapons before they signed the multilateral Treaty. Upon signing the Treaty, the Soviets not only did not stop their illegal program but they expanded facilities and were instrumental in the use of prohibited agents.

The Soviet Union has a prohibited offensive biological warfare capability which we do not have and against which we have no defense. This capability may include advanced biological agents about which we have little knowledge. Evidence suggests that the Soviets are expanding their chemical and toxin warfare capabilities in a manner that has no parallel in NATO's retaliatory or defensive programs. Even though there has been no unambiguous evidence of lethal attacks during 1985, previous activities have provided testing, development and operational experience.

Nuclear Testing

With respect to the Threshold Test Ban Treaty, Soviet testing at yields above the 150 kiloton limit would allow development of advanced nuclear weapons with proportionately higher yields than the yields of weapons that the U.S. could develop under the Treaty. The U.S. Government judges that Soviet test activities constitute likely violations of the 150 kiloton limit.

Other Issues

Military significance is evidently not necessarily the determining factor in Soviet decisions or actions which violate their arms control commitments. The Soviet Union has also violated or probably violated arms control obligations and commitments from which at present it appears to reap little military gain. The following cases are relevant in this regard:

- the use of remaining facilities at former SS-7 ICBM sites since the February 1985 compliance report (SALT I Interim Agreement);
- exceeding the strategic nuclear delivery vehicle limits (SALT II);
- probable deployment of the SS-16 (SALT II); and
- underground nuclear test venting (Limited Test Ban Treaty).

The 1981 Soviet violation of the military exercise notification provisions of the Helsinki Final Act involved an action contrary to the confidence building measures included in that agreement.

Soviet deployments of Backfire Bombers to Arctic staging bases are inconsistent with the Soviet Union's political commitment to the SALT II Treaty. In addition, while there are ambiguities concerning the data, there is evidence that the production rate of the Backfire Bomber was constant at slightly more than 30 per year until 1984, and slightly less than 30 per year since then. These Soviet Backfire Bomber activities will continue to be monitored and assessed.

THE SOVIET RESPONSE

At the same time as the Administration has reported its concerns and findings to the Congress, the United States has had extensive exchanges with the Soviet Union on Soviet noncompliance in the Standing Consultative Commission (SCC), where SALT-related issues (including ABM issues) are discussed, and through other appropriate diplomatic channels. I expressed my personal concerns directly to General Secretary Gorbachev during my recent meeting with him in Geneva.

All of the violations, probable violations and ambiguous situations included in this report and previously reported on have been raised with the Soviets, except certain sensitive issues. The Soviet Union has thus far not provided explanations sufficient to alleviate our concerns on these issues, nor has the Soviet Union taken actions needed to correct existing violations. Instead, they have continued to assert that they are in complete compliance with their arms control obligations and commitments.

U.S. POLICY

In contrast with the Soviet Union, the United States has fully observed its arms control obligations and commitments, including those under the SALT I and SALT II agreements. As I stated in my message to the Congress on June 10 of this year concerning U.S. interim restraint policy:

> In 1982, on the eve of the Strategic Arms Reduction Talks (START), I decided that the United States would not undercut the expired SALT I agreement or the unratified SALT II agreement as long as the Soviet Union exercised equal restraint. Despite my serious reservations about the inequities of the SALT I agreement and the serious flaws of the SALT II agreement, I took this action in order to foster an atmosphere of mutual restraint conducive to serious negotiation as we entered START.
>
> Since then, the United States has not taken any actions which would undercut existing arms control agreements. The United States has fully kept its part of the bargain.

However, the Soviets have not. They have failed to comply with several provisions of SALT II, and we have serious concerns regarding their compliance with the provisions of other accords.

The pattern of Soviet violations, if left uncorrected, undercuts the integrity and viability of arms control as an instrument to assist in ensuring a secure and stable future world. The United States will continue to pursue vigorously with the Soviet Union the resolution of our concerns over Soviet noncompliance. We cannot impose upon ourselves a double standard that amounts to unilateral treaty compliance.

On June 10, I invited the Soviet Union to join the United States in an interim framework of truly mutual restraint on strategic offensive arms and to pursue with renewed vigor our top priority of achieving deep reductions in the size of existing nuclear arsenals in the ongoing negotiations in Geneva. I noted that the U.S. cannot establish such a framework alone and that it would require the Soviet Union to take positive, concrete steps to correct its noncompliance, to resolve our other compliance concerns, to reverse its unparalleled and unwarranted military buildup, and actively to pursue arms reduction agreements in the Geneva negotiations.

In going the extra mile, I have made clear that as an integral part of this policy, we will also take those steps required to assure our national security and that of our Allies that were made necessary by Soviet noncompliance. Thus, as I indicated to the Congress on June 10, "appropriate and proportionate responses to Soviet noncompliance are called for to ensure our security, to provide incentives to the Soviets to correct their noncompliance, and to make it clear to Moscow that violations of arms control obligations entail real costs."

As we monitor Soviet actions for evidence of the positive, concrete steps needed on their part to correct these activities, I have directed the Department of Defense to conduct a comprehensive assessment aimed at identifying specific actions that the United States could take to augment as necessary the U.S. strategic modernization program as a proportionate response to, and as a hedge against the military consequences of those Soviet violations of existing arms control agreements which the Soviets fail to correct. We will carefully study this report as soon as it has been completed.

As we press for corrective Soviet actions and while keeping open all programmatic options for handling future milestones as new U.S. strategic systems are deployed, we will continue to assess the overall situation in light of Soviet actions correcting their noncompliance, reversing their military build-up, and promoting progress in Geneva.

I look forward to continued close consultation with the Congress as we seek to make progress in resolving compliance issues and in negotiating sound arms control agreements.

The findings on Soviet noncompliance with arms control agreements follow.

THE FINDINGS

Anti-Ballistic Missile (ABM) Treaty

Treaty Status

The 1972 ABM Treaty and its Protocol ban deployment of ABM systems except that each party is permitted to deploy one ABM system around the national capital area or, alternatively, at a single ICBM deployment area. The ABM Treaty is in force and is of indefinite duration. Soviet actions not in accord with the ABM Treaty are, therefore, violations of a legal obligation.

1. The Krasnoyarsk Radar

• **Obligation:** To preclude creation of a base for territorial ABM defense, the ABM Treaty provides that radars for early warning of ballistic missile attack may be deployed only at locations along the periphery of the national territory of each party and that they be oriented outward. The Treaty permits deployment (without regard to location or orientation) of large phased-array radars for purposes of tracking objects in outer space or for use as national technical means of verification of compliance with arms control agreements.

• **Issue:** The January 1984 and February 1985 reports examined the issue of whether the Krasnoyarsk radar meets the provisions of the ABM Treaty governing phased-array radars. This report reexamines this issue.

• **Finding:** The U.S. Government reaffirms the conclusion in the February 1985 report that the new large phased-array radar under construction at Krasnoyarsk constitutes a violation of legal obligations under the Anti-Ballistic Missile Treaty of 1972 in that in its associated siting, orientation, and capability, it is prohibited by this Treaty. Continuing construction and the absence of credible alternative explanations have reinforced our assessment of its purpose. Despite U.S. requests, no corrective action has been taken. This and other ABM-related Soviet activities suggest that the U.S.S.R. may be preparing an ABM defense of its national territory.

2. Mobility of ABM System Components

• **Obligation:** The ABM Treaty prohibits the development, testing or deployment of mobile land-based ABM systems or components.

• **Issue:** The February 1985 report examined whether the Soviet Union has developed a mobile land-based ABM system, or components for such a system, in violation of its legal obligation under the ABM Treaty. This report reexamines this issue.

• **Finding:** The U.S. Government judges that the evidence on Soviet actions with respect to ABM component mobility is ambiguous, but that the U.S.S.R.'s development and testing of components of an ABM system, which apparently are designed to be deployable at sites requiring relatively limited site preparation, represent a potential violation of its legal obligation under the ABM Treaty. This and other ABM-related Soviet activities suggest that the U.S.S.R. may be preparing an ABM defense of its national territory.

3. Concurrent Testing of ABM and Air Defense Components

• **Obligation:** The ABM Treaty and its Protocol limit the Parties to one ABM deployment area. In addition to the ABM systems and components at that one deployment area, the Parties may have ABM systems and components for development and testing purposes so long as they are located at agreed test ranges. The Treaty also prohibits giving components, other than ABM system components, the capability "to counter strategic ballistic missiles or their elements in flight trajectory" and prohibits the Parties from testing them in "an ABM mode." The Parties agreed that the concurrent testing of SAM [surface-to-air missile] and ABM system components is prohibited.

• **Issue:** The February 1985 compliance report examined whether the Soviet Union has concurrently tested SAM and ABM system components in violation of its legal obligation since

1978 not to do so. It was the purpose of that obligation to further constrain testing of air defense systems in an ABM mode. This report reexamines this issue.

• **Finding:** The U.S. Government reaffirms the judgment made in the February 1985 report that the evidence of Soviet actions with respect to concurrent operations is insufficient fully to assess compliance with Soviet obligations under the ABM Treaty. However, the Soviet Union has conducted tests that have involved air defense radars in ABM-related activities. The large number, and consistency over time, of incidents of concurrent operation of ABM and SAM components, plus Soviet failure to accommodate fully U.S. concerns, indicate the U.S.S.R. probably has violated the prohibition on testing SAM components in an ABM mode. In several cases this may be highly probable. This and other ABM-related activities suggest the U.S.S.R. may be preparing an ABM defense of its national territory.

4. ABM Capability of Modern SAM Systems

• **Obligation:** Under the ABM Treaty, each party undertakes not to give non-ABM interceptor missiles, launchers or radars "capabilities to counter strategic ballistic missiles or their elements in flight trajectory, and not to test them in an ABM mode. . . ."

• **Issue:** The February 1985 classified report examined whether the Soviet Union has tested a SAM system or component in an ABM mode or given it the capability to counter strategic ballistic missiles or their elements in flight trajectory in violation of their legal obligation under the ABM Treaty. This report reexamines this issue.

• **Finding:** The U.S. Government reaffirms the judgment made in the February 1985 report that the evidence of Soviet actions with respect to SAM upgrade is insufficient to assess compliance with the Soviet Union's obligations under the ABM Treaty. However, this and other ABM-related Soviet activities suggest that the U.S.S.R. may be preparing an ABM defense of its national territory.

5. Rapid Reload of ABM Launchers

• **Obligation:** The ABM Treaty limits to 100 the number of deployed ABM interceptor launchers and deployed interceptor missiles. It does not limit the number of interceptor missiles that can be built and stockpiled. The Treaty prohibits the development, testing or deployment of "automatic or semi-automatic or other similar systems for rapid reload" of the permitted launchers.

• **Issue:** The February 1985 classified report examined whether the Soviet Union has developed, tested or deployed automatic, semi-automatic, or other similar systems for rapid reload of ABM launchers in violation of its legal obligation under the ABM Treaty. This report reexamines this issue.

• **Finding:** The U.S. Government judges, on the basis of the evidence available, that the U.S.S.R.'s actions with respect to the rapid reload of ABM launchers constitute an ambiguous situation as concerns its legal obligations under the ABM Treaty not to develop systems for rapid reload. The Soviet Union's reload capabilities are a serious concern. These and other ABM-related activities suggest that the U.S.S.R. may be preparing an ABM defense of its national territory.

6. ABM Territorial Defense

• **Obligation:** The ABM Treaty allows each party a single operational site, explicitly permits modernization and replacement of ABM systems or their components, and explicitly recognizes the existence of ABM test ranges for the development and testing of ABM components. The ABM Treaty prohibits, however, the deployment of an ABM system for defense of the national territory of the parties and prohibits the parties from providing a base for such a defense.

• **Issue:** The February 1985 report examined whether the Soviets have deployed an ABM system for the defense of their territory or provided a base for such a defense. This report reexamines this issue.

• **Finding:** The U.S. Government judges that the aggregate of the Soviet Union's ABM and ABM-related actions (e.g., radar construction, concurrent testing, SAM upgrade, ABM rapid reload and ABM mobility) suggests that the U.S.S.R. may be preparing an ABM defense of its national territory.

SALT II Treaty

Treaty Status

SALT II was signed in June 1979 and has not been ratified. In 1981 the United States made clear to the Soviet Union its intention not to ratify the SALT II Treaty. Prior to this clarification of our position in 1981, both nations were obligated under customary international law not to take actions which would defeat the object and purpose of the signed, but unratified, Treaty. Such Soviet actions prior to 1981 are violations of legal obligations. Since 1981, the United States has observed a political commitment to refrain from actions that undercut the SALT II Treaty so long as the Soviet Union does likewise. The Soviets have told us they also would abide by these provisions. Soviet actions inconsistent with this commitment are violations of their political commitment with respect to the SALT II Treaty.

1. The SS-25 ICBM

• **Obligation:** In an attempt to constrain the modernization and the proliferation of new, more capable types of ICBMs, the provisions of SALT II permit each side to "flight test and deploy" just one new type of "light" ICBM. A new type is defined as one that differs from an existing type by more than 5 percent in length, largest diameter, launch-weight or throw-weight or differs in number of stages or propellant type. In addition, it was agreed that no ICBM of an existing type with a post-boost vehicle and a single reentry vehicle would be flight-tested or deployed whose reentry vehicle weight is less than 50 percent of the throw-weight of that ICBM. This latter provision was intended to prohibit the possibility that single warhead ICBMs could quickly be converted to MIRVed systems.

• **Issues:** The January 1984 and February 1985 reports examined the evidence: whether the Soviets have tested or deployed a second new type of ICBM (the SS-25) which is prohibited; whether the reentry vehicle (RV) on that missile, if it is not a new type, is in compliance with the provision that for existing types of single RV missiles, the weight of the RV be equal to at least 50 percent of total throw-weight; and whether encryption of SS-25 flight test telemetry impedes verification. This report reexamines these issues.

• **Findings:**

a. *Second New Type—Testing and Deployment:* The U.S. Government judges, based on convincing evidence about the SS-25, that the throw-weight of the Soviet SS-25 ICBM exceeds by more than 5 percent the throw-weight of the Soviet SS-13 ICBM and cannot therefore be considered a permitted modernization of the SS-13 as the Soviets claim. The SS-25 is a prohibited second "new type" of ICBM and its testing, in addition to the testing of the SS-X-24 ICBM, thereby is a violation of the Soviet Union's political commitment to observe the "new type" provision of the SALT II Treaty. The deployment of this missile during 1985 constitutes a further violation of the SALT II prohibition on a second "new type" of ICBM.

b. *RV-to-Throw-weight Ratio:* The U.S. Government reaffirms the conclusion of the January 1984 report regarding the SS-25 RV-to-throw-weight ratio. That is, if we were to accept the Soviet argument that the SS-25 is not a prohibited "new type" of ICBM, it would be a violation of their political commitment to observe the SALT II provision which prohibits the testing of such an existing ICBM with a single reentry vehicle whose weight is less than 50 percent of the throw-weight of the ICBM.

c. *Encryption:* The U.S. Government reaffirms its judgment made in the January 1984 report regarding telemetry encryption during tests of the SS-25. Encryption during tests of this missile is illustrative of the deliberate impeding of verification of compliance in violation of the U.S.S.R.'s political commitment.

Despite U.S. requests for explanations and corrective actions with regard to the SS-25 ICBM-related activities, Soviet actions continue unchanged, and the Soviet Union has proceeded to deployment of this missile.

2. Strategic Nuclear Delivery Vehicle Limits

• **Obligation:** The Soviet Union's political commitment to abide by SALT II is interpreted by the U.S. Government as including an obligation not to increase the number of strategic nuclear delivery vehicles (SNDVs) in its arsenal. The Soviet Union had 2,504 SNDVs when it signed SALT II.

• **Issue:** The February 1985 classified report examined the issue of whether the Soviet Union has abided by its commitment not to exceed the level of 2,504 SNDVs. This report reexamines this issue.

• **Finding:** The U.S. Government interprets the Soviet commitment to abide by SALT II as including the existence of a cap on SNDVs—at a level of 2,504 existing at the time SALT II was signed. The Soviet Union has deployed SNDVs above the 2,504 cap in violation of its political commitment under SALT II. Such activity is indicative of a Soviet policy inconsistent with this political commitment.

3. SS-16 Deployment

• **Obligation:** The Soviet Union agreed in SALT II not to produce, test or deploy ICBMs of the SS-16 type and, in particular, not to produce the SS-16 third stage or the reentry vehicle of that missile.

• **Issue:** The January 1984 and February 1985 reports examined the evidence regarding whether the Soviets have deployed the SS-16 ICBM in spite of the ban on its deployment. This report reexamines this issue.

• **Finding:** The President's February 1985 Report to Congress which noted that the evidence is somewhat ambiguous and we cannot reach a definitive conclusion, found the activities at Plesetsk to be a probable violation of the U.S.S.R.'s legal obligation and political commitment under SALT II. Soviet activity in the past year at Plesetsk seems to indicate the probable removal of SS-16 equipment and introduction of equipment associated with a different ICBM.

4. Backfire Bomber Intercontinental Operating Capability

• **Obligation:** At the signing of SALT II, the U.S.S.R. gave the U.S. assurances about the BACKFIRE bomber's intercontinental operating capability. The Soviet statement of June 16, 1979, read, in pertinent part, as follows:

> The Soviet side informs the US side that the Soviet "Tu-22M" airplane, called "BACKFIRE" in the USA, is a medium-range bomber, and that it does not intend to give this airplane the capability of operating at intercontinental distances. In this connection, the Soviet side states that it will not increase the radius of action of this airplane in such a way as to enable it to strike targets on the territory of the USA. Nor does it intend to give it such a capability in any other manner, including by in-flight refueling. . . .

This unilateral statement is an integral part of the SALT II agreement and the U.S. considers it to be incorporated in the Soviet Union's political commitment to abide by SALT II.

• **Issue:** The February 1985 classified report addressed the issue of whether temporary deployments of BACKFIRE bombers to Arctic bases constitute actions inconsistent with Brezhnev's June 16, 1979, statement not to give the BACKFIRE an increased radius of action and the capability of operating at intercontinental distances. This report reexamines this issue.

• **Finding:** The U.S. Government judges that the temporary deployment of BACKFIREs to Arctic bases is cause for concern and continued careful monitoring. By such temporary deployment of BACKFIREs, the Soviet Union acted in a manner inconsistent with its political commitment in the June 1979 BACKFIRE statement not to give Backfire the capability to strike targets on the territory of the United States.

5. Backfire Bomber Production Rate

• **Obligation:** At the signing of SALT II, the U.S.S.R. gave the U.S. assurances about the BACKFIRE bomber's production rate. The Soviet statement read, in pertinent part, as follows: ". . . the Soviet side states that it will not increase the production rate of this airplane as compared to the present rate." Soviet President Brezhnev, according to Secretary Vance's SALT II transmittal letter to the Senate, "confirmed that the Soviet BACKFIRE production rate would not exceed thirty per year." President Carter stated that the United States enters into the SALT II Agreement on the basis of the commitments contained in the Soviet statement and that it considers the carrying out of these commitments to be essential to the obligations under the Treaty. The U.S. considers the Soviet unilateral statement to be an integral part of the SALT II Agreement and, as such, to be incorporated in the Soviet Union's political commitment to abide by SALT II.

• **Issue:** The February 1985 report examined the question of whether the Soviet Union has produced more than 30 BACKFIREs per year and increased the production rate since signing SALT II. This report reexamines this issue.

• **Finding:** The U.S. Government judges that the Soviet Union is obligated to produce no more than 30 BACKFIRE bomber aircraft per year. There are ambiguities concerning the data. However, there is evidence that the Soviet BACKFIRE production rate was constant at slightly more than 30 per year until 1984, and decreased since that time to slightly below 30 per year.

6. Encryption of Ballistic Missile Telemetry

• **Obligation:** Provisions of SALT II ban deliberate concealment measures that impede verification by national technical means. The Treaty permits each party to use various methods of transmitting telemetric information during testing, including encryption, but bans deliberate denial of telemetry, such as through encryption, whenever such denial impedes verification.

• **Issue:** The Janaury 1984 compliance report examined whether the Soviet Union has engaged in encryption of missile test telemetry (radio signals) so as to impede verification. This issue was reexamined in the February 1985 compliance report and is examined again in this report.

• **Finding:** The U.S. Government reaffirms the conclusion in the February 1985 report that Soviet encryption practices constitute a violation of a legal obligation under SALT II prior to 1981 and a violation of their political commitment since 1982. The nature and extent of such encryption of telemetry on new ballistic missiles, despite U.S. requests for corrective action, continues to be an example of deliberately impeding verification of compliance in violation of this Soviet political commitment.

7. Concealment of Missile/ Launcher Association

• **Obligation:** Article XV of the SALT II Treaty prohibits "deliberate concealment measures which impede verification by national technical means of compliance with the provisions of this Treaty." This obligation is further clarified in a Common Understanding that states that Article XV applies to all provisions of the Treaty and "includes the obligation not to use deliberate concealment measures associated with testing, including those measures aimed at concealing the association between ICBMs and launchers during testing."

• **Issue:** This report examines for the first time the issue of whether the Soviets have concealed the association between an ICBM and its launcher during testing in violation of their obligation not to use deliberate concealment measures which impede verification.

• **Finding:** The U.S. Government judges Soviet activities related to the SS-25 to be a violation of the Soviet Union's political commitment to abide by the SALT II Treaty provision prohibiting concealment of the association between a missile and its launcher during testing.

SALT I Interim Agreement

Treaty Status

The SALT I Interim Agreement entered into force for the United States and the Soviet Union in 1972. Dismantling procedures implementing the Interim Agreement were concluded in 1974. The Interim Agreement, by its own terms, was of limited duration and expired as a legally binding document in 1977. The applicability of the Interim Agreement to the actions of both parties has, however, been extended by the parties by a series of mutual political commitments, including the President's May 31, 1982, statement that the United States would refrain from actions which would undercut existing strategic arms agreements so long as the Soviet Union shows equal restraint. The Soviets have told us they would abide by the SALT I Interim Agreement and SALT II. Any actions by the U.S.S.R. inconsistent with this commitment are violations of its political commitment with respect to the Interim Agreement and its implementing procedures.

Use of "Remaining Facilities" at Former SS-7 Sites

• **Obligation:** The SALT I Interim Agreement and its procedures prohibit the Parties from using facilities remaining at dismantled or destroyed ICBM sites for storage, support, or launch of ICBMs. Any Soviet actions inconsistent with this commitment are violations of a political commitment with respect to the Interim Agreement and its implementing procedures.

• **Issue:** The February 1985 report examined whether the U.S.S.R. has violated the SALT I Interim Agreement prohibition against using facilities remaining at dismantled former SS-7 ICBM sites for the storage, support or launch of SS-25 ICBMs. This report reexamines this issue.

• **Finding:** The U.S. Government judges that Soviet use of former SS-7 ICBM facilities in support of the deployment and operation of the SS-25 mobile ICBMs is in violation of the SALT I Interim Agreement. Should the Soviets use "remaining facilities" in the future at other former SS-7 sites where the SS-25 is now in the process of being deployed, such use will also constitute Soviet violation of its political commitment under the SALT I Interim Agreement.

Biological Weapons Convention and 1925 Geneva Protocol

Chemical, Biological, and Toxin Weapons

• **Treaty Status:** The 1972 Biological and Toxin Weapons Convention (the BWC) and the 1925 Geneva Protocol are multilateral treaties to which both the United States and the Soviet Union are parties. Soviet actions not in accord with these treaties and customary international law relating to the 1925 Geneva Protocol are violations of legal obligations.

• **Obligations:** The BWC bans the development, production, stockpiling or possession, and transfer of microbial or other biological agents or toxins except for a small quantity for prophylactic, protective or other peaceful purposes. It also bans weapons, equipment and means of delivery of agents or toxins. The 1925 Geneva Protocol and related rules of customary international law prohibit the first use in war of asphyxiating, poisonous or other gases and of all analogous liquids, materials or devices and prohibits use of bacteriological methods of warfare.

• **Issues:** The January 1984 and February 1985 reports examined whether the Soviets are in violation of provisions that ban the development, production, transfer, possession and use of biological and toxin weapons and whether they have been responsible for the use of lethal chemicals. This report reexamines this issue.

• **Finding:** The U.S. Government judges that ongoing Soviet activities confirm and strengthen the conclusion of the January 1984 and February 1985 reports that the Soviet Union has maintained an offensive biological warfare program and capability in violation of its legal obligation under the Biological and Toxin Weapons Convention of 1972.

Allegations concerning the use of lethal chemicals or toxins in Kampuchea, Laos, or Afghanistan have subsided in 1985. However, there is no basis for amending the February 1985 conclusion that, prior to this time, the Soviet Union has been involved in the production, transfer, and use of trichothecene mycotoxins for hostile purposes in Laos, Kampuchea, and Afghanistan in violation of its legal obligation under international law as codified in the Geneva Protocol of 1925 and the Biological and Toxin Weapons Convention of 1972.

Threshold Test Ban Treaty

Nuclear Testing and the 150 Kiloton Limit

• **Treaty Status:** The Threshold Test Ban Treaty (TTBT) was signed in 1974. The Treaty has not been ratified but neither party has indicated an intention not to ratify. Therefore, both Parties are subject to the obligation under customary international law to refrain from acts that would defeat the object and purpose of the TTBT. Soviet actions that would defeat the object and purpose of the TTBT are therefore violations of their legal obligations. The United States is seeking to negotiate improved verification measures for the Treaty. Both Parties have separately stated they would observe the 150 kiloton threshold of the TTBT.

• **Obligation:** The Treaty prohibits any underground nuclear weapon test having a yield exceeding 150 kilotons at any place under the jurisdiction or control of the Parties beginning March 31, 1976. In view of the technical uncertainties associated with estimating the precise yield of nuclear weapon tests, the sides agreed that one or two slight, unintended breaches per year would not be considered a violation.

• **Issue:** The January 1984 and February 1985 reports examined whether the Soviets have conducted nuclear tests in excess of 150 kilotons. This report reexamines this issue.

• **Finding:** While ambiguities in the pattern of Soviet testing and verification uncertainties continued in 1985, the U.S. Government reaffirms the February 1985 finding that Soviet nuclear testing activities for a number of tests constitute a likely violation of legal obligations under the Threshold Test Ban Treaty of 1974, which banned underground nuclear tests with yields exceeding 150 kilotons. These Soviet actions continued despite U.S. requests for corrective measures.

Limited Test Ban Treaty

Underground Nuclear Test Venting

• **Treaty Status:** The Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water (Limited Test Ban Treaty—LTBT) is a multilateral treaty that entered into force for the United States and the Soviet Union in 1963. Soviet actions not in accord with this treaty are violations of a legal obligation.

• **Obligations:** The LTBT specifically prohibits nuclear explosions in the atmosphere, in outer space and under water. It also prohibits nuclear explosions in any other environment "if such explosions cause radioactive debris to be present outside the territorial limits of the State under whose jurisdiction or control such explosion is conducted."

• **Issue:** The February 1985 report examined whether the U.S.S.R.'s underground nuclear tests have caused radioactive debris to be present outside of its territorial limits. This report reexamines this issue.

• **Finding:** The U.S. Government reaffirms the judgment made in the February 1985 report that the Soviet Union's underground nuclear test practices resulted in the venting of radioactive matter on numerous occasions and caused radioactive matter to be present outside the Soviet Union's territorial limits in violation of its legal obligation under the Limited Test Ban Treaty. The Soviet Union failed to take the precautions necessary to minimize the contamination of man's environment by radioactive substances despite numerous U.S. demarches and requests for corrective action.

Helsinki Final Act

Helsinki Final Act Notification of Military Exercises

• **Legal Status:** The Final Act of the Conference on Security and Cooperation in Europe was signed in Helsinki in 1975. This document represents a political commitment and was signed by the United States and the Soviet Union, along with many other States. Soviet actions not in accord with that document are violations of their political commitment.

• **Obligation:** All signatory States of the Helsinki Final Act are committed to give prior notification of, and other details concerning, major military maneuvers, defined as those involving more than 25,000 troops.

• **Issue:** The January 1984 and February 1985 reports examined whether notification of the Soviet military exercise "Zapad–81" was inadequate and therefore a violation of the Soviet Union's political commitment under the Helsinki Final Act. This report reexamines this issue.

• **Finding:** The U.S. Government previously judged and continues to find that the Soviet Union in 1981 violated its political commitment to observe provisions of Basket I of the Helsinki Final Act by not providing prior notification of exercise "ZAPAD–81." While the U.S.S.R. has generally taken an approach to the confidence-building measures of the Final Act which minimizes the information it provides, Soviet compliance with the exercise-notification provisions was improved in 1983. In 1984, the Soviets returned to a minimalist approach providing only the bare information required under the Final Act. The Soviet Union continued this approach during 1985.

---

[1]Text from Weekly Compilation of Presidential Documents of Dec. 30, 1985. ■

The U.S. and the Philippines: Dangers and Opportunities

by Michael H. Armacost

Address before the World Affairs Council in Portland on December 5, 1985. Ambassador Armacost is Under Secretary for Political Affairs.

I would like to speak to you about the Philippines—a country with which we have had a long and close association and in whose future we have an important stake. I had the rare privilege of serving there as U.S. Ambassador from 1982 to 1984. It is difficult for me to speak about the Philippines with clinical detachment; like all who have experienced the hospitality of Filipinos, their good humor and their friendly disposition toward Americans, I developed a deep affection for the country and its people.

When you read the press, sometimes you get the idea that our exclusive interest in the Philippines is our air and naval bases at Clark Field and Subic Bay. That is grossly unfair to the Filipinos and demeans the very real importance of the Philippines and the Filipino people, to whom we are inextricably bound by ties of history, sentiment, and national interests. For both peoples, these interests extend well beyond the bases—important as they are to the security of our respective nations.

I am glad there is now so much public interest in the Philippines. The Filipino people deserve our concern and our support. But I would like to offer a little perspective to the discussion. Contrary to the glib analysis of many commentators, the Philippines is not Vietnam and most certainly not Iran. The Philippines is a unique society that must be understood in its own terms, a rich amalgam of Asian, Hispanic, and American cultures that is much more than the sum of its parts. Philippine solutions must be devised for their current problems, and U.S. policies must respond to Philippine realities and Filipino aspirations.

If the Philippines is unique, so has been our experience with it. It was our only real colony. Our destinies intertwined for nearly a century. The friendship between our peoples survived the colonial era undiminished. That owes much to the fact that we early encouraged the principle of self-government. We created a system of public education open to all. We provided a common language in a land of many languages. We accepted early on the inevitability of Philippine independence. We fought side by side with Filipinos against Japanese imperialism. When MacArthur honored his pledge to return, he earned the gratitude of an entire people. Thousands of Americans who served in the Philippines as Thomasite teachers, Peace Corps volunteers, and AID [Agency for International Development] representatives claimed the respect of Filipinos—from aristocratic families to rural peasants. We bequeathed to the Filipinos our commitment to representative institutions, our enthusiasm for elections, the rhetoric of democratic idealism, and—I must add—the exuberant practice of ward-heeler, party-machine, pork-barrel politics. We cannot be indifferent to the fate of this legacy. What happens in the Philippines makes a difference to Americans.

The Nature of the Crisis

Everyone agrees that the Philippines faces enormous problems, but we ought to be precise about their nature. The difficulties are threefold: each element feeds on the other:

First, there is a challenge to the legitimacy of government institutions;

Second, severe economic and financial difficulties; and

Third, a communist-led insurgency that is exploiting these conditions to establish a foothold in the rural areas.

The cumulative effect of these problems poses a crisis for the Philippines. In some Asian languages, the word for crisis suggests elements of danger *and* opportunity, and that is how we should view the situation in the Philippines. There are dangers of polarization and growing internal conflict; there are also opportunities for national reconciliation, the revitalization of democratic institutions, the restoration of sustained economic growth, and the return of the Philippines to a leadership position in Southeast Asia. To avert the dangers and capitalize on the opportunities will not be easy, and it will take sustained efforts by Filipinos as well as substantial support from their friends, particularly our own country.

The Political Dimension

There is a strong democratic tradition in the Philippines. President Marcos emerged as a political leader out of that tradition. He served as a member of the House of Representatives. He was a leader of the Senate. He was elected President in 1965 and again in 1969. In 1972 he imposed martial law in response to what he characterized as government paralysis and the spread of lawlessness. While the early period of martial law saw some reforms and a reestablishment of public order, democratic institutions were compromised in the process. The centralization of power and the further concentration of wealth gradually alienated elements of the rural population as well as the middle class.

Pressures for political liberalization increased in the late 1970s and early 1980s. They intensified dramatically following the assassination of Benigno Aquino in 1983. The murder of this major opposition leader, whom many regarded as a possible successor to Marcos, occurred under conditions which provoked widespread suspicions of complicity on the part of governmental officials. This, in turn, produced insistent demands not only for a thorough investigation of the murder but a normalization of the country's political life—early elections, clarification of the rules of succession, and stronger procedures of accountability in government.

Economic Crisis

While the Philippine economy compiled a respectable performance in the 1970s, its growth rate suffered in the early 1980s. More recently, the Philippines has experienced negative growth, a debt crisis, high inflation, and weak investment. To some degree, these problems were attributable to low world market prices for commodities and high interest rates for credit. Yet monopolistic practices, government interference in the marketplace, and import substitution policies were also responsible. These problems were exacerbated by compara-

tively weak incentives offered for foreign investment and, particularly, by the economic uncertainties and the capital flight triggered by the Aquino assassination.

The Insurgency

The third element of the crisis is a growing rural insurgency. The New People's Army (NPA)—which has waged guerrilla war against the Marcos government for more than a decade—may include within its support base well-meaning individuals who have been frustrated by the economic downturn, disillusioned by the atrophy of representative institutions, or alienated by the sometimes undisciplined conduct of the military and police.

But we should not delude ourselves. The NPA leaders are not agrarian reformers. They are ruthless; they are opportunistic; they have systematically used violence to intimidate local officials and to expand their influence in the rural areas. They are communists bent on radically altering the character of the Philippines and the close relations we have enjoyed with that country should they ever come to power. They do not represent democracy any more than communists have represented democracy anywhere else in the world.

While the NPA does not pose an imminent threat to the Philippine Government, its growth in recent years is very worrisome. NPA guerrillas are now fighting the government in at least 59 of the nation's 73 provinces. The number of their armed regulars and irregulars is increasing. So, too, is the base upon which the insurgents rely for support. Their supply of weapons is growing, and they are provoking more frequent and more violent incidents.

The NPA's recent growth has certainly been facilitated by the emerging political and economic crises. Those factors also exacted their toll on the effectiveness of a military establishment whose budget was sharply cut during the last 3 years when the insurgency was taking off. The Armed Forces of the Philippines now lacks many of the rudimentary items, such as fuel, ammunition, and trucks, needed to wage a vigorous counterinsurgency.

An Early National Election

Responding to these pressures and problems, President Marcos announced on November 1 that an early election for president and vice president would be held.

We welcome this decision. Presidential and vice-presidential elections in February 1986, and the local elections which will follow in May, present a timely opportunity to clear the air and to revive the democratic process in the Philippines. A credible government that has public confidence is an essential precondition to the solution of the country's problems. Fair elections are the means—the only means—to achieve such credibility.

This is an opportune moment for elections in another respect. The recent aquittal of all defendants in the Aquino trial may have ended the case but did not dispose of the controversy. Indeed, the court's decision is impossible to reconcile with the conclusions of the widely respected Agrava commission which unanimously rejected the government's suggestion that Aquino was assassinated by a lone gunman with links to the NPA—the hypothesis which the court embraced. Ultimately, the Filipino people must judge the credibility of the court's decision and assess rival assertions of accountability for this brutal crime. A fair election is an appropriate vehicle for registering their judgment.

The outcome of these elections is for Filipinos to decide. It would be wrong for American officials to express a preference for particular candidates. We can confidently expect to work effectively with any government produced by an election which Filipinos consider to have been fair and honest. If the elections are rigged or the rules stacked, this will surely increase political cynicism, further polarize the country, demoralize the forces of moderation, accelerate NPA growth, and deprive whoever wins of the domestic legitimacy and the international support necessary to revive the economy and combat the insurgency.

An overwhelming majority in our Congress—which holds the purse strings of our aid program—recently passed a concurrent resolution affirming American interest in fair and free elections in the Philippines. They further stipulated the conditions which they expected would condition Philippine judgments about the fairness of the electoral process. These included the nature of the electoral code; the impartiality of the government Commission on Elections (COMELEC); accreditation of the National Citizens' Movement for Free Elections (NAMFREL), which has an admirable record as an independent election-monitoring organization; the access afforded the opposition to the print media, television, and radio; and the neutrality of the military during the campaign and vote count. The executive branch shares the convictions that prompted this resolution. All the conditions mentioned in the resolution are important to a free election. But of these, a truly independent COMELEC and full scope for NAMFREL poll watching are the most essential.

We also welcome the fact that election of presidential and vice-presidential candidates will take place simultaneously. Uncertainties about the succession process invite fears of military intervention, inspire rumors of palace cabals, undermine investor confidence, and spur doubts about the future stability of the country. The vice-presidential election can help lay such fears to rest if the candidates selected possess authentic credentials as national leaders.

I would reiterate the central point: our policy interest is not directed toward backing a candidate or picking a winner. Rather, we seek to promote an electoral process which provides a level playing field for all contenders.

Some may ask whether we are indifferent to the position of the various candidates on issues of consequence to us, such as the bases. Of course not, but I, for one, am confident that we can sustain base rights on acceptable terms with any Philippine administration enjoying a popular mandate. The mutual benefits of our security ties are widely appreciated by Filipinos; widespread popular opposition to our base presence is not apparent; and the neighbors of the Philippines all desire our continued strategic presence in the area.

Elections and Reform

It would be naive to assume that fair elections, in and of themselves, will resolve the economic and security problems facing the Philippines. But they can give to those who triumph at the polls the confidence, the public support, and the credibility to tackle those problems more effectively. The communist insurgency in the Philippines may be around for some years, but honest elections perceived as such can restore the authority and prestige of the government and stymie the guerrillas. An effective response will require a broad and sustained national effort that encompasses political, economic, and military measures.

Reform of the armed forces is an essential prerequisite for any successful counterinsurgency effort. Undisciplined

behavior by the military, when it occurs, fuels popular support for the NPA, alienates the Philippine military from the people, and diminishes government influence in the countryside. It is for this reason that we have laid stress on improving the morale and discipline within the armed forces and emphasized the paramount importance of professional leadership at all levels of the command structure.

Military reform and reorganization plans have been announced, and some are underway. Pay raises for enlisted personnel and officers—to raise morale and reduce incentives for corruption—have been authorized. Retraining of units has been initiated. President Marcos has declared his intentions to retire many overstaying officers and to reinvigorate the military leadership with younger professionals. The success of reform efforts will, of course, depend upon the scope and vigor which they are implemented.

The recently announced reinstatement of General Fabian Ver as Chief of Staff of the Armed Forces places a cloud over these reform plans. In particular, it raises questions as to whether factional loyalties or professional accomplishments will determine advancement in the Philippine Armed Forces.

On the economic front, structural reforms will be necessary to stimulate a broadly based recovery. Revival of investment requires confidence in the future. On that score, the elections can help. But if the future economic winners and losers are determined by political decisions rather than by the free play of market forces, the banks will probably remain reluctant to roll over old loans, let alone put up new money, and foreign investors will look elsewhere for opportunities.

Unquestionably, the Philippines faces serious problems. They will not be resolved overnight. It would be an anomaly of history if this largely Catholic, pro-Western country with its democratic traditions and its impressive human and natural resources should yield to communist insurgents. I do not believe Filipinos are about to let this happen.

The U.S. Role

The United States, as I have said, has an important stake in the success with which the Filipinos surmount their current problems. Our strategic interests and our friendship for the Philippine people require that we lend a helping hand. At times, I suspect some Filipinos believe we furnish mainly smug criticism and gratuitous advice. That is not the case. Others may think we have more influence than we really have. Our role is limited, but I think we are meeting our responsibility.

- We are furnishing substantial military and economic assistance as part of the compensation package negotiated for base access rights. We shall continue to meet our obligation.
- We have also provided significant development assistance, with emphasis on problems in the hard-pressed rural areas.
- We have supported, through our contributions to the international financial institutions, efforts to redress current balance-of-payments difficulties and to undertake important structural adjustments.
- We facilitated the conclusion of an agreement between the Philippine Government and foreign commercial banks to restructure its foreign debt.
- We have offered additional PL–480 funds to encourage the wider opening of the agricultural sector for market forces.
- And we will provide appropriate help, as desired, to encourage a free and fair electoral process.

Thus, we have not been indifferent to the fate of our Filipino friends. In my view, moreover, we should be prepared to consider substantial increases in our economic support for their efforts if a Philippine Government emerging from free and fair elections demonstrates the determination and ability to tackle the hard problems with boldness and imagination.

Prospects

Much of the reporting about the Philippines tends to be apocalyptic, filled with pessimism and foreboding. Unquestionably, the Philippines faces serious problems. They will not be resolved overnight. But pessimism is unwarranted. Filipinos are talented and resilient people. Their friendship for America is deep. It would be foolhardy to embrace self-fulfilling prophecies of doom.

There are ample reasons for expecting that the Philippines will weather its current problems; among them are these.

- There is a strong natural preference among Filipinos for democracy, peaceful change, and an impressive potential for national reconciliation.
- There are sufficient natural resources and human talent in the Philippines to permit a fairly rapid turnaround in economic fortunes if confidence in the future is restored.
- There is a reservoir of friendship between our peoples that will survive any adversity.

But the dangers are real. And there are no grounds for complacency.

We are at one of those rare moments in history when we, Filipinos and Americans, are faced with truly crucial decisions. The most important decisions are in the hands of Filipinos, who have it within their power in the next few months to give their country a fresh chance, a fresh start. The election is timely; it gives the people of the Philippines the great good fortune to be able to choose their course and give their government a mandate to proceed. Their freedom to exercise that choice is a precious human right that only a minority of peoples in the world enjoy. We in the United States will do whatever we can to support that right and that freedom. ■

U.S.-China Nuclear Cooperation Agreement

PRESIDENT'S STATEMENT, DEC. 16, 1985[1]

I am pleased to sign into law today S.J. Res. 238, in which the Congress states that it favors the agreement for peaceful nuclear cooperation between the United States and the People's Republic of China, which I transmitted to Congress on July 24, 1985. The agreement will have a significant, positive effect on the relations between the United States and the People's Republic of China and will lead to a continuing dialogue with China on important nuclear energy and nonproliferation matters. It will further U.S. nonproliferation and other foreign policy interests. I, therefore, welcome the Congress' support for the agreement.

Since I submitted the agreement without exempting it from any requirement in Section 123(a) of the Atomic Energy Act, no affirmative legislation was required to permit the agreement to be brought into force after the legally stipulated time periods for congressional

review had been completed. The agreement may, therefore, be brought into force at that time in accordance with the procedure set forth in Article 10 of the agreement.

The joint resolution does require a one-time certification and a one-time report before exports to China under the agreement may commence. It assigns exclusively to the President the responsibility to review the matters to be certified to and to decide whether the certification may be made. Three matters must be certified: (1) that the arrangements for visits and exchanges of information made pursuant to Article 8 of the agreement are, as called for by this article itself, designed to be effective in ensuring that nuclear exports under the agreement are used solely for intended peaceful purposes; (2) that, after examining all information available to the U.S. Government, including any additional information that China has provided, nuclear exports to China are not precluded under Section 129(2) of the Atomic Energy Act; and (3) that the obligation to consider favorably a request to carry out activities described in Article 5(2) of the agreement does not prejudice the decision of the United States to approve or disapprove such a request. In addition, the joint resolution requires a report on Chinese nonproliferation policies and practices before exports commence.

The joint resolution also states that U.S. exports are subject to U.S. laws and regulations in effect at the time of export. This is a restatement of existing U.S. law and does not conflict with any obligations undertaken by the United States under the agreement. Finally, the joint resolution contains a section intended to ensure that the provisions in the China agreement that are textually different from provisions of the type contained in other U.S. peaceful nuclear cooperation agreements will not be the starting point for future nuclear cooperation agreement negotiations with other countries.

This joint resolution serves our interests in promoting peaceful nuclear cooperation and a nonproliferation dialogue with China. For this reason, I have decided to sign the joint resolution.

I appreciate the efforts of Senators Lugar and Cranston and Representatives Fascell, Broomfield, Bonker, Solarz, as well as others, in developing a joint resolution text that both the Administration and the Congress could accept.

I understand that an amendment relating to the U.S.-China peaceful nuclear cooperation agreement is currently under consideration in the conference on the continuing resolution. I strongly object to that amendment.

---

[1]Text from Weekly Compilation of Presidential Documents of Dec. 23, 1985. ■

Countering Communist Espionage in the U.S.

by Rozanne L. Ridgway

Statement before the Permanent Subcommittee on Investigations of the Senate Governmental Affairs Committee on December 5, 1985. Ambassador Ridgway is Assistant Secretary for European and Canadian Affairs.[1]

I appreciate the opportunity to testify before the subcommittee on the role of the Department of State in countering hostile espionage activities in the United States and in achieving reciprocity in all areas for our missions and diplomatic personnel abroad. These two objectives are often mutually reinforcing but sometimes require difficult decisions. They have become the twin pillars of our policies toward foreign missions and their personnel in the United States.

I believe the subcommittee's hearings have contributed to a better understanding on the part of the American public about the nature and extent of the threat posed by hostile intelligence services operating in our country. As the recent and continuing spate of spy cases demonstrates, the threat is real. The President has made clear the Administration's commitment to prosecute these cases. This will help deter future espionage, as well as punish those who have been caught.

Thanks to the support of Congress, our counterintelligence resources are being restored. The Administration has been considering what new restrictions might be applied to reduce the size of the hostile intelligence threat and better control foreign missions and their personnel which pose significant espionage threats. Today I would like to share with you some of our thinking and our conclusions.

Although the FBI has the main responsibility for protecting against the espionage threat within the United States, the Department of State plays an important supportive role. The Department works closely with the FBI and other members of the intelligence community in the common effort to counter the hostile intelligence threat by regulating and controlling the activities of hostile country missions and personnel and by reviewing visa applications and, where necessary, limiting the number of authorized diplomats/officials.

We all share the common objective of maintaining reciprocity in our relations with other countries, and especially the Soviet Bloc states, in terms of numbers, status, privileges and immunities, travel accommodations, and facilities. This Administration from the first has taken steps to better ensure reciprocity for our diplomats and to improve our ability to counter the hostile intelligence threat in this country. The Foreign Missions Act of 1982 provided the legal basis for major steps forward. Through the Office of Foreign Missions, closer cooperation between the Department and the counterintelligence community has been institutionalized. Within that community, the Department of State, as the principal foreign affairs agency of the government, has two responsibilities:

- To contribute to the most effective counterintelligence policies and programs;
- To assure that a balance is found between our national security interests at home and our national security interests abroad.

In weighing potential measures, we must remain mindful of the need to balance overall U.S. Government interests. A truly effective policy to control the hostile intelligence threat must weigh both the counterintelligence benefits and the cost to U.S. national interests, as represented by our own presence in other countries, including our own ability to operate, travel, have access, and to collect critical information. Finding the balance is a most difficult challenge and one that requires all of us—the Congress and the executive branch—to work well and closely

together so that our collective wisdom can make sure that two important national security interests are equally well served and that where a choice must be made, it is made in full awareness of the costs to be paid.

Restrictions on Soviet Bloc Diplomats

This being said, let me review briefly what the Department has done over the years, and since the passage of the Foreign Missions Act of 1982, to maintain reciprocity in its relations with Soviet Bloc countries and control the hostile intelligence threat directed against the United States.

As far back as the 1950s, we imposed travel controls on Soviet diplomats and closed a number of areas in the United States to match areas in the U.S.S.R. closed to foreigners. In recent years, as the Soviets and their allies have stepped up their espionage activities against the United States, we have imposed and strengthened controls on the activities of Soviet, East European, and Cuban officials.

- In 1980 we imposed a ceiling on the number of Soviet diplomatic and consular personnel allowed in this country.
- In 1982 we imposed the requirement that all nonofficial Soviet visitors remain within a set radius of their destination unless special approval is obtained.
- In the same year, we also took steps to control overstays by Soviet officials on temporary assignment in the United States through tighter limits on their length of stay in this country.
- Soviet officials are limited to a reciprocal number of approved entry/exit points in the United States. Since 1984 the Soviets have had five approved entry/exit points (New York, Washington, Rouses Point, San Francisco, and Baltimore by ship only).
- In August 1984, Department of State commenced issuance/replacement of all foreign mission automobile license plates. This has been of significant assistance to the FBI in its identification of hostile country officials.
- In November 1984, we informed the Soviets that leases of real property would have to be approved by the Department. In addition, the Bulgarian and Czechoslovak Embassies now lease all housing through the Department. Several requests have already been denied for national security reasons. Real property acquisitions, including residential dwellings by hostile country missions and personnel, must be approved by the Office of Foreign Missions.
- Since August 1985, the Soviets have been required to obtain through the Office of Foreign Missions all construction materials for their new embassy complex.
- In September 1985, we imposed travel controls and Office of Foreign Missions travel service requirements on those UN Secretariat employees whose UN missions were already under such restrictions. These are the Soviets, Afghans, Iranians, Libyans, and Vietnamese.
- Since October 1985, the Department has required the Soviet and Eastern bloc countries to obtain permission to purchase and install telecommunications equipment. The Department recently denied a Soviet request to install a parabolic dish antenna at their new embassy site and at their recreational facility at Pioneer Point, Maryland.
- The Office of Foreign Missions works closely with the Customs Service, which carefully monitors Soviet and East European customs shipments.
- Most recently, we have imposed Office of Foreign Missions travel service requirements on East German, Polish, Czech, and Bulgarian officials assigned to diplomatic, consular, and commercial missions in the United States, as well as other official government offices.
- We have also placed the Soviet Union's Warsaw Pact allies on notice that areas of the United States now closed to travel for the Soviets may also be closed to them for upwards of a year if any of their personnel are detected in espionage activities in those closed areas.

In combating the hostile intelligence threat, we have not restricted ourselves only to areas covered by the Foreign Missions Act, useful as it has been. Several U.S. Government agencies are actively engaged to prevent technical penetration of U.S. missions abroad and to protect against electronic eavesdropping by hostile country missions here in the United States. In this regard, special measures have been taken in Washington, New York, and San Francisco—where Soviet diplomatic missions are located—to protect sensitive U.S. Government communications.

This subcommittee has just heard Mr. Nolan [James E. Nolan, Director, Office of Foreign Missions] describe the mechanisms by which the Office of Foreign Missions regulates travel, housing, and other benefits accorded to Soviet and certain other foreign officials. The effect is to control the movement and activities of these personnel, to provide us with critical information, and to help the FBI to carry out its responsibilities more effectively with the resources available. With the help of Congress, the Department has used its Office of Foreign Missions as a means to control the activities of diplomats from certain nations posing a significant intelligence threat.

The Bureau of European and Canadian Affairs and the Office of Foreign Missions consult closely on all issues related to Soviet and Eastern bloc missions. For example, on travel by Soviet personnel, the Office of Soviet Union Affairs is in daily contact with the Office of Foreign Missions' interagency liaison group that reviews travel to evaluate the impact on national security. On a whole array of other issues—customs, purchase of materials, leasing of property, etc.—we regularly consult. More has been done in the past 4 years—with the passage of the Foreign Missions Act and increased funding for counterintelligence—than in the previous 40. As the hostile intelligence threat continues to grow, we need to look at new ways to deal with it. I would, however, repeat my previous point. There is no substitute for the serious discussion among all interested parties which is needed to weigh each proposed action to determine the net gains and losses across the range of all our national security interests, here and abroad.

Having discussed movements and activities let me now address the other main aspect of our strategy to counter the threat posed by foreign intelligence services in this country, namely, controlling the numbers.

Controlling the Number of Diplomats

Any U.S. counterintelligence effort would be overwhelmed if the numbers of hostile intelligence agents deployed in our country were allowed to increase without limit. Therefore, this Administration's strategy is to limit, in keeping with treatment reciprocally accorded U.S. personnel, the number of foreign officials serving in those diplomatic and other establishments which are most favored as cover for espionage operatives. Here, again, the question of balance arises. In implementing the Administration's strategy, we seek to maximize counterintelligence benefits

while minimizing potential harm to the capability of our diplomats, military attaches, and other personnel to operate effectively in the difficult environment of these closed societies.

In January 1980, we imposed a ceiling on the number of authorized Soviet diplomatic and consular personnel permanently assigned to their bilateral missions. That ceiling capped them at the existing level of 320 diplomatic and consular personnel. We have 232 diplomatic and consular personnel permanently assigned to our Embassy and Consulate General in the U.S.S.R. In Geneva President Reagan and General Secretary Gorbachev agreed to open one new Consulate General in each country. The Department has decided that no Soviet national employees of the consulate, if there are any, will have access to the consular office building in Kiev. The new Soviet Consulate General in New York will have no more employees than the number of Americans assigned to Kiev.

We support the goal of achieving substantial equivalence in the respective number of Soviet and American diplomatic and consular personnel. The Department supported the language of the Leahy-Cohen amendment that called for substantial equivalence in this area. In April 1985, the Secretary approved a plan to enhance security at our Embassy in Moscow. One element of the plan is to replace a substantial number of Soviet national employees with Americans. Full implementation of this plan, which will be accomplished by the time we move into our new Embassy 2–3 years from now, will result in substantial equivalence in the respective sizes of the Soviet and U.S. Embassies in each capital. Thanks to Congress' willingness to appropriate the necessary funds, we already plan to fill as many as 57 new American positions in Moscow over the next several years.

Americans in Eastern Europe will be increased as we progressively replace local national personnel in certain unclassified jobs. In both the Soviet Union and Eastern Europe, we will continue to review all Foreign Service national positions to determine whether replacement by American personnel will contribute to the enhancement of embassy security and maintain an ability to provide a workable setting for those Americans who are there.

East European Involvement

Clearly, Moscow's East European allies do involve themselves as surrogates for the Soviet Union in the illegal acquisition of intelligence and controlled technologies. The recently issued assessment, *Soviet Acquisition of Militarily Significant Western Technology*, deals with but one aspect of this serious problem. However, it underscores the active and often effective role played by East European surrogates in obtaining controlled technology for the Soviets. In taking steps to reduce the espionage threat in the United States, we are mindful of the East European dimension.

The asymmetry of open versus closed societies is an important factor in this equation. Given the closed and controlled nature of East European societies, our ability to travel unimpeded by controls or restrictions is of significant value to us. The East Europeans do not impose discriminatory restrictions on travel by U.S. personnel in their countries. Our personnel can travel at will without advance notification or authorization. Hence, in reviewing possible travel restrictions on East European personnel in this country, the challenge to our own interests is clear. We need to preserve our ability to acquire vital political and economic information; maintain contacts with religious leaders, dissidents, academics, and cultural figures; monitor military maneuvers or the installation of new weapons systems;

24th Report on Cyprus

MESSAGE TO THE CONGRESS, NOV. 25, 1985[1]

In accordance with Public Law 95-384, I am submitting to you a bimonthly report on progress toward a negotiated settlement of the Cyprus question.

Since my previous report, the United Nations Secretary General has continued to work with the two Cypriot communities to achieve a framework agreement for a comprehensive Cyprus settlement. As I reported to you earlier, the Secretary General announced in June that the Greek Cypriot side had accepted revised documentation incorporating such an agreement. On August 8 the Turkish Cypriot leader, Mr. Denktash, sent the Secretary General a letter with detailed comments on the Secretary General's documentation and expressed willingness to meet with him for further discussion.

The Secretary General invited Mr. Denktash to New York and they met on September 12–13. Following their meetings the Secretary General said he had most useful talks with Mr. Denktash and that these talks would be helpful in deciding the steps to be taken in the near future.

The Security Council heard an oral report from the Secretary General on September 20. He told the Council that his efforts had brought the positions of the two sides closer than ever before; and he expressed his conviction that what had been achieved so far should lead to an early agreement on a framework for a just and lasting settlement of the Cyprus question. The United Kingdom Permanent Representative to the Security Council, speaking as President of the Council, expressed strong support on behalf of its members for the mandate of the Secretary General and called upon all parties to make a special effort in cooperation with the Secretary General to reach an early agreement.

Continuing his consultations, the Secretary General met with President Kyprianou on October 16 and October 25 for discussion of recent developments on the Cyprus issue. The Secretary General also met on October 25 with Turkish Prime Minister Ozal.

During this period, American officials continued their active efforts in support of the Secretary General's good offices mission and urged a cooperative and constructive attitude by all the parties. Ambassador Boehm encouraged support for a negotiated settlement in his meetings with President Kyprianou and Mr. Denktash. Secretary Shultz met with the Secretary General and during the General Assembly with the Greek and Turkish Foreign Ministers. Under Secretary Armacost also had useful talks with senior officials of Greece and Turkey during his October 28–November 3 visit to those countries.

Sincerely,

RONALD REAGAN

[1]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Richard G. Lugar, Chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of Dec. 2, 1985). ■

expand opportunities for American businessmen; and provide the full range of consular services to American citizens in distress. Our policy on dealing with the East European espionage threat should also take account of the differing levels of intelligence activity conducted by the various East European governments.

The measures we have taken recently to impose Office of Foreign Missions service restrictions on East German, Polish, Czech, and Bulgarian personnel will significantly enhance our ability to monitor and deter espionage activities. Their personnel are now required to book commercial transportation and hotel accommodations through that office. While the East Europeans do not require our personnel to obtain these services through a central government office, we believe that these measures are, nonetheless, necessary to improve our counterintelligence capability. Similarly, we have put all of the U.S.S.R.'s East European allies on notice that areas of the United States now closed to the Soviets will be closed to them if any of their personnel are detected in espionage activities in those closed areas.

These measures have two objectives.

First, we will improve the capability of our law enforcement agencies to monitor movements of East European personnel.

Second, and equally important, we will increase the cost to the East Europeans should they engage in espionage, thereby introducing an element of deterrence. By making it clear to the individual East European nations that engaging in espionage will have severe consequences for their presence, including travel, in this country, we increase the price an individual country must contemplate paying for engaging in espionage, either on its own behalf or for another power.

Other Measures Under Review

In addition to the measures I noted that have already been taken, the Administration is currently considering additional steps to further reduce the Soviet and East European hostile intelligence threat. Among the measures we are presently examining are:

- Ways to further reduce the overall Soviet presence in this country;
- Increased border controls on Soviet personnel;
- Placing greater controls on the financial/banking activities of hostile foreign missions; and
- Requiring the divestiture of property owned by hostile country missions that do not permit the U.S. Government to own property in their countries.

We believe that the strategy we are now carrying out—comprising the elements of enhanced control and monitoring, constraints applied to the size and activities of hostile country establishment here, and deterrence—is a sound and effective approach to addressing this serious threat to our national security. As I said earlier, much has been accomplished already, but much more remains to be done. The Secretary and the Department of State are committed to taking further realistic and effective action with the tools now at our disposal. We are convinced that with the continued cooperation of the counterintelligence community, we can significantly reduce the ability of hostile intelligence agencies to compromise our national security, while protecting significant national interests of our own in the areas of collection or communication.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

NATO Defense Planning Committee Meets

The Defense Ministers of the North Atlantic Treaty Organization (NATO) met in Brussels December 3, 1985. The United States was represented by Secretary of Defense Caspar W. Weinberger. Following is the text of the final communique.

The Defense Planning Committee of the North Atlantic Treaty Organization met in ministerial session in Brussels on 3rd December 1985.

2. Ministers welcomed the results achieved by President Reagan in his talks with General Secretary Gorbachev. We restated our full support of the efforts of the United States, in close consultation with its Allies, to reach agreement with the Soviet Union in order to provide a more stable peace. We are hopeful that this meeting has laid a basis for better relations between East and West. We especially welcome the commitment of both sides to making early progress in the negotiations in Geneva, in particular in areas where there is common ground, including the idea of an interim INF [intermediate-range nuclear forces] agreement and the principle of 50 percent reductions in nuclear arms of the United States and the Soviet Union, appropriately applied. In this context, we expressed strong support for the United States stance concerning intermediate-range, strategic and defense and space systems. Alliance solidarity and cohesion have played an important role in bringing these developments about and will remain equally vital for future progress. We call upon the Soviet Union to work to achieve this early progress.

3. We noted with satisfaction that deployment of longer range INF missiles is proceeding on schedule in all the countries involved, in the absence of a concrete negotiated result with the Soviet Union which would obviate the need for such deployment. At the same time, we reiterated our willingness to reverse, halt or modify this development—including the removal and dismantling of missiles already deployed—upon achievement of a balanced, equitable and verifiable agreement calling for such action.[1]

4. We are convinced that a continued strong and united Alliance is essential for achieving our goal of peace and security at the lowest possible level of forces. The objective of NATO's strategy of flexible response and forward defense is the prevention of all war. Nuclear weapons play an essential part in achieving this objective. But we are determined to strengthen the credibility of our strategy by avoiding an undue reliance on the early use of nuclear weapons through the special effort to improve our conventional capabilities.

5. This year we have set in hand actions that provide the necessary framework for achieving our objective of improving our conventional defenses. Much of the significance of this work lies in the longer term, and we expect a steady pattern of improvements. We welcomed first signs of progress but stressed that this must be a continuing effort. Achieving more effective conventional forces will require sustained commitment by all. The work underway includes:

• The Conventional Defense Improvements (CDI) effort, a comprehensive review of Alliance defense requirements which encourages a greater degree of convergence between Alliance and national planning and which identifies those areas where special attention will provide the greatest return, both in the medium and long term. The first reactions to CDI have been encouraging. We welcome the progress already made in addressing the key deficiencies and reaffirm our determination to place special emphasis on these areas in our national planning;

• Steady modernization through the introduction of modern, more capable systems. As a result of this process, the ratio of new to old equipment in our armed forces is improving markedly and will do so even more substantially in the future;

• The decision last December to double the infrastructure budget and increase the number of hardened aircraft shelters: planning is well advanced to increase the pace at which NATO can complete infrastructure projects and roughly 90 percent of the budget will be spent on projects related to CDI;

• Implementation of the decision last December to acquire more ammunition stocks for selected battle decisive systems. The results are promising, particularly in the central region. Most nations plan more rapid progress towards achieving the 30-day objective in the selected high priority items and there have also been improvements in plans for other ammunition items;

• Continued exploitation of emerging technologies;

• Progress towards a NATO Identification System (NIS);

• A fresh emphasis on the need to provide more aid, and by more nations, to Greece, Portugal and Turkey in order to help them overcome known deficiencies in their forces and carry out their mission more effectively to the advantage of the Alliance;

• Endorsement of a conceptual military framework developed by NATO's military authorities which provides nations with broad, longer term guidance on the military requirements of NATO strategy;

• The improved co-ordination of the various planning areas to help provide a more effective distribution of resources.

6. Recalling the documents in the 1982 Bonn Summit, we reaffirm the position adopted in previous communiques concerning developments outside the NATO Treaty area that might threaten the vital interests of members of the Alliance. Against the background of United States planning for its rapidly deployable forces, we reviewed continuing work on measures necessary to maintain deterrence and defense within the NATO area. We will ensure that NATO defense planning continues to take account of the need for compensatory measures.

7. With the objective of improving our conventional forces firmly in mind, we discussed the results of the 1985 Annual Defense Review and adopted the NATO Force Plan for 1986–1990.

8. Achieving the objective of better conventional forces will not be easy. The provision of adequate resources in accordance with the 1985 ministerial guidance will continue to be a serious challenge for all nations. This will require an even greater emphasis on making better use of resources and on improved co-operation and co-ordination. Better arms co-operation and sharing of technology between European and North American and the developed and developing members of the Alliance are vital parts of this process, as is the continued protection of militarily relevant technology.

9. We emphasized the major contribution which co-operation on the research, development and production of armaments can play in the strengthening of conventional defenses in the context of the current Conventional Defense Improvements effort. We welcomed a report by the CNAD on the enhancement of Alliance armaments co-operation, and we noted that this is to be considered by the North Atlantic Council at their meeting on 12th/13th December 1985. At a recent special meeting, the North Atlantic Council had positive discussions on several concrete measures, including co-operative research and development programs. We welcomed in particular the major step forward by the CNAD in developing an improvement strategy for the enhancement of armaments co-operation with which all the governments of the Alliance can be associated. We committed ourselves to carry forward this important work.

10. We are confident that we have laid the essential groundwork in the short, medium and long term for the objective of achieving more effective conventional forces. Much, of course, remains to be done. We need a continuing and sustained effort. But we have made a good start; current progress augurs well for the future.

Greece reserves its position on the INF and space system issues.

The Minister of Defense of Spain reserves his Government's position on the present Communique.

---

[1]Denmark reserves its position on INF [footnote in original]. ■

CSCE Cultural Forum Meets in Budapest

The Cultural Forum, mandated by the concluding document of the Madrid review conference of the Conference on Security and Cooperation in Europe (CSCE), met in Budapest October 15–November 25, 1985. It was the first CSCE meeting to deal exclusively with the cultural provisions of the Helsinki Final Act and the first to be held in a Warsaw Pact country. The U.S. delegation was headed by Ambassador Walter J. Stoessel, Jr., and consisted of 25 distinguished artists, writers, and experts representing the diversity of American cultural life, as well as officials from the Department of State and the congressional Commission on Security and Cooperation in Europe.

The mandate for the forum called for discussion of the interrelated problems of creation, dissemination, and cooperation, including expansion of cultural contacts and exchanges. Seventeen Western delegations (NATO members and Ireland) tabled a far-reaching draft concluding document on these issues, affirming the importance of individual rights and freedoms. Although the 35 participating delegations could not agree on the text of a final document, they were able to discuss important issues and lay the basis for more extensive cultural contacts in the future.

Following are statements made by Ambassador Stoessel before the Cultural Forum on October 15 and before the congressional Commission on Security and Cooperation in Europe on December 11 and the text of the Western draft concluding document.

AMBASSADOR STOESSEL'S STATEMENT, CULTURAL FORUM, BUDAPEST, OCT. 15, 1985

On behalf of the U.S. delegation, I would like to join those who have spoken before me in expressing our appreciation to Dr. Hermann and his colleagues in the Executive Secretariat for the excellent facilities we will be working in and enjoying. I want to thank the Government of Hungary for hosting the Cultural Forum, a significant and unique undertaking in the CSCE process. I hope that in the weeks ahead, we will have the opportunity to enjoy the distinctive national culture of Hungary and the many beauties of Budapest, a country and city which have experienced and participated in so much of our world's history.

Our task at hand is to engage in an examination of one of the noblest activities of mankind—culture in its many dimensions. In a very real sense, we are about to explore that aspect of the human experience which elevates us as a species and gives our daily lives a sense of beauty and proportion. Equally important, the issues on our agenda have a direct bearing on better mutual understanding among our peoples.

What we will be discussing here has an immediate relationship to a more peaceful, secure world. There are many ways to contribute to this goal. One way to contribute to better mutual understanding is through the free flow of information about our respective cultures. Without effective communications, it becomes difficult and more dangerous to deal with the increasingly complex problems confronting the world today. These problems call out for new, creative thinking, and we hope that our efforts here will contribute to improved communications and understanding. I can think of no challenge that has greater meaning and importance for the peoples we represent.

The United States is largely a nation of immigrants. Every country represented at this forum has seen its sons and daughters emigrate to my country. As a consequence, the cultural life of the United States owes a great debt to every other country here, for so much of your culture has influenced our own. And whose culture has not been enriched by the many writers, composers, painters, and artists from all parts of the European Continent and North America? If we take only one of the newer forms of artistic expression—the art of film, for example—my country owes a debt of gratitude to such pioneers as George Cukor and Michael Curtiz, both of whom came from Hungary.

Although not alone in this regard, the United States has long served as a sanctuary for artistic talent and a crucible for cultural creativity. We have welcomed those who, for reasons of persecution or repression of artistic expression, were compelled to leave their native countries. Some were fortunate enough to be able to return to their homelands to continue their creative work in freedom. Others remained in my country, enriching our cultural life. We hope that the legacy of what they have given to my country will one day also be shared freely and fully by their own countrymen, for their creative talents reflect the cultural heritage from whence they came.

The mandate that brings us here today and for the coming weeks resides in two documents—the Helsinki Final Act and the Madrid concluding document. Had the cultural provisions of the Final Act been better implemented, the Budapest Cultural Forum would not have to discuss the interrelated problems of creation, dissemination, and cooperation, including the expansion of contacts and exchanges.

But it is a tragic fact, as Secretary Shultz noted on the 10th anniversary of the Helsinki Final Act, that Europe is a divided continent. The visible barriers that exist are, in fact, the tangible evidence of deeper divisions—divisions over what man can think and create. How else are we to understand such statements as "too many foreign plays are being performed on our stages" or "artistic creation outside of politics does not exist"?

We take seriously the mandate of the Madrid concluding document—to discuss interrelated problems of creation, dissemination, and cooperation. It is our desire that this discussion should be conducted in a balanced and constructive manner. Our goal is a positive one. We seek to lift the barriers to cultural creativity and cooperation. At the same time, we will not shirk our responsibility by failing to deal with the fundamental problems that affect the cultural issues we are here to explore. We believe it is essential to explore the impediments to creativity, dissemination, and cooperation.

Because we believe strongly in the innate right of an individual to express him or herself freely, including in artistic and cultural endeavors, we think it is important to search for ways to remove obstacles to self-expression. The same holds true for dissemination and cooperation. Moreover, we believe that all peoples and national minorities should have the unquestioned right and opportunity to pursue and develop their cultural heritage in all its dimensions, including the teaching of language as an integral part of self-expression.

How can one advocate the importance of cultural interchange for peace and better understanding and at the same time deny the right of an artist to accept an invitation to exchange ideas and experiences with colleagues from other countries or prevent his or her works from being published or performed? These are the questions, together with exploring ways to expand cooperation, that deserve our serious attention and efforts in the weeks ahead.

Let me say clearly that we want greater and more diverse exchanges and contacts at all levels between our peoples and countries. Toward this end, we will be submitting proposals aimed

at lowering impediments to contacts and improving our ability to communicate more directly and effectively. If we can move in this direction, the value of our efforts here will be beyond doubt.

The mandate for the forum also states that leading personalities in the field of culture will attend. In keeping with our belief that cultural creativity is inherently an individual endeavor, best left untouched by the hands of government, we have no ministry of culture. Therefore, our cultural representatives have no instructions. They will be expressing their own views and experiences on the questions under discussion. They may well disagree among themselves on how to approach particular issues. We think this is the natural order of things, including in the sphere of culture. We hope their efforts here will not be burdened with bureaucratic procedures or drafting responsibilities. On the contrary, we hope they will grapple seriously with the problems confronting us, that they will find new, untried ways to think creatively about how we can solve them.

It is fortunate that some know each other already through visits and cultural missions; some are even close colleagues who have worked to promote the goals of the Helsinki Final Act. Others will be meeting for the first time, and we hope they will form direct, close friendships in a common cause. Seldom, if ever, have so many leading cultural figures come together to discuss mutual problems, experiences, and ideas. That is the most unique and promising aspect of the Budapest Cultural Forum. Let us hope and work for an atmosphere in which our leading cultural personalities can do their share in seeking to lift the barriers to genuine, unfettered cultural creativity and cooperation.

We know from the Holy Scriptures of old and from a Soviet novel of our time that man does not live by bread alone. To surmount the travails of existence, we need inspiration that expands our intellect, that fires our imagination, that nourishes our soul. As we begin this forum, let us pledge ourselves to a frank and substantive exploration of the issues our mandate has set before us. Let us together find the means by which we can remove obstacles to freedom of expression, direct cultural contacts, and uninhibited cultural development. We owe it to ourselves; we owe it to mankind.

Seldom, if ever, have so many leading cultural figures come together to discuss mutual problems, experiences, and ideas. That is the most unique and promising aspect of the Budapest Cultural Forum.

AMBASSADOR STOESSEL'S STATEMENT, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, DEC. 11, 1985[1]

I welcome the opportunity to testify today before the Commission on Security and Cooperation in Europe to present my assessment of the Budapest Cultural Forum to you and your distinguished colleagues. With your permission, I would like to request that this statement and attached documents from the forum itself, including U.S. plenary statements, be made a part of the record of this hearing.

The Cultural Forum—held in Budapest October 15 through November 25—was the most recent of a series of CSCE experts' meetings agreed at the Madrid review conference. It was the first such meeting devoted to the cultural content of the Helsinki Final Act, the first to bring together hundreds of distinguished individuals from different fields of cultural activity in the 35 participating states of Europe and North America, and the first to be held in a Warsaw Pact state. It was a unique gathering that produced both achievements and disappointments. I will try to give you a flavor of both, along with some firsthand observations on the conduct of the meeting itself.

I would first like to acknowledge the debt the U.S. Government owes to the 25 private American citizens who took time out from their professional and private lives to participate at Budapest. They gave willingly and freely of their vast expertise in exchanging views on professional topics with their counterparts. They repeatedly demonstrated the serious attitude of our country toward respect for CSCE commitments and repeatedly raised important problems of cultural communication and cooperation. We can be proud of our delegates' contributions, as well as respectful of their integrity. I also want to express my sincere appreciation to the staff members of the CSCE Commission who so competently and energetically contributed to the performance of the U.S. delegation.

In summarizing the results of the Cultural Forum, I must acknowledge that not all hopes were met. Western delegates, for instance, chafed under formal CSCE procedures that regulated discussion through use of a set speakers' list. Although the West pressed for revised procedures to promote free debate among the cultural figures, the East said no, except on two brief occasions. Also frustrating for delegates was the fact that in the two large working groups, several distinct fields of culture were under review at the same time. Most delegates participated for only a week at a time, having relatively few chances to take the floor. Nonetheless, cultural personalities from 35 countries met, conversed, exchanged ideas, and opened new horizons for each other—demonstrating the value of direct contact among people. They made many unofficial proposals for improving and expanding East-West cultural relations.

Another problem at the forum was that the 35 participating states were, as you know, unable to reach consensus on a concluding document. None was specifically required, although the demand and efforts for a written result ran high among most delegations. My own view is that the lack of consensus represents the reality of the gap between East and West on matters concerning human rights and fundamental freedoms, pertaining in this instance to the conditions for cultural activity within and among states.

The mandate for the Cultural Forum was to discuss the interrelated problems of creation, dissemination, and cooperation in the different fields of culture.

The United States and its NATO allies insisted, therefore, that a final document—to be acceptable—would have to give balanced treatment to these three themes and reach conclusions and recommendations pertinent to the problems discussed. The criteria applied by the Soviet Union and its Warsaw Pact allies to a final document were quite different. They wished to avoid stipulation of problems and concentrate solely on further plans for cultural cooperation.

I do not think that sort of document—one lacking substance—would have done the CSCE process much good. Despite exhaustive efforts by the West and the neutral countries to identify common ground in accordance with the mandate, the East refused to budge from its unacceptable position and created the choice—as at the Ottawa human rights experts' meeting—between a bad document and no document. I trust you will agree that the major obstacle to progress in the CSCE process is the lack of compliance with existing documents, not the lack of new ones.

When intense negotiations revealed that a substantive document was not within reach, Hungary proposed a short statement of the fact that the 35 states had met to discuss the problems of the mandate and expressed different and at times contradictory views. This alternative to a substantive document, while not ideal, would at least have acknowledged the disagreements between East and West at the forum. Romania blocked consensus on the Hungarian initiative, perhaps reflecting bilateral strains between the two countries.

The U.S. approach to the Cultural Forum was straightforward: to adhere to the excellent mandate in identifying problems relating to cultural activity and communication and to suggest possible solutions. We sought to ensure attention to all three themes of the mandate, to focus attention on specific problems and on possible avenues of resolution, and to promote productive discussions among the cultural figures. I think it would be instructive to mention some of the problems we considered most important to the deliberations of the forum and how we handled them.

The legitimate role of nongovernmental organizations (NGOs) in the field of culture was a primary concern of the United States, our allies, and many of the neutral countries, especially in light of the experience in Budapest of the International Helsinki Federation. I will return to this matter. Several NATO countries joined us as cosponsors of an official proposal on the role of NGOs. This was one of the principal themes of the comprehensive draft document agreed by the Western nations at the forum and a regular topic of discussion by U.S. and other Western delegates.

U.S. delegates brought attention during formal sesions of the forum to conditions of cultural repression in the U.S.S.R., Poland, Czechoslovakia, and Romania by raising the names of known victims of repression and the generic situations that produce such victims. Numerous delegates from other Western countries did likewise. We reinforced our public stance in private bilateral meetings with the delegations of the U.S.S.R., Poland, and Romania. The U.S. delegation also took occasions to meet with and, therefore, show support for local dissident cultural figures.

In plenary speeches and interventions in the working groups, U.S. delegates emphasized the right of national minorities and religious groups to preserve and develop their particular cultures, including language instruction and the preservation of cultural and historical monuments. These interventions and a strong Western proposal on the issue made it an important theme in the forum's deliberations, to the discomfort of the U.S.S.R. and Romania in particular. Even a Hungarian delegate got into the spirit by referring publicly to the problems of the Magyar minorities in neighboring countries, making it clear he meant Romania and Czechoslovakia.

Censorship, jamming, restrictions on travel, and impeded access to cultural products were addressed repeatedly by the United States and other Western delegations in the working groups, plenary sessions, and numerous formal proposals. Since Western cultural figures, in many cases, have had direct experience with barriers to the free exchange of people, ideas, and information in the East, their interventions were especially eloquent.

Our NATO allies were broadly supportive of the U.S. approach in Budapest, although initially not as forthright as U.S. representatives in the working groups and more receptive at times than we to the East's emphasis on cooperation. We received enthusiastic NATO support for our official proposals that were intended to strengthen observance of cultural rights and freedoms.

Common Western cultural values and a joint determination that the Cultural Forum produce meaningful conclusions are amply reflected in the draft final document that the Western group (NATO plus Ireland) tabled when negotiations with the East stalemated. This document distills the Western negotiating position and sets out the results we think should have been reached at the Cultural Forum. I believe that the document will usefully serve as one of the bases for allied participation in next year's CSCE review conference in Vienna and hope it will gain currency among the concerned publics of Europe and North America.

The Eastern approach to the Cultural Forum involved procedural inflexibility, a preference for long speeches listing cultural accomplishments, emphasis on the "historic responsibility" of artists for peace, opposition to Western defense (especially nuclear weapons) policy, and avoidance of the numerous aspects of the forum's mandate where Eastern performance falls short. The Soviets and some of their Warsaw Pact allies also sought to drive wedges in the Western position by referring none too subtly to a European cultural unity, implicitly excluding North America and by constantly asserting that it was the U.S. delegation which opposed a final document. Neither theme found much support from Western or neutral delegations.

When the West raised relevant issues of cultural rights and freedoms, the East responded (sometimes with outlandish invective) that we were trying to disturb rather than contribute to the work of the forum by introducing extraneous political matters. Stressing the need for greater cooperation among the CSCE states, the Soviets and their allies made many suggestions for increased exchanges and joint projects of experts and students in the different fields of culture, under official or quasiofficial sponsorship and control.

Cooperation was a popular theme at the Cultural Forum, since it was part of the mandate and since all Eastern and some Western delegates often found it more congenial to consider fresh ideas for working together across borders than to tackle resistant and established obstacles. Our view, one that permeates the Western draft final document, is that true cooperation among states derives from the ability of their citizens to choose freely how, when, and where to express themselves and to share the

fruits of their creativity. Governments have no business controlling cultural cooperation but should rather ensure that the conditions for such cooperation are optional. The proposals for cooperative action contained in the Western document are set in this context.

At the Cultural Forum, as at other CSCE meetings, the neutral and nonaligned countries played a key role in trying to bridge the differences between East and West. Delegates from these states played an active role in the working groups, often independently confirming points made by the West regarding the importance of freedom for individuals and groups to pursue their cultural interests. Toward the end of the forum, the neutrals informally presented to both East and West a draft final document that synthesized the discussions in a way they hoped would satisfy the interests of both sides. We considered the neutral draft a positive though not entirely adequate effort. We entered into negotiations with the East on the basis of this paper, hoping that our primary concerns could be accommodated.

The Eastern approach to the neutral paper was much less forthcoming and ultimately destructive to the chances of reaching consensus. The Soviets said the neutral paper was "West-leaning" and insisted that it could be a basis for negotiation only if a long series of distorting Soviet amendments were accepted.

It is important to consider events outside the forum that had a bearing on those within in order to get a full picture of what was and was not achieved. I regret—and at the time strongly protested publicly and privately—the decision of the Government of Hungary to prevent the International Helsinki Federation from conducting publicly a by-invitation-only symposium in Budapest during the first week of the forum. This decision violated Hungary's commitment as host to follow the precedent of the Madrid meeting concerning the important relationship of NGOs to the CSCE process. Other delegations felt as we did and expressed their criticism in various ways, public and private.

Aware of the issues at stake, we followed developments closely, noting that the federation was able to conduct its scheduled activities in private locales, without interference or harassment, and with Western media representatives in attendance. U.S. and other Western delegates also attended the symposium as observers in a show of solidarity and shared copies of manuscripts presented there with other interested delegates at the forum.

. . . U.S. delegates emphasized the right of national minorities and religious groups to preserve and develop their particular cultures. . . .

There were two concerns that flowed from the circumstances confronting the federation: One was that there be no official repercussions for Hungarians who chose to attend, and the other was that Hungary's action not constitute a precedent for subsequent CSCE meetings. I spoke directly on these issues during plenary meetings and in private conversations with Hungarian authorities and believe there can be no doubt about how seriously the United States would view further misinterpretations of the Madrid precedent. The significance of NGOs to the CSCE process is well reflected in the Western document, in the formal proposal submitted by several Western delegations, and in numerous interventions made by U.S. and other Western delegates.

There was substantial media interest in the United States and Europe in the Cultural Forum, as the large number of journalists attested, but not nearly as much coverage as all of us would have liked. My interviews before and during the meeting—especially in *The New York Times, Christian Science Monitor,* and *Washington Post* and with the wire services—presented our positions to the American public. Coverage by the Voice of America, Radio Free Europe/Radio Liberty, and *Radio im amerikanischen Sektor* in West Berlin reached audiences in the Soviet Union and Eastern Europe. In addition, I gave interviews to Hungarian and West European print and electronic media. The problems of the International Helsinki Federation during the first week of the forum and the closing of the conference generated articles here and in Western Europe, and European colleagues in Budapest informed me that media interest in their countries was sustained throughout the forum, primarily on account of the participation of the eminent cultural figures. The press spokesman for the U.S. delegation briefed the VOA, RFE/RL and other correspondents at least twice a day on the forum's proceedings and arranged numerous interviews with U.S. cultural figures.

In addition to the participants from the United States in the International Helsinki Federation symposium, some 20 individuals and representatives of NGOs from the United States visited the U.S. delegation. We benefited from their expertise, as we did from the rich supply of materials sent to us by NGOs before the forum began. For our part, we assisted those NGOs who came to Budapest with information about the conference and practical advice and initiated a series of mailings to interested parties in the United States to keep them abreast of statements by U.S. delegates. We have in the mail to them now the draft Western document, and I intend to circulate this statement as well.

In drawing up a balance sheet on the Cultural Forum, I must candidly say that I wish it had accomplished more—that the 35 participating states had been able to do something to resolve the real problems that affect cultural creation, dissemination, and cooperation. However, if we continue our commitment to the CSCE process as an incentive for change over time in Eastern behavior, as I believe we must given the lack of feasible alternatives, then the absence of breakthroughs in Budapest should not disappoint us. In this light, I think we might reflect on the following results of the forum.

- The cultural figures from the 35 participating states, whatever their frustrations with the forum, built bridges among themselves that promote mutual understanding across borders;
- Soviet and East European delegations had no choice but to hear about their shortcomings in the cultural field from exceptionally articulate private citizens from the West, whose opinions carried irrefutable moral authority;
- Western attention to the problems and cases of cultural repression and insistence on compliance with the provi-

sions of the Final Act give sustenance to the victims of such repression and others in the East who want their governments to uphold Helsinki commitments.

• Although no consensus document was reached (because a good one was not possible), the West has an agreed text that can serve our common interests at the Vienna review conference.

I will not attempt to oversell these results, but I do consider them positively and believe they represent the honest fruit of collective efforts by Western delegations at the forum.

TEXT OF WESTERN DRAFT CONCLUDING DOCUMENT

1. In accordance with

—the provisions of the Final Act of the Conference on Security and Co-operation in Europe

—the relevant provisions of the Madrid Meeting

—the report of the meeting of experts which took place in Budapest from 21 November to 4 December 1984,

the Cultural Forum took place in Budapest, Hungary, from 15 October to 25 November 1985. It was attended by leading personalities in the field of culture from the participating States.

2. After the formal opening of the Cultural Forum, participants were addressed by Mr. Gyorgy Lazar, Prime Minister, on behalf of the Government of Hungary.

3. Under agenda item 2 of the Forum, opening statements were made in open plenary meetings by representatives of the participating States. The views of UNESCO were presented by a representative of that Organization.

4. Under agenda item 3 of the Forum, and in accordance with the mandate for the Forum, participants discussed, both in plenary and in subsidiary working bodies, interrelated problems concerning creation, dissemination and co-operation, including the promotion and expansion of contacts and exchanges in the different fields of culture.

5. The discussion of the above-mentioned interrelated problems was conducted in the context of the following fields:

• **Plastic and Applied Arts**—painting, graphic and photographic arts, sculpture, design, architecture, preservation of cultural and historical monuments;

• **Performing Arts**—theatre, dance, folklore, music, film, cultural programmes on radio and television;

• **Literature**—literature, publishing and translation, including reference to less widely spoken languages of the participating States;

• **Mutual Cultural Knowledge**—research, training and education in the arts, libraries, cultural heritage, preservation of and respect for the diversity and originality of the cultures of the participating States, museums, exhibitions.

6. The discussion covered a wide range of subjects in the cultural field. It also reflected the unique character of the Cultural Forum itself within the framework of the CSCE process and the vitality, strength and diversity of the various cultures of the participating States. The participants endeavoured to contribute to the discussion with a view to promoting further creation, dissemination and co-operation in the fields of culture. During the discussion different and, at times, contradictory opinions were expressed not only on matters of substance but also on the procedure of the meeting.

7. A large number of proposals were presented under agenda item 3 both in the plenary and in the appropriate subsidiary working bodies.

8. As a result of its proceedings the Cultural Forum concluded the following:

• In the course of its history, Europe has developed a cultural identity of its own which is also part of the North American heritage. This identity is reflected in a basic unity of cultural values which has survived and had proved its cohesion and resilience despite present political and ideological divisions.

• Since the signing of the Final Act, cultural exchanges and co-operation have proved to be a stabilizing factor in relations between States participating in the CSCE. They contribute to a better understanding between individuals and among peoples and thus help to promote conditions conducive to the building of confidence and the development of normal and friendly relations.

• International co-operation in the different fields of culture since the signing of the Final Act of the CSCE has been greater in some areas than in others. The present conditions for cultural creation and dissemination as well as for international exchanges and co-operation in the different fields of culture still require improvement in many respects.

• Such improvements should be sought and achieved by taking active steps to allow the full and unimpeded development of artistic creativity and the recognition of the role of individual artists and the integrity of their creation. They should also be sought and achieved by the unimpeded dissemination of cultural works through facilitating and supporting discussion and co-operation among individuals, groups and private organizations in the different fields of culture; through providing equitable opportunities for wider communication, more direct contacts and travel for personal as well as professional reasons. Similarly, improvements should be made at governmental and non-governmental levels, bilaterally and multilaterally, through agreements between Governments and non-governmental organizations and international programmes, as part of a general expansion of cultural co-operation.

• This goal can, however, be reached only by respect for all the principles and by full implementation of the relevant provisions of the Final Act and the Concluding Document of the Madrid Follow-Up Meeting. It was stressed that there was a critical need to make immediate, tangible and balanced progress in such implementation, particularly with regard to creation, dissemination and co-operation in the different fields of culture. The participants in the Forum urged all participating States to observe the spirit and the letter of the Final Act and the Madrid Concluding Document in this respect.

• It is furthermore emphasized that full respect for human rights and fundamental freedoms, including cultural rights and freedoms, and including those of persons belonging to national minorities and regional cultures, by all States represents one of the basic principles for a significant improvement in their mutual relations, and in international cultural co-operation at all levels.

9. The participants in the Forum discussed, *inter alia*, the following specific problems relating to its mandate:

• The denial of opportunities in some participating States for individuals in the different fields of culture to form independent institutions and organizations and to play, as individuals or as members of these independent bodies, a full and unhindered part in the cultural activity of their own States and internationally;

• Limitations on access to and the use of information, publications and materials relating to culture;

• Restrictions on access to the cultural achievements of other participating States, e.g. through cultural institutes;

• The denial to persons belonging to national minorities and regional cultures of adequate protection, legal or otherwise, for the full development of their culture; and

• The need to support the efforts of individuals to reflect and promote the unity of European culture, which transcends the division of Europe.

10. The participants in the Cultural Forum urge the participating States to:

• Remove existing impediments which prevent individuals from forming or joining independent institutions and organizations in order to pursue and promote, as individuals or as members of these independent bodies, their interests in the different fields of culture, including the protection and promotion of cultural freedom and the respect shown by governments, including their own, for that cultural freedom;

• Ensure unimpeded communication, direct contact and co-operation, such as the holding of meetings and exhibitions by private persons, institutions and organizations active in the field of culture;

• Facilitate for humanitarian reasons the provision of the fullest information to artists and others in the field of culture, who have attempted, without success, to contact their colleagues in another participating State;

• Remove legal and administrative measures, such as censorship, which constitute barriers to creation and dissemination in the different fields of culture;

• Remove, while respecting intellectual property rights, restrictions on obtaining, possessing, reproducing, publishing and distributing materials related to the different fields of culture, including books, publications, films and videotapes, as well as on the private ownership and use of and access to typewriters, word processors and copying machines;

• Ensure unimpeded access of individual believers and communities of believers to religious publications and related materials;

• Ensure unimpeded access to public archives, libraries, research institutes and similar bodies for scholars, teachers, students and others who wish to undertake research.

• Permit unimpeded reception of broadcasts and place no restrictions on the right of individuals to choose freely their sources of broadcast information and culture;

• Abstain from placing undue obstacles to access to direct broadcasting satellites transmitting radio and television programmes, including those of a cultural nature, and allow individuals and groups to acquire the necessary equipment;

• Ensure that individuals engaged in the different fields of culture are free to travel abroad, and, in particular, that those invited officially or privately to travel to other participating States have the opportunity to do so;

• Make it possible, on the basis of bilateral arrangements, for each participating State to establish cultural institutes on the territory of the other participating States and to guarantee unhindered public access to them; and

• Protect the unique identity of national minorities and foster the free exercise of cultural rights by persons belonging to them; ensure in practice unhindered opportunities for these persons independently to maintain and develop their own culture in all its aspects, including religion, cultural monuments, historical artefacts, language, literature; and to ensure unhindered opportunities for them to give and receive, individually or collectively, instruction in their own culture, especially through the parental transmission of language, religion and cultural identity to their children.

11. Therefore, the participants in the Cultural Forum recommend that the participating States encourage, facilitate and support the initiatives which official institutes, non-governmental organizations and individuals wish to undertake to promote the aims of the CSCE in the field of culture, e.g., meetings, symposia, exhibitions, festivals, research, training and co-production programmes in which scholars, specialists and artists of the participating States may freely participate and to which they may freely contribute, in order to realize progressively the objective of promoting knowledge and culture which transcend geographic boundaries.

12. In particular, the participants in the Cultural Forum recommend that the participating States:

• Facilitate the participation in international drama festivals of individuals, productions or companies chosen by the organizers and not replace them by any other individuals, productions or companies without prior consultation;

• Encourage invitations to conductors and individual performers from other participating States to perform with orchestras and choirs in their own States;

• Promote the exchange of members of art and music academies as well as of teachers and students of drama and dance schools;

• Take into account the important role that exchanges of teachers, students and material play in the education of young film makers, particularly through festivals and prizes;

• Remove barriers to participation in film festivals, including restrictions on public access to such festivals and censorship and control on what films may be shown;

• Might consider the possibility of a meeting of writers on the subject of "Liberty, Equality and Fraternity in Today's World"; a symposium on the subject of "The Impact of the Discovery of America on European Culture"; and a meeting of historians and cultural figures on "Transmission of Culture Through Emigration";

• Remove barriers to unimpeded participation in book fairs, displays and exhibits by prospective displayers; restrictions on public access to such book fairs, displays and exhibits; and censorship and control on what books or publications may be displayed;

• Consider the aesthetic aspects of the environment in the preservation, reshaping and building of cities;

• Might identify historic towns and cities for conservation and restoration projects in which other participating States might join;

• Might consider the possibility of establishing an international folklore centre of States participating in the CSCE which would be responsible for the collection, systematization and publication of the folk heritage of the participating States for educational purposes;

• Explore the possibility of computerization and dissemination in standard form of bibliographies and of catalogues of cultural works and presentations, such as musical scores, contemporary public sculpture, films, videotapes, documentary programmes shown on television, plays and the performances of artists and ensembles;

• Encourage the translation of research and literature, with special attention to bilingual editions as well as to the translation, publication and dissemination of literary works published in the less widely spoken languages in the participating States;

• Might consider proclaiming a city in a participating State "Capital of European Cultural Heritage" for one year. In the course of that year, the participating State in question would endeavour to make a special contribution to European culture in all its forms by organizing events and taking other initiatives in the city in question, including works by groups of artists. All other participating States would be invited to take part;

—Facilitate the holding of exhibitions which have a special reference to present everyday life;

—Encourage co-operation in protecting and preserving film material;

—Encourage the acquisition, co-production and regular exchange of television and radio cultural programmes;

• Encourage the appropriate national and international non-governmental organizations to work out a general framework regarding cultural exchanges such as exhibitions, guest performances, etc., including general and administrative guidelines, the possible simplification of customs and other procedures and ways of facilitating payment of fees to individuals and organizations where direct payments are rendered difficult by currency restrictions or economic constraints;

• Might consider the possibility of establishing a cultural foundation of States participating in the CSCE, which would aim at improving the conditions and opportunities of artistic creation; facilitating the dissemination of culture within and among States participating in the CSCE; and promoting cultural exchanges and co-operation among them.

13. The participants also considered a wide range of other proposals, not all of which have been reflected in this Report.

14. The participants expressed their appreciation of the effort which went into the preparation of these proposals, all of which will be recorded as they were submitted, annexed to this report, and sent forward for consideration in any further discussion of cultural questions within the framework of the CSCE.

15. The results of the Cultural Forum in Budapest will be taken into account, as appropriate, by the participating States at the next Follow-Up Meeting of the Conference on Security and Co-operation in Europe, scheduled for November 1986.

16. The participants expressed their gratitude to the Government of Hungary for the excellent organization of the Cultural Forum and for the warm hospitality extended to them during their stay in Budapest.

---

[1]The complete transcript of the hearings will be published by the commission and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Safeguarding Human Rights

PRESIDENT'S REMARKS, DEC. 10, 1985[1]

Today we mark the 37th anniversary of the signing of the Universal Declaration of Human Rights, a document to which virtually every nation on Earth subscribes. It's a day for us to take stock, to survey the globe with an eye not so much to words as to actual deeds, to measure the world against the noble assertions of the Universal Declaration, and to reaffirm our commitment to the cause of human dignity.

America has, since its founding, been a refuge for those suffering under the yoke of oppression. A belief in the dignity of man and government by the consent of the people lies at the heart of our national character and the soul of our foreign policy. I had the pleasure of explaining that to a gentleman in Geneva not too long ago. [*Laughter*] But here the difference is our documents, such as the Constitution, say we, the people, will allow government to do the following things.

Today, more than ever, we're proud to be champions of freedom and human rights the world over. So, in observing Human Rights Day, we celebrate our commitment to the beliefs and moral teachings on which our own nation is founded, a belief in liberty, in the dignity of man, and in the inalienable rights of free men and women to choose their destinies.

We have not hesitated when these rights and freedoms have been threatened. Last month on Veterans Day, I visited the graves of our soldiers who gave their lives so that the rest of us might know the blessings of peace and freedom. Our sons, brothers, and fathers also lie in cemeteries and fields from Flanders to Manila, under undying testimony to our determination that these rights shall not perish.

We've learned from history that the cause of peace and human freedom is indivisible. Respect for human rights is essential to true peace on Earth. Governments that must answer to their peoples do not launch wars of aggression. That's why the American people cannot close their eyes to abuses of human rights and injustice, whether they occur among friend or adversary or even on our own shores. And we must be particularly appalled that, on the threshold of the 21st century, when man has made gigantic strides in opening the universe of space and finding cures for dread diseases, millions of our fellow men still suffer the grossest abuses. There are regimes—some friendly, some adversarial—that engage in frequent violations of human rights. There are other regimes which by their very nature are built upon the denial of human rights and the subordination of the individual to the state.

In Afghanistan and Cambodia, for example, alien dictatorships, with the support of foreign occupation troops, subject their peoples to unceasing warfare. Today, 6 years after the Soviet invasion of Afghanistan, up to 120,000 Soviet troops remain. They have slaughtered innocent women and children. They have employed poison gas. And they have loaded toys with small explosives, an attempt to demoralize the people by crippling Afghan children. Some 3.5 million Afghans, fully one-fourth of the prewar occupation, have been forced to flee to Pakistan and Iran. The communist rulers of Vietnam have launched vicious attacks upon Cambodian refugees, refugees who were fleeing a communist regime in Cambodia itself, which led to the deaths of up to one-quarter of the entire Cambodian population.

In Ethiopia a Marxist government has used famine to punish large segments of its own population. Vice President Bush visited a camp for Ethiopian refugees in the Sudan last March. Men and women of all ages were dying; but the Vice President told me there's something unbearably painful about seeing the eyes of the children, the huge, sad eyes of starving children. And the peoples and governments of the democracies have responded generously to those pleas with tangible evidence of our concern.

In the Western Hemisphere, where so much progress toward democracy has been made, Cuba stands out as the country where institutionalized totalitarianism has consistently violated the rights of the citizens. Unfortunately, the Sandinista regime in Nicaragua seems determined to embark on the same course.

On three continents we see brave men and women risking their lives in anticommunist battles for freedom. We cannot and will not turn our backs on them. This year the House of Representatives has heeded their call and voted aid to the freedom fighters in Cambodia, Afghanistan, and Nicaragua and repealed a ban on aid to freedom fighters in Angola.

Elsewhere we have seen considerable progress toward observance of human rights. In El Salvador, Grenada, and Honduras, freely elected governments represent the best hope of their peoples for the future. And just over the last weekend, a new civilian president was elected in Guatemala—that's the first time in 15 years. We laud those achievements, but our concern remains for those who are still captive and oppressed. This is where our voices must speak for justice, for the force of world opinion can and does make a difference.

One of the more tragic cases today is that of the Baha'i, whose leaders are with us today. The Government of Iran is engaged in rampant religious persecution, especially against the Baha'is. Since 1979, 198 Baha'is have been put to death, 767 are imprisoned, some 10,000 made homeless, and over 25,000 forced to flee their country. Only the continued world outcry can help bring an end to their suffering.

In South Africa the inhuman policy of apartheid continues. The declaration of a state of emergency has given the police in that country essentially unlimited powers to silence critics of the government. Thousands of South African citizens have been detained without charge and denied even elementary judicial protection. I have said that apartheid is abhorrent. It's time that the Government of South Africa took steps to end it and to reach out for compromise and reconciliation to end the turmoil in that strife-torn land.

In Chile and the Philippines, too, we've shown our strong concern when our friends deviate from established democratic traditions.

In Eastern Europe the hopes and aspirations of millions of people for religious freedoms, civic rights, remain alive despite years of repression. The Solidarity labor union is still outlawed in Poland, and the Polish regime has once again moved to restrict the few freedoms that its people still enjoy. In Romania religious persecution includes the destruction of Bibles, while in Bulgaria the repression of the Turkish minority and the Islamic faith is witness to the unyielding denial of the basic freedom of speech, assembly, religion in this region.

I addressed human rights in my meetings with General Secretary Gorbachev, and I made it very clear to him that human rights are an abiding concern of the American people. We had a long and confidential discussion, and at

the conclusion of our meetings, we declared in a joint statement that humanitarian issues would be resolved in a humanitarian spirit. Americans will be watching hopefully to see whether that pledge is observed.

Make no mistake about it, human rights will continue to have a profound effect on the U.S.-Soviet relationship as a whole, because they are fundamental to our vision of an enduring peace. President Lincoln once called America the last, best hope of man on Earth. Mr. Lincoln's remark has special poignancy today, when American determination and strength are central to the peace and freedom of the entire democratic world. It is, therefore, incumbent upon us to work for the expansion of freedom throughout the world.

In this great effort, my friends, I deeply believe we have a good cause for hope. Evidence of the triumph of the ideal of freedom and respect for human rights can be seen in every corner of the globe, and this is because freedom is not only morally right but practical and beneficial. Indeed, governments that rest upon the consent of the governed and the rule of law are more successful in fulfilling their people's aspirations for a better life. Democratic government and economic freedom have turned a number of small nations into economic giants. It even appears to have roused a giant nation from its economic slumber.

Permit me in closing to return to Mr. Lincoln: "What defined America, what gave our nation its purpose and mission," he once said, "was something in that Declaration of Independence giving liberty not alone to the people of this country, but hope to the world. It was that which gave promise that in due time, the weights should be lifted from the shoulders of all men."

Well, let us always be true to that distinctly American cause. Let us never cease to work and pray that the weights should be lifted from the shoulders of all men.

Thank you, and God bless you, and I will now sign the proclamation designating December 10th as Human Rights Day and December 15th, 1985, as Bill of Rights Day, and the week beginning today is now recognized officially as Human Rights Week.

[1]Made at a ceremony at the Old Executive Office Building commemorating Bill of Rights Day and Human Rights Day and Week, 1985 (text from Weekly Compilation of Presidential Documents of Dec. 16, 1985). ■

Bill of Rights Day, Human Rights Day and Week, 1985

PROCLAMATION 5420, DEC. 10, 1985[2]

On December 15, 1791, the adoption of the first ten amendments to the Constitution of the United States—the Bill of Rights—gave legal form to the noble principles which our Founding Fathers had set forth in the Declaration of Independence as the very basis for the birth of our Nation.

Benjamin Franklin, then 81 years old, in a moving address, reminded the members of the Constitutional Convention that it was God who had seen them safely through the War of Independence and that it was only through His "kind Providence" that they were able to meet in peace to shape "the means of establishing . . . future national felicity. . . . And if a sparrow cannot fall to the ground without His notice," Franklin asked, "is it probable that an empire can rise without his aid?"

Mindful of this, and deeply convinced that fundamental human rights are not a concession from the state but a gift of God, the Founding Fathers knew that government has a solemn obligation to safeguard those rights. That is why they were at pains to devise and ordain a constitutional system that would ensure respect for the dignity and uniqueness of every human being. Thus, they brought into existence a form of limited government—representative democracy—whose powers are circumscribed by law and whose legitimacy derives from the consent of the governed. For the first time in the history of nations, a written Constitution based on the inalienable God-given rights of the individual was promulgated.

It is with sincere thanksgiving that we reflect on the successful efforts of those wise patriots of two hundred years ago who laid the political foundations of our beloved Nation, and also to those millions of citizens ever since who have cherished and defended the Constitution and the principles it embodies. Many have given their lives on the field of battle so that freedom and human dignity might live both at home and abroad; let us never forget our debt to them or fail to honor their sacrifice and courage.

One hundred and fifty-seven years after the adoption of our Bill or Rights, the fundamental concepts enshrined in our Constitution were internationally acknowledged as applying to all peoples when the United Nations adopted the Universal Declaration of Human Rights on December 10, 1948.

Although we can take heart at the number of nations in which human rights are respected and real progress towards democratic self-government is being made, a disturbingly large number of governments continue to commit serious abuses of human rights. In the tradition of our forefathers, we protest against these abuses wherever they occur. We condemn the practice of torture, racial and religious persecution, and the denial of the right of free expression and freedom of movement.

The United States will never cease to be in the forefront of the noble battle for human rights. We have committed our resources and our influence to efforts aimed at extending throughout the world the rights we enjoy, rights which are rightly the prerogative of all people. This Nation must remain and will remain a beacon of hope for all who strive for human dignity. There is no better way of showing our gratitude for our inheritance of liberty.

We believe it is a right, not a privilege, to be allowed to speak freely; to assemble peacefully; to acquire and dispose of private property; to leave the country of one's residence; to form trade unions; to join or not to join groups and associations; and to worship according to one's conscience. Experience teaches us that the best check against tyranny is a government of the people in which leaders are elected in fair and open balloting and where the government's powers are subject to constitutional limitations. We pray that one day all nations of the earth may share with us the joys and rewards of living in free societies, and we resolve not to rest from our labors until the most noble longings of the human spirit, those for freedom of belief and expression, are fully realized.

During this commemorative week, let us rededicate ourselves to the advancement of human rights throughout the world, recalling the words of Alexander Hamilton that "natural liberty is a gift of the beneficent creator to the whole human race . . . and cannot be wrested from any people without the most manifest violation of justice."

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim December 10, 1985, as Human Rights Day, and December 15, 1985, as Bill of Rights Day, and I call upon all Americans to observe the week beginning December 10, 1985, as Human Rights Week.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of December, in the year of our Lord nineteen hundred and eighty-five, and of the Independence of the United States of America the two hundred and tenth.

RONALD REAGAN

[2]Text from Weekly Compilation of Presidential Documents of Dec. 16. ■

Arms Sales to Jordan

PRESIDENT'S STATEMENT, NOV. 25, 1985[1]

On October 21, I submitted to the Congress a formal notification of the proposed sale of fighter aircraft, air defense missiles, armored vehicles, and other equipment to the Hashemite Kingdom of Jordan. The number and type of arms included in our proposal were selected only after careful study of Jordan's legitimate defensive needs.

I have today signed into law Senate Joint Resolution 228, which provides that no letter of offer for any of the advanced weapons systems, including advanced aircraft and advanced air defense systems, included in our proposed sale to Jordan will be valid before March 1, 1986, unless Jordan enters direct negotiations with Israel before that date. This legislation expresses Congress' belief that the peace process should be our primary concern.

Peace remains my main concern, as it is that of King Hussein, Prime Minister Peres, and other responsible leaders throughout the Middle East. King Hussein has taken dramatic steps toward peace, steps which have exposed him and the people of Jordan to strong pressure and bloody violence from those adamantly opposed to any peaceful settlement. Our arms proposals are designed to strengthen Jordan's ability to pursue its demonstrated commitment to peace.

In the months between now and March 1, we will continue to work toward achieving the goal we all share, the goal King Hussein outlined in his recent speech to the UN General Assembly: prompt, direct negotiations between Jordan and Israel. I remain equally committed to providing Jordan the defensive arms it requires. These weapons are neither a reward nor penalty for Jordan's actions but tangible proof that we remain committed to providing a good friend of many years with the tools needed to protect itself during the search for peace in a troubled region.

[1]Text from Weekly Compilation of Presidential Documents of Dec. 2, 1985. ■

UN Decade for Women Conference Held in Nairobi

The 1985 World Conference to Review and Appraise the Achievements of the UN Decade for Women was held in Nairobi July 15–27, 1985. It was attended by delegations from 157 countries, as well as representatives of intergovernmental organizations, UN agencies, nongovernmental organizations, and national liberation movements. At the conclusion of this conference—the event culminating the UN Decade for Women (1975–85)—a final document was adopted by consensus which contains forward-looking strategies of implementation for the advancement of women from 1986 to 2000.

Following are statements by Maureen Reagan, head of the U.S. delegation, in a plenary session of the conference on July 16 and in UN General Assembly Committee III (Social, Humanitarian, and Cultural) on November 5.

CONFERENCE PLENARY, JULY 16, 1985[1]

Thank you, Madame President [Margaret W. Kenyatta of Kenya]. On behalf of my entire delegation, I would like to convey our congratulations on your election to the presidency of this conference. Under your leadership, we have faith this conference will be most productive and successful. I would also like to extend our congratulations to all the members of the bureau. Kindly also relay to your government, and to all the Kenyan people, our sincere thanks for the way they have opened up their hearts and welcomed us to your beautiful country.

It is especially fitting that this major gathering of the world's women should take place in Africa. Africa today symbolizes the unique importance of women in shaping the present and future of humankind. Africa is a continent of pain and promise, of richness and scarcity, of intense suffering and undying hope. At the heart of these poignant contrasts, the women of this continent toil. At a time when food production is critical, their labors produce most of this continent's food crops. At a time when economic development is crucial, they account for a large part of Africa's labor force in its most crucial economic sectors. Clearly, the great promise of Africa will only be fulfilled, if, as President Moi [of Kenya] yesterday declared, we keep faith with Africa's women. So the women of Africa represent and symbolize the critical role, the passionate hopes, and the striving future of us all.

The U.S. delegation represents over 100 million women in the United States, women concerned with the issues this conference will address. They have achieved dramatic progress during this decade for women, and I would like to speak briefly of their achievements.

Of course, it is easy to point out sparkling examples of individual success. During this decade, the United States witnessed the appointment of the first woman Justice of our Supreme Court, three women serving simultaneously in the Cabinet of our government, the space flight of the first American woman astronaut, and the first nomination by a major party of a woman candidate for the vice-presidency.

But the advancement of America's women during the decade goes far beyond these individual cases. By the end of the decade, we have seen the percentage of women presidential appointees rise. Women now occupy more than 1,600 high-level policymaking positions in our Federal Government. Participation by women in the labor force at large has grown from 40 to 44%. While the average wage for women is still less than that of men, here too there has been improvement over this decade. We need to build on this progress, and I hope the next 15 years will witness even more improvement.

At the start of the decade, American women had already achieved substantial political equality through legislation. Women had the right to participate fully in political affairs and had obtained legislative guarantees prohibiting discrimination in employment and pay. Discrimination in housing, credit, and education had also been prohibited. Since the decade began, legislative progress has been made in tax laws, in social security regulations, in pregnancy discrimination, in job training, as well as in the field of prevention and treatment of child and spousal abuse.

But we still are not satisfied. While all legal barriers to political equality have long since been eliminated, there

still exist cultural, sociological, and economic barriers. These are problems faced by women throughout the world, and we are here to discuss these problems and to join you, the women of the world, in formulating strategies to overcome them.

During this conference, the U.S. delegation will be seeking to focus on four issues of special concern to my country: women refugees, women in development, literacy, and domestic violence. We will be hosting special conversation groups to concentrate on these issues. The United States has invited a number of the delegations here assembled to participate in these groups.

It is a tragic commentary on modern times that more than 10 million refugees suffer daily from deprivation, disorientation, and degradation. Since 1975 the United States has accepted nearly one-half of all the refugees resettled to third countries in the world. The needs of refugee women in the United States is a background and a tradition in which women do not take aggressive roles outside of the home, and where they are taught to be dependent upon others. Self-sufficiency skills are crucial for successful integration into American life.

Therefore, the main job of our refugee resettlement program—both public and private—is to help women from these traditional cultures learn to be full partners in our society—whether they work in the marketplace or in the home.

Let us not forget in these discussions, however, the root causes which have brought about nearly 10 million refugees and many more displaced persons in the world today—famine, drought, war, and, particularly, the wholesale loss of human freedom. When we see the suffering of women and children refugees in the world today, we must deplore the actions of governments which force people from their homes in search of freedom.

The desire for freedom is also at the heart of the vital role played by women in the development process. Governments have their targets and their 5-year plans. Women have dreams and aspirations. Our experience convinces us that the ability of women to choose their own paths and, therefore, to participate completely in all aspects of development is essential.

In many developing countries, women play a major role in those sectors of the economy where private effort and initiative are vital. Particularly in the least developed countries, they are the food farmers, they are the merchants, they are shopkeepers—the backbone of the local market economy. The experience of over two decades of development efforts around the world has shown that countries which place the emphasis upon the private economic sector achieve the best development results. This means that, especially for the least developed countries, the women's path to development is the best path. Emphasis upon the problems, concerns, and capacities of women is the bright hope of the development future. The private sector is often the women's sector. Particularly in the least developed countries, emphasizing this role of women of the private sector often means the role of women. Could this be one reason private sector approaches meet so much resistance from government bureaucracies?

While government projects and government control have not proven to be the keys to development, governments do have a responsibility to encourage effective development approaches. Over a decade ago, the U.S. Congress approved regulations requiring the U.S. Agency for International Development (AID) to allocate resources to ensure that bilateral development projects include programs specifically designed to help women. That agency is also required to consider the potential impact on women in all its development projects.

Through voluntary contributions to several UN programs, such as the UN Development Program, UNICEF, and the UN Voluntary Fund for the Decade for Women, the United States has generously contributed to these multilateral programs. These in turn have supported improving the condition of women in developing countries. We are committed to encouraging these kinds of activities that will foster the full and equal participation of women in their communities, in their nations, and in the world. We believe the United Nations can continue to play an important role as a catalyst in achieving this goal. It has already done so during the Decade for Women, and we anticipate it will continue to do so in the future.

Literacy is an area of major concern to the United States. While basic illiteracy is no longer a major problem for us, achieving true functional literacy is a major challenge. Functional literacy means the knowledge that makes everyday life work. Meeting this challenge will allow women to further improve their own lives and the lives of their families and their societies.

Finally, American women are increasingly coming to grips with the devastation caused by family violence. Now some of you may see this as a concern only in Western context. But violence in the home, whether based on traditional customs or spousal abuse, is all too prevalent worldwide. Family privacy, feelings of guilt, or embarrassment have often covered up this worldwide phenomenon. Help must come from outside the family. The most effective way to deal with family violence is to recognize that it is a criminal act and to treat it within the judicial system. The legal response should be guided by the nature of the abusive act, not the relationship between victim and abuser. I hope that we can share information on practical measures we have taken to meet this worldwide problem and to make a contribution to its solution.

I have just described the four issues that are of special importance to the United States in this conference. They were chosen by our delegation as areas of special interest and concentration because we believe that progress in these four areas in the coming years will have the greatest positive impact on the condition of women throughout the world. I realize, however, that other delegates consider other issues to be of greater importance. We are here to listen to those concerns. In doing so, we hope to promote greater understanding among all women.

For example, many delegations, especially those from Africa, believe it is of utmost importance that this conference address the question of apartheid in South Africa. Others believe that the situation of Palestinian women deserves special attention. The United States has never, and does not now, object to the discussion of these issues at the conference.

Apartheid is abhorrent to the Government and to the people of the United States. In addition to its demeaning and destructive effect upon the black people of South Africa, its effects upon women are especially severe. The forward-looking strategies should address ways to overcome the effects on women of this evil and inhumane system.

Similarly, we recognize that many delegations feel very strongly about discussing the situation in the Middle East and its effect upon women. We are prepared to work constructively with those delegations in a spirit of consensus-building to arrive at results that all can accept.

I realize that this conference offers to many women a platform from which to speak that may be denied to them elsewhere. I am blessed to be a citizen of a nation where women are free to speak out about their political views and to work within a democratic system to see that their views prevail. That is what I have done for my entire adult life. I would never deny to any woman an opportunity such as that presented here to use that platform, no matter how much I might disagree with her position.

We have been concerned, it is true, over the possibility that generalized political issues with only a nominal connection to the unique concerns of women might come to dominate our conference. This is a result that we will work hard to prevent. We want this to be remembered as a conference of women, by women, and for women. I am hopeful that in the spirit of compromise and consensus that has marked the opening of our work here in Nairobi, this result can be achieved.

COMMITTEE III,
NOV. 5, 1985[2]

The world conference in Nairobi last July marked the completion of the UN Decade for Women and witnessed the adoption, by consensus, of a forward-looking strategies document to the year 2000. It was, in short, a major milestone in the advancement of women.

We, like everyone else who attended the conference, want to thank Secretary General Perez de Cuellar; Madam Leticia Shahani, Secretary General of the conference; and all the UN officials who helped us through the conference process. Additionally, we would like to thank the chair of the conference, Madam Margaret Kenyatta. We ask that she take back with her our thanks to President Daniel arap Moi and to all the people of Kenya who opened their hearts to all of us visitors and made us feel at home. We will never forget you.

When the U.S. delegation journeyed to Nairobi, we went with great hope. We also went with the realization that in a political arena, there are volatile issues on which any world conference can be grounded.

Our goals were clearly stated in Vienna, here in New York, in conversations around the world, and in Nairobi. We wanted to participate in a full discussion of issues of unique concern to women, and we were anxious to adopt a consensus document which reflected the best agreement among the women of the world. This document would contain the dreams, the goals, and the ambitions of those of us who labored in Nairobi—and the millions of women on whose behalf we worked.

Because of our tremendous respect for the women and men who worked so tirelessly for this document, my delegation firmly believes that we should not and cannot allow the momentum gained in Nairobi to be lost. The U.S. delegation will make every effort to ensure that the ideas which emerged from Nairobi will not be confined to some forgotten archive. With these ideas, we will find practical solutions to the monumental problems faced by women every day.

We have listened with great interest in the last week to this debate because, like everyone else, we are currently digesting the document and looking for avenues of implementation.

These avenues are sometimes simple and other times more tortuous. An example of a simple goal traveling a complex road to achievement is paragraph 120. We heartily agree that the unremunerated work of professional homemakers should be included in calculations of gross national product. To facilitate this, we must gather a great deal of information from a variety of sources on the numbers of homemakers, definitions of responsibilities, a numerical quotient for each of several categories, and then an examination of what legislation may be required.

To point out that a goal—stated simply—will require great effort to implement only points up the problems women always face when striving for equality and recognition.

Unlike in some countries, women and men in the United States enjoy an open, democratic society which protects basic human and civil rights and which responds to the legitimate concerns and grievances of its citizenry. We believe that without this freedom all talk of the advancement of women is only that—talk.

Throughout the United States are thousands of nongovernmental organizations. These groups of individual volunteers devote tremendous time and energy to enhancing life in their communities. Some work for better cultural expression or health care for the elderly. Some give educational assistance to the young or give help to displaced workers, including displaced homemakers. Others counsel and comfort victims of rape, battering, and other violent crimes. There are local organizations—State and national associations—and many which join together internationally to assist at times of sudden or continued natural disaster. The generosity and caring of these people are well known around the world.

Political change and legislative refinement also begin with grassroots organizations. It is as a result of the numerous women's groups in my country that such issues as women's suffrage, protection of women's rights, and better job opportunities have found expression in local and State laws and have gained the attention of the Federal Government. In addition, private American institutions and companies have launched programs over the past 15 years specifically aimed at increasing the active participation of women in the professions and business and at ensuring that women not become victims of gender-based stereotyping.

I mention our private sector because to implement the forward-looking strategies in the United States, we need the interest and effort of our grassroots. In the United States, the people direct our government, and we depend upon their wisdom and concern.

For that reason, we feel the most important first thing we must do as a nation in implementing the forward-looking strategies is the distribution of the final report of the General Assembly with our own national report of the Nairobi conference. This information in the hands of elected officials at every level of government across the country and among those thousands of organizations with community responsibility will allow us to correct the remaining inequalities and enlarge women's opportunities in our country.

These concerned Americans I speak of do not see the forward-looking strategies as only directed toward what individual countries can and should do for themselves. They and we believe it is time for action by the United Nations. By this I mean considerably more than submitting reports on developments in member countries or issuing press releases, documentation, and rhetoric on the results of Nairobi. While these activities help in spreading the word, the United Nations should actively promote the principles and objectives which form the basis of the document. It should avoid the temptation to get side-tracked by irrelevant and politically motivated arguments. The United Nations needs to lead by example: It must begin by

looking at itself to see how best it can show the way to fulfilling the promises of Nairobi. The United Nations—the world's largest international bureaucracy—should improve the situation of women within its own system by placing more of them in policymaking positions and ensuring they have the same benefits and opportunities that their male counterparts enjoy. The United States will work to ensure equality of opportunity for women in the UN system.

The specialized agencies should pay particular attention to those sections of the final document which affect their specific areas of action. For example, the issue of women in development—a large section of the forward-looking strategies—should receive careful attention from the UN Development Program to ensure that projects are geared toward helping women develop and take advantage of their economic role. In the field of refugees, my delegation sees a need for projects which take into account the particular concerns of women refugees and their children. Greater direction in these areas would contribute significantly toward meeting the objectives of the final document.

I wish to point out that the U.S. Congress has ensured that our own bilateral development projects include programs specifically designed for women. Particular consideration is also given to the impact on women of all development projects. Our delegation went to Nairobi to gather information on such programs. The relationships we established with women from around the world will enable us to have a stronger voice in this policy development now and in the future.

I believe that it is clear that the UN agencies can play a similar, active role in fostering the objectives of the women's decade—without simply creating more paper and more bureaucracy.

At its regular session in 1984, the UN Commission on the Status of Women discussed the role of the commission in monitoring and implementing the goals of the decade and the 1985 world conference, as well as the role for women in the UN system. This subject was also widely discussed in Nairobi.

The agenda for our meeting in Vienna next year will provide an opportunity for us to explore fully the future role of the commission. We were particularly excited by the proposal last week by the representative of France that the commission be renamed for the "Advancement of Women." It seems to us a positive approach and one we can wholeheartedly support.

There is clearly a need for the commission to become more energetic in promoting the interests of women within the United Nations. The commission must provide guidance on women's concerns to UN agencies, the General Assembly, and member countries. It can and should be an instrument with which to implement the forward-looking strategies and the many other good ideas which emerged from the conference.

In addition to the forward-looking strategies, 105 resolutions were introduced. Through tremendous effort at agreement and amalgamation, that number was reduced to 86. Because of time, these resolutions are annexed to the report of the conference. Since no action was taken on them in Nairobi, these resolutions, as such, no longer fit in the system. But the subjects they covered do belong and are very important to the future of women.

Reality tells us that those topics of general international debate covered by several of the resolutions will continue to be part of the agenda of the United Nations. But what about the serious, dangerous violence against women in the home? What about the specific proposals on development and health for women not contained in the forward-looking strategies? What about the proposals for better education of women and young girls, which is only lightly addressed in the forward-looking strategies? Will there also be a place for these issues in a general UN debate?

What Nairobi should tell the world community is that we, the women of the world, are no longer a separate agenda item. We must be part of all agendas now and in the future. We, by our consensus on issues of our unique concern, speak as at least half the world's population and we say: When the United Nations debates education, the special needs of women and young girls will be addressed. When the United Nations debates refugees, the particular problems of violence against women and the need for special counseling and distribution of health and human services will be addressed. When development of water resources and security of food supplies are on the agenda, women must be present to offer their insight to these serious hazards to their well-being. When the spotlight shines on development of income generation, women must be a part of the process.

There is no issue on Earth which does not contain some unique effect upon women, and we insist on integration into governments and international organizations where we can work for the solutions, not simply live with the problems.

---

[1]USUN press release 82 of July 17, 1985.
[2]USUN press release 138.■

December 1985

The following are some of the significant official U.S. foreign policy actions and statements during the month that are not reported elsewhere in this periodical.

December 6
Defense Secretary Weinberger and British Defense Minister Halseltine sign an agreement by which the U.K. joins the Strategic Defense Initiative research effort.

December 9–11
Commerce Secretary Baldrige attends the annual meeting of the U.S.-U.S.S.R. Trade and Economic Council. While in Moscow, he also meets with Soviet Minister for Foreign Trade Aristov for discussions on nonstrategic trade opportunities consistent with existing U.S. policies and regulations.

December 9–17
Assistant Secretary Wolfowitz visits Hong Kong (Dec. 9–10), Laos (Dec. 15–16), and Burma (Dec. 16–17) for discussions with host-government officials. On December 11–14 he visits Bali to attend the U.S.-Indonesia Bilateral Conference co-sponsored by the Asia Foundation and Indonesia's Center for Strategic and International Studies.

December 9
The UN General Assembly adopts by consensus a resolution condemning "as criminal all acts, methods, and practice of terrorism wherever and by whomever committed, including those which jeopardize friendly relations among states and their security."

December 10
In a report submitted to Secretary Shultz, the Reform Observation Panel unanimously reaffirms the 1984 U.S. decision to withdraw from UNESCO. The panel also recommends that the U.S. retain its observer status through 1986 at a reduced staff level.

December 12
The U.S. votes against four UN General Assembly resolutions on the question of Palestine. The resolutions endorsed the immediate need for a Middle East peace conference under UN auspices, the work of the Palestinian Rights Committee, appropriating funds for the Secretariat's Division of Palestinian Rights, and asked the Secretariat's Department of Public Information to continue its cooperation with these two organizations.

December 13
The UN General Assembly unanimously agrees to hold an international conference on drug abuse and illicit trafficking in Vienna in 1987. It is expected the ministerial-level meeting will generate universal action and adopt an outline of activities to combat the worldwide drug problem.

December 16–17
Guatemala's President-elect Vinicio Cerezo makes a private visit to the U.S. to meet with various government officials and Members of Congress.

December 17
By a vote of 91 to 6 (U.S.) with 49 abstentions, the UN General Assembly adopts a resolution requesting that the U.S. trade embargo against Nicaragua be revoked.

December 18
The UN Security Council unanimously adopts a U.S.-initiated resolution that condemns "all acts of hostage-taking and abduction" and calls for the immediate release of all hostages.

December 30
The UN Security Council unanimously condemns the "unjustifiable and criminal terrorist attacks" at the Rome and Vienna airports on December 27 and urges that those responsible for the attacks "be brought to trial in accordance with due process of law." The Security Council also calls upon "all concerned to exercise restraint and to refrain from taking any action inconsistent with their obligations under the UN Charter and other relevant rules of international law." ■

Current Actions

MULTILATERAL

Antarctica
Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Done at Canberra July 24, 1961. Entered into force Apr. 30, 1962. TIAS 5094.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Buenos Aires July 28, 1962. Entered into force Jan. 11, 1963. TIAS 5274.

Recommendations, including agreed measures for conservation of Antarctic fauna and flora. Adopted at Brussels June 2–13, 1964. Entered into force July 27, 1966, except for III–VII, III–VIII, III–XI; Sept. 1, 1966, for III–XI; Dec. 22, 1978, for III–VII. TIAS 6058, 10485.

Measures relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Santiago Nov. 18, 1966. Entered into force Oct. 30, 1968, for IV–20 thru IV–28. TIAS 6668.

Measures relating to the furtherance of the principles and purposes of the Antarctic Treaty (TIAS 4780). Adopted at Paris Nov. 29, 1968. Entered into force May 26, 1972, for V–1 thru V–4 and V–9; July 31, 1972, for V–7 and V–8. TIAS 7692.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Tokyo Oct. 30, 1970. Entered into force Oct. 10, 1973, for VI–1 thru VI–7 and VI–11 thru VI–15. TIAS 7796.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Wellington Nov. 10, 1972. Entered into force May 29, 1975, for VII–1 thru VII–3, VII–6 thru VII–8; Aug. 4, 1983, for VII–4 and VII–9. TIAS 8500.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Oslo June 20, 1975. Entered into force Dec. 16, 1978, for VIII–6 thru VIII–8 and VIII–10 thru VIII–14; Sept. 1, 1980, for VIII–3 and VIII–4; Jan. 26, 1984, for VIII–9. TIAS 10486.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at London Oct. 7, 1977. Entered into force Sept. 8, 1983. TIAS 10735.
Notification of approval: China, Dec. 11, 1985.

Containers
International convention for safe containers, 1972, as amended (TIAS 9037, 10220). Done at Geneva Dec. 2, 1972. Entered into force Sept. 6, 1977; for the U.S. Jan. 3, 1979.
Accessions deposited: Benin, Nov. 1, 1985; Honduras, Sept. 24, 1985; Portugal, Oct. 22, 1985.

Environmental Modification
Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977. Entered into force Oct. 5, 1978; for the U.S. Jan. 17, 1980. TIAS 9614.
Accession deposited: Afghanistan, Oct. 22, 1985.

Judicial Procedure
Convention on the taking of evidence abroad in civil or commercial matters. Done at The Hague Mar. 18, 1970. Entered into force Oct. 7, 1972. TIAS 7444.
Extended by United Kingdom to: Guernsey, Nov. 13, 1985.

Marine Pollution
International convention for the prevention of pollution of the sea by oil, with annexes. Done at London May 12, 1954. Entered into force July 26, 1958; for the U.S. Dec. 8, 1961. TIAS 4900.
Acceptance deposited: Bahrain, Oct. 21, 1985.

Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900). Adopted at London Oct. 12, 1971,[1] and at London Oct. 15, 1971.[1]
Acceptances deposited: Bahrain, Oct. 21, 1985.

International convention relating to intervention on the high seas in cases of oil pollution casualties, with annex. Done at Brussels Nov. 29, 1969. Entered into force May 6, 1975. TIAS 8068.
Accession deposited: Benin, Nov. 1, 1985.

International convention on the establishment of an international fund for compensation for oil pollution damage. Done at Brussels Dec. 18, 1971. Entered into force Oct. 16, 1978.[1]
Accession deposited: Benin, Nov. 1, 1985.

Protocol to the international convention on civil liability for oil pollution damage, 1969. Done at London Nov. 19, 1976. Entered into force Apr. 8, 1981.[2]
Accession deposited: Poland, Oct. 30, 1985.

International convention for the prevention of pollution from ships, 1973, with protocols and annexes. Done at London Nov. 2, 1973.[1]
Accession deposited: Benin, Nov. 1, 1985.

Protocol of 1978 relating to the international convention for the prevention of pollution from ships, 1973. Done at London Feb. 17, 1978. Entered into force Oct. 2, 1983.
Accession deposited: Tuvalu, Aug. 22, 1985.

Maritime Matters
International convention on load lines, 1966. Done at London Apr. 5, 1966. Entered into force July 21, 1968. TIAS 6331, 6629, 6720.
Accessions deposited: Bahrain, Oct. 21, 1985; Benin, Nov. 1, 1985; Tuvalu, Aug. 22, 1985.

Amendments to the international convention on load lines, 1966 (TIAS 6331, 6629, 6720). Adopted at London Oct. 12, 1977,[1] and at London Nov. 12, 1975.[1]
Acceptances deposited: Bahrain, Oct. 21, 1985; Honduras, Sept. 24, 1985.

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969. Entered into force July 18, 1982; for the U.S. Feb. 10, 1983. TIAS 10490.
Accessions deposited: Bahrain, Oct. 21, 1985; Benin, Nov. 1, 1985; Tuvalu, Aug. 22, 1985.

Convention on the international regulations for preventing collisions at sea, 1972, with regulations. Done at London Oct. 20, 1972. Entered into force July 15, 1977. TIAS 8587.
Accessions deposited: Bahrain, Oct. 21, 1985; Benin, Nov. 1, 1985; Honduras, Sept. 24, 1985.
Notification of succession: Tuvalu, Aug. 22, 1985, effective Oct. 1, 1978.

International convention for the safety of life at sea, 1974, with annex. Done at London Nov. 1, 1974. Entered into force May 25, 1980. TIAS 9700.
Accessions deposited: Bahrain, Oct. 21, 1985; Benin, Nov. 1, 1985; Cyprus, Oct. 11, 1985; Honduras, Sept. 24, 1985; Tuvalu Aug. 22, 1985.
Ratification deposited: Congo, Sept. 10, 1985.

Protocol of 1978 relating to the international convention for the safety of life at sea, 1974 (TIAS 9700). Done at London Feb. 17, 1978. Entered into force May 1, 1981. TIAS 10009.
Accessions deposited: Cyprus, Oct. 11, 1985; Honduras, Sept. 24, 1985.

International convention on standards of training, certification, and watchkeeping for seafarers, 1978. Done at London July 7, 1978. Entered into force Apr. 28, 1984.[2]
Accessions deposited: Benin, Nov. 1, 1985; Honduras, Sept. 24, 1985; Hungary, Oct. 15, 1985; Portugal, Oct. 30, 1985; Tuvalu, Aug. 22, 1985.

International convention on maritime search and rescue, 1979, with annex. Done at Hamburg Apr. 27, 1979. Entered into force June 22, 1985.
Accession deposited: Portugal, Oct. 30, 1985.

Rubber
Extension of the international natural rubber agreement, 1979 (TIAS 10379). Adopted by the International Natural Rubber Council at Kuala Lumpur June 12, 1985.
Entered into force: Oct. 22, 1985.

Terrorism
Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Adopted at New York Dec. 14, 1973. Entered into force Feb. 20, 1977. TIAS 8532.
Ratification deposited: Italy, Aug. 30, 1985.

Wheat
1983 protocol for the further extension of the wheat trade convention, 1971 (TIAS 7144). Done at Washington Apr. 4, 1983. Entered into force July 1, 1983.

1983 protocol for the further extension of the food aid convention, 1980 (TIAS 10015). Done at Washington Apr. 4, 1983. Entered into force July 1, 1983.
Ratified by the President: Dec. 3, 1985.
Ratifications deposited: U.S. Dec. 3, 1985.
Definitive entry into force for the U.S.: Dec. 3, 1985.

BILATERAL

Barbados
Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, with exchange of notes. Signed at Bridgetown Dec. 31, 1984.
Senate advice and consent to ratification with reservation: Dec. 16, 1985.

Brazil
Agreement extending the agreement of Dec. 1, 1971 (TIAS 7221), as amended and extended, relating to a program of scientific and technological cooperation. Effected by exchange of notes at Brasilia Nov. 4 & 18, 1985. Entered into force Nov. 18, 1985; effective Dec. 1, 1985.

Chile
Agreement concerning the use of Mataveri Airport, Isla de Pascua, as a space shuttle emergency landing and rescue site. Signed at Santiago Aug. 2, 1985.
Entered into force: Nov. 6, 1985.

China
Agreement for cooperation concerning peaceful uses of nuclear energy, with annexes and agreed minutes. Signed at Washington July 23, 1985.
Entered into force: Dec. 30, 1985.

Agreement concerning fisheries off the coasts of the U.S. with annexes and agreed minutes. Signed at Washington July 23, 1985.
Entered into force: Nov. 19, 1985.

Costa Rica
Agreement for the sales of agricultural commodities. Signed at San Jose Nov. 29, 1985. Enters into force when the importing country notifies the exporting country that all constitutional requirements have been met.

Cuba
Agreement extending the provisional application of the maritime boundary agreement of Dec. 16, 1977. Effected by exchange of notes at Washington Nov. 20 & Dec. 3, 1985. Entered into force Dec. 3, 1985; effective Jan. 1, 1986.

Cyprus
Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, with related notes. Signed at Nicosia Mar. 19, 1984.
Senate advice and consent to ratification: Dec. 16, 1985.
Ratified by the President: Dec. 23, 1985.
Ratifications exchanged: Dec. 31, 1985.
Entered into force: Dec. 31, 1985.

International express mail/datapost special express memorandum of understanding, with detailed regulations. Signed at Nicosia & Washington Sept. 13 & Oct. 18, 1985. Entered into force Nov. 1, 1985.

Dominican Republic
Agreement on international narcotics control cooperation. Signed at Santo Domingo Nov. 18, 1985. Entered into force Nov. 18, 1985.

Egypt
Fifth amendment to grant agreement of Aug. 29, 1982 (TIAS 10472), as amended, for decentralization sector support. Signed at Cairo Aug. 15, 1985. Entered into force Aug. 15, 1985.

Grant agreement for local development program II. Signed at Cairo Sept. 12, 1985. Entered into force Sept. 12, 1985.

Grant agreement for national agricultural research project. Signed at Cairo Sept. 12, 1985. Entered into force Sept. 12, 1985.

Grant agreement for cash transfer in the amount of $250,000,000 to provide balance-of-payments and budget support to Egypt. Signed at Cairo Sept. 24, 1985. Entered into force Sept. 24, 1985.

Grant agreement for development training project. Signed at Cairo Sept. 26, 1985. Entered into force Sept. 26, 1985.

El Salvador
Memorandum of understanding amending the air transport agreement of Apr. 2, 1982 (TIAS 10488). Effected by exchange of notes at San Salvador July 16 & 24, 1985. Entered into force July 24, 1985.

European Atomic Energy Community (EURATOM)
Agreement relating to the additional agreement for cooperation concerning peaceful uses of atomic energy of June 11, 1960, as amended and extended (TIAS 4650, 5104, 5444, 7566). Effected by exchange of notes at Washington Dec. 16 & 17, 1985. Entered into force Dec. 17, 1985.

Finland
Arrangement for the exchange of technical information and cooperation in nuclear safety matters. Signed at Vienna Sept. 25, 1985. Entered into force Sept. 25, 1985.

Honduras
Agreement relating to the employment of dependents of official government employees. Effected by exchange of notes at Tegucigalpa June 11 & Nov. 27, 1985. Entered into force Nov. 27, 1985.

Indonesia
Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with related letters. Effected by exchange of notes at Jakarta Sept. 25 & Oct. 3, 1985. Entered into force Oct. 3, 1985; effective July 1, 1985.

best copy available

Agreement relating to trade in ramie textile and textile products. Effected by exchange of notes at Jakarta Sept. 25 & Oct. 3, 1985. Entered into force Oct. 3, 1985; effective July 1, 1985.

Israel
Grant agreement in the amount of $750,000,000 to support the economic and political stability of Israel. Signed at Washington Sept. 11, 1985. Entered into force Sept. 11, 1985.

Grant agreement in the amount of $1,200,000,000 to support the economic and political stability of Israel. Signed at Washington Oct. 30, 1985. Entered into force Oct. 30, 1985.

Italy
Convention with protocol for the avoidance of double taxation with respect to taxes on income and the prevention of fraud or fiscal evasion, with exchange of notes. Signed at Rome Apr. 17, 1984.
Senate advice and consent to ratification with understanding: Dec. 16, 1985.
Ratified by the President: Dec. 23, 1985.
Ratifications exchanged: Dec. 30, 1985.
Entered into force: Dec. 30, 1985; effective Feb. 1, 1986, for certain provisions, Jan. 1, 1985, for others.

Supplementary agreement to the agreement of May 23, 1973 (TIAS 9058), on the matter of social security. Signed at Rome Apr. 17, 1984.
Entered into force: Jan. 1, 1986.

Agreement regarding mutual administrative assistance for the prevention and the repression of customs violations. Signed at New York Nov. 15, 1985. Enters into force on the first day of the second month following the date of notification by the contracting parties of their approval in accordance with their constitutional procedures.

Maldives
Agreement concerning the provision of training related to defense articles under the U.S. international military education and training (IMET) program. Effected by exchange of note and telex at Colombo & Male Mar. 4 & Apr. 9, 1983. Entered into force Apr. 9, 1983.

Mexico
Agreement extending the air transport agreement of Aug. 15, 1960, as amended and extended (TIAS 4675, 7167) and the agreement of Jan. 20, 1978, relating to reduced air fares and charter air services (TIAS 10115). Effected by exchange of notes at Washington Nov. 19 & Dec. 18, 1985. Entered into force Dec. 18, 1985.

Morocco
Memorandum of agreement concerning hydrographic surveys and nautical charting. Signed at Rabat Nov. 20, 1985. Entered into force Nov. 29, 1985.

Netherlands
Agreement concerning the stationing, support and operation of the ground-launched cruise missile (GLCM) system in the territory of the Netherlands. Effected by exchange of notes at The Hague Nov. 4, 1985. Enters into force on date of receipt by U.S. Government of notification by the Netherlands that constitutionally required procedures have been fulfilled.

Norway
Memorandum of mapping, charting, and geodesy exchange and cooperative agreement, with annexes. Signed at Washington & Oslo Nov. 13 & 22, 1985. Entered into force Nov. 22, 1985.

Oman
Agreement amending and extending agreement of Dec. 14, 1979, and May 18, 1980 (TIAS 9824), relating to the provision of technical aviation assistance and services, with annex. Signed at Muscat Oct. 1 & Nov. 1, 1985. Entered into force Nov. 1, 1985; effective Oct. 1, 1985.

Thailand
Agreement amending and extending agreement of July 27, & Aug. 8, 1983, as amended, relating to trade in cotton, wool, and man-made fiber textiles and textile products. Effected by exchange of notes at Bangkok Nov. 25 & 26, 1985. Entered into force Nov. 26, 1985.

Agreements relating to trade in apparel of silk and of vegetable fiber. Effected by exchanges of notes at Bangkok Dec. 2 & 3, 1985. Entered into force Dec. 3, 1985.

Turkey
Treaty concerning the reciprocal encouragement and protection of investments, with protocol. Signed at Washington Dec. 3, 1985. Enters into force 30 days after the date of exchange of instruments of ratification.

Trinidad & Tobago
Agreement concerning the provision of training related to defense articles under the U.S. international military education and training (IMET) program, with aide memoire. Effected by exchange of notes at Port-of-Spain Dec. 29, 1983 & Nov. 16, 1984. Entered into force Nov. 16, 1984.

U.S.S.R.
General agreement on contacts, exchanges, and cooperation in scientific, technical, education, cultural, and other fields, and program of cooperation and exchanges for 1986–1988, with annex. Signed at Geneva Nov. 21, 1985. Entered into force Nov. 21, 1985.

United Kingdom
Agreement amending the memorandum of understanding of Nov. 2, 1984, concerning air services. Effected by exchange of notes at Washington Nov. 21, 1985. Entered into force Nov. 21, 1985.

Agreement extending the agreement of July 26, 1984, concerning the Cayman Islands and narcotics activities. Effective by exchange of notes at Washington Nov. 29, 1985. Entered into force Nov. 29, 1985.

Venezuela
Agreement extending implementing agreement of Oct. 29 & Nov. 9, 1982, as extended, regarding air transport services. Effected by exchange of notes at Caracas Oct. 24 & Nov. 14, 1985. Entered into force Nov. 14, 1985; effective Nov. 1, 1985.

Yugoslavia
Arrangement for the exchange of technical information and cooperation in nuclear safety matters, with addenda. Signed at Belgrade Sept. 19, 1985. Entered into force Sept. 19, 1985.

Zaire
Agreement amending agreement of Dec. 22, 1984, as amended, for the sale of agricultural commodities. Effected by exchange of letters at Kinshasa Aug. 6 & 19, 1985. Entered into force Aug. 19, 1985.

Agreement for sales of agricultural commodities. Signed at Kinshasa Nov. 27, 1985. Entered into force Nov. 27, 1985.

---

[1]Not in force.
[2]Not in force for the U.S. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20502.

No.	Date	Subject
271	12/2	Shultz: remarks at the OAS General Assembly, Cartagena.
*272	12/16	L.W. Lane, Jr., sworn in as Ambassador to Australia and Nauru, Dec. 12 (biographic data).
*273	12/4	Shultz: statement on the resignation of Assistant to the President for National Security Affairs McFarlane.
274	12/6	Shultz: news conference.
275	12/10	Shultz: remarks before the Pilgrims of Great Britain, London.
276	12/12	*Foreign Relations of the United States, 1955–1957: Volume I, Vietnam* released.
*277	12/13	Shultz: statement on the Gander airplane crash, Brussels, Dec. 12.
*278	12/16	Shultz: interview on Belgian radio and TV, Brussels, Dec. 11.

279	12/16	Whitehead: address before the World Affairs Council, Dec. 13.
*279A	12/16	Whitehead: question-and-answer session after World Affairs Council address, Dec. 13.
280	12/16	Shultz: address before the Berlin Press Conference, Berlin, Dec. 14.
281	12/31	Shultz, Delors: joint news conference, Brussels, Dec. 13.
282	12/16	Shultz: news conference, Brussels, Dec. 13.
*283	12/18	Shultz: remarks, Berlin, Dec. 14.
*284	12/18	Shultz: arrival statement, Bucharest, Dec. 15.
285	12/15	Shultz: news conference, Bucharest, Dec. 15.
*286	12/18	Shultz: arrival statement, Berlin, Dec. 14.
287	12/18	Shultz: news conference, Budapest, Dec. 16.
*288	12/18	Shultz: statement at wreath-laying ceremony, Belgrade, Dec. 17.
*289	12/18	Shultz: arrival statement, Belgrade, Dec. 17.
*290	12/31	Shultz: interview for TV, Belgrade, Dec. 18.
*291	12/19	Shultz: luncheon toast, Belgrade, Dec. 17.
292	12/31	Shultz, Dizdarevic: news conference, Belgrade, Dec. 17.
*293	12/18	Winston Lord sworn in as Ambassador to China, Nov. 8 (biographical data).
*294	12/19	Shultz: departure statement, Belgrade, Dec. 18.
*295	12/19	Shultz: interview on "The Today Show," Dec. 18.
*296	12/19	Secretary Shultz names Advisory Committee on South Africa.
*297	12/19	Shultz: remarks at Christmas tree lighting ceremony.
298	12/19	Shultz: statement on the appointment of the Advisory Committee on South Africa.
299	12/26	*A Decade of American Foreign Policy: Basic Documents, 1941–1949* released.
*300	12/26	Paul Matthews Cleveland sworn in as Ambassador to New Zealand (biographic data).
*301	12/30	Joseph Ghougassian sworn in as Ambassador to Qatar, Dec. 18 (biographic data).

*Not printed in the BULLETIN. ■

Department of State

Free single copies of the following Department of State publications are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan

Safeguarding Human Rights, ceremony commemorating Bill of Rights Day, Human Rights Day and Week, 1985, with text of proclamation, Dec. 10, 1985 (Current Policy #775).

Secretary Shultz

Berlin and the Cause of Freedom, Berlin Press Conference, Berlin, Dec. 14, 1985 (Current Policy #778).

The New International Era: An American Perspective, Pilgrims of Great Britain, London, Dec. 10, 1985 (Current Policy #771).

Africa

Recent Developments in Liberia, Assistant Secretary Crocker, Subcommittee on African Affairs, Senate Foreign Relations Committee, Dec. 10, 1985 (Current Policy #773).

African Refugees (GIST, Dec. 1985).

Ethiopian Famine (GIST, Dec. 1985).

Arms Control

The Nuclear and Space Arms Talks: Where We Are After the Summit, Ambassador Nitze, Atlantic Council, Dec. 5, 1985 (Current Policy #770).

East Asia

The U.S. and the Philippines: Dangers and Opportunities, Under Secretary Armacost, World Affairs Council, Portland, Dec. 5, 1985 (Current Policy #774).

Economics

The World Bank (GIST, Dec. 1985).

Europe

The Reagan-Gorbachev Meeting (GIST, Dec. 1985).

International Law

The United States and the World Court, Legal Adviser Sofaer, Senate Foreign Relations Committee, Dec. 4, 1985 (Current Policy #769).

Population

International Family Planning, AID Administrator McPherson, American Enterprise Institute, Nov. 25, 1985 (Current Policy #772).

South Asia

Afghanistan's Struggle for Freedom, Deputy Secretary Whitehead, World Affairs Council, Dec. 13, 1985 (Current Policy #776).

U.S.-Pakistan Relations: The Economic Dimension, Under Secretary Wallis, Federation of Pakistan Chambers of Commerce and Industry, Karachi, Nov. 19, 1985 (Current Policy #767).

Western Hemisphere

An End to Tyranny in Latin America, Assistant Secretary Abrams, Americas Society, New York City, Dec. 9, 1985 (Current Policy #777).

Beyond the Debt Problem: The Path to Prosperity in Latin America, Secretary Shultz, OAS General Assembly, Cartagena, Dec. 2, 1985 (Current Policy #768). ■

Foreign Relations Volume Released

The Department of State on December 16, 1985, released *Foreign Relations of the United States*, 1955–1957, Volume I, Vietnam. The volume contains 900 pages of previously classified documents on U.S. policy with regard to Vietnam.

This volume presents the record of early crises in the relationship between the United States and the South Vietnamese Government of Prime Minister Ngo Dinh Diem. During 1955, Diem struggled with various dissident groups for control of the government. The ousted French colonial power warmed to Diem reluctantly. The U.S. officials in Saigon and in Washington had lingering doubts about Diem's ability to maintain a viable government and weighed alternative leadership. American policy nevertheless remained committed to Diem. Programs to strengthen South Vietnam militarily and economically were undertaken. When Diem made a state visit to Washington in 1957, his authority at last seemed confirmed, but doubts persisted and grew among American officials about the lack of popular support for the Diem regime, as well as about the best way to aid the fledgling nation.

The *Foreign Relations* series has been published continuously since 1861 as the official documentary record of U.S. foreign policy. The volume released December 16 is the first to be published for the years 1955–57.

Press release 276 of Dec. 12, 1985. ■

Basic Documents Volume Released

The Department of State on December 26, 1985, released *A Decade of American Foreign Policy: Basic Documents, 1941–1949*. This is a revised edition of a 1950 documentary publication with the same title that was prepared jointly by the Senate Foreign Relations Committee and the Historical Division of the Department of State. This original publication became a standard reference source of the basic public documents on U.S. foreign policy during the 1940s. It has long been out of print. Furthermore, the experience of the intervening years indicated that the text of the volume was marred by certain unintentional omissions, oversights, and editing anomalies. The Department of State decided to revise and reissue it as a service to the public and government officials as well as to commemorate the momentous changes in international relations that occurred during and immediately after World War II. This decade now can be seen more clearly as a turning point in history and the foundation of 40 precarious years of peace among the great powers of the world.

The volume released December 26 is an improved version of the original 1950 edition. Nearly all of the documents of the first edition have been retained in the present volume. The order of documents has been reorganized to reflect more accurately the development of major foreign affairs issues. Documents have been added to fill important gaps in the historical record. Like all the documents in the original edition, these additional papers were released to the press and public at the time or shortly thereafter. Typographical and editing errors in the source texts have been corrected, and footnotes have been expanded to include better information on the location of authoritative primary texts. The revised edition also contains 3 maps and 36 photographs. The cover design of the book is a montage of additional photographs from the period.

The revised edition of *A Decade of American Foreign Policy: Basic Documents, 1941–1949* was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. Copies of this book, which has been published only in soft cover, may be purchased for $20.00 (domestic postpaid) from the Superintendent of Documents, U.S. Government Printing Office (Department of State Publication No. 9443; GPO Stock No. 044-000-02050-5). Checks or money orders should be made payable to the Superintendent of Documents.

Press release 299 of Dec. 26, 1985. ■

Background Notes

This series provides brief, factual summaries of the people, history, government, economy, and foreign relations of about 170 countries (excluding the United States) and of selected international organizations. Recent revisions are:

Belgium (Nov. 1985)
Burundi (Oct. 1985)
Cuba (Aug. 1985)
Guinea (Oct. 1985)
Kuwait (Sept. 1985)
Malawi (Sept. 1985)
Poland (Aug. 1985)
Taiwan (Sept. 1985)
Uganda (Sept. 1985)
Zaire (Nov. 1985)

A free **single** copy of one of the above (and an index of the entire series) may be obtained from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20502.

For about 60 *Background Notes* a year, a subscription is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for $32.00 (domestic) and $40.00 (foreign). Check or money order, made payable to the Superintendent of Documents, must accompany order. ■

February 1986
Volume 86, No. 2107

Advisory Committees. Appointment of Advisory Committee on South Africa (Shultz, list of committee members) 57
Afghanistan
Afghanistan: Six Years of Soviet Occupation (Karp) 4
Afghanistan's Struggle for Freedom (Whitehead) 1
Soviet Occupation of Afghanistan (Reagan) 22
UN Calls for Soviet Withdrawal from Afghanistan (Walters, text of resolution) 20
American Principles
Berlin and the Cause of Freedom (Shultz) 29
A New International Era: The American Perspective (Shultz) 24
Arms Control
The Nuclear and Space Arms Talks: Where We Are After the Summit (Nitze) 58
Nuclear Testing (White House statement) .60
Secretary's News Conference of December 6 50
Secretary's Trip to Europe (news conferences, North Atlantic Council final communique, NATO Foreign Ministers statement) 36
Soviet Noncompliance With Arms Control Agreements (message to the Congress, text of unclassified report) 65
Western Proposal Tabled at MBFR Negotiations (Alexander, Blackwill, Reagan) 60
China. U.S.-China Nuclear Cooperation Agreement (Reagan) 75
Colombia. Beyond the Debt Problem: The Path to Prosperity in Latin America (Shultz) 32
Congress
CSCE Cultural Forum Meets in Budapest (Stoessel, Western draft concluding document) 80
Countering Communist Espionage in the U.S. (Ridgway) 76
Recent Developments in Liberia (Crocker) 54
Soviet Noncompliance With Arms Control Agreements (message to the Congress, text of unclassified report) 65
24th Report on Cyprus (message to the Congress) 78
Cyprus. 24th Report on Cyprus (message to the Congress) 78
Economics. Beyond the Debt Problem: The Path to Prosperity in Latin America (Shultz) 32
Europe
CSCE Cultural Forum Meets in Budapest (Stoessel, Western draft concluding document) 80
Secretary's News Conference of December 6 50
Western Proposal Tabled at MBFR Negotiations (Alexander, Blackwill, Reagan) 60
European Communities. Secretary's Trip to Europe (news conferences, North Atlantic Council final communique, NATO Foreign Ministers statement) 36
Germany. Berlin and the Cause of Freedom (Shultz) 29
Human Rights. Safeguarding Human Rights (Reagan, proclamation) 87
Hungary. Secretary's Trip to Europe (news conferences, North Atlantic Council final communique, NATO Foreign Ministers statement) 36
Intelligence Operations. Countering Communist Espionage in the U.S. (Ridgway) 76
International Organizations and Conferences. UN Decade for Women Conference Held in Nairobi (Reagan) 89
Jordan. Arms Sales to Jordan (Reagan) ...89
Liberia. Recent Developments in Liberia (Crocker) 54
Middle East. Secretary's News Conference of December 6 50
Military Affairs
NATO Defense Planning Committee Meets (final communique) 79
Western Proposal Tabled at MBFR Negotiations (Alexander, Blackwill, Reagan) 60
Nicaragua
Nicaragua (Reagan) 23
Secretary's News Conference of December 6 50
North Atlantic Treaty Organization
NATO Defense Planning Committee Meets (final communique) 79
Secretary's Trip to Europe (news conferences, North Atlantic Council final communique, NATO Foreign Ministers statement) 36
Nuclear Policy. U.S.-China Nuclear Cooperation Agreement (Reagan) 75
Philippines. The U.S. and the Philippines: Dangers and Opportunities (Armacost) ..73
Presidential Documents
Arms Sales to Jordan 89
Nicaragua 23
Safeguarding Human Rights (Reagan, proclamation) 87
Soviet Noncompliance With Arms Control Agreements (message to the Congress, text of unclassified report) 65
Soviet Occupation of Afghanistan 22
24th Report on Cyprus (message to the Congress) 78
U.S.-China Nuclear Cooperation Agreement 75
U.S.-Soviet Relations 23
Western Proposal Tabled at MBFR Negotiations (Alexander, Blackwill, Reagan) 60
Publications
Background Notes 97
Basic Documents Volume Released 97
Department of State 96
Foreign Relations Volume Released 96
Romania. Secretary's Trip to Europe (news conferences, North Atlantic Council final communique, NATO Foreign Ministers statement) 36
Security Assistance. Arms Sales to Jordan (Reagan) 89
South Africa. Appointment of Advisory Committee on South Africa (Shultz, list of committee members) 57
Terrorism. Secretary's Trip to Europe (news conferences, North Atlantic Council final communique, NATO Foreign Ministers statement) 36
Trade
Beyond the Debt Problem: The Path to Prosperity in Latin America (Shultz) 32
Secretary's Trip to Europe (news conferences, North Atlantic Council final communique, NATO Foreign Ministers statement) 36
Treaties
Current Actions 93
U.S.-China Nuclear Cooperation Agreement (Reagan) 75
U.S.S.R.
Afghanistan: Six Years of Soviet Occupation (Karp) 4
Afghanistan's Struggle for Freedom (Whitehead) 1
Countering Communist Espionage in the U.S. (Ridgway) 76
The Nuclear and Space Arms Talks: Where We Are After the Summit (Nitze) 58
Nuclear Testing (White House statement) .60
Secretary's News Conference of December 6 50
Soviet Noncompliance With Arms Control Agreements (message to the Congress, text of unclassified report) 65
Soviet Occupation of Afghanistan (Reagan) 22
UN Calls for Soviet Withdrawal from Afghanistan (Walters, text of resolution) 20
U.S.-Soviet Relations (Reagan) 23
Western Proposal Tabled at MBFR Negotiations (Alexander, Blackwill, Reagan) 60
United Nations
UN Calls for Soviet Withdrawal from Afghanistan (Walters, text of resolution) 20
UN Decade for Women Conference Held in Nairobi (Reagan) 89
Western Hemisphere
Beyond the Debt Problem: The Path to Prosperity in Latin America (Shultz) 32
Secretary's News Conference of December 6 50
Yugoslavia. Secretary's Trip to Europe (news conferences, North Atlantic Council final communique, NATO Foreign Ministers statement) 36

Index

Alexander, Michael 60
Armacost, Michael H 73
Baldrige, Malcolm 36
Blackwill, Robert D 60
Crocker, Chester A 54
De Clercq, Jacques 36
Delors, Jacques 36
Dizdarevic, Raif 36
Karp, Craig 4
Nitze, Paul H 58
Reagan, Maureen 89
Reagan, President 22, 23, 60, 65, 75, 78, 87, 89
Ridgway, Rozanne L 76
Shultz, Secretary 24, 29, 32, 36, 50, 57
Stoessel, Walter J., Jr 80
Walters, Vernon A 20
Whitehead, John C 1
Yeutter, Clayton 36

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

OFFICIAL BUSINESS
Penalty for Private Use $300

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

READEX FICHE best copy available

/2108

Department of State bulletin

NEWARK PUBLIC LIBRARY

The Official Monthly Record of United States Foreign Policy/Volume 86/Number 2108

APR 1 1986

U. S. GOVT. PUBS.
DEPOSITORY 376

March 1986

LD [redacted] FILE ROOM
NEWARK PUBLIC LIBRARY
U.S. DOCUMENTS

1. 3:

Department of State
bulletin

Volume 86 / Number 2108 / March 1986

Cover:

Mexico's President De la Madrid with President Reagan.

(White House photo by Terry Arthur)

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

BERNARD KALB
Assistant Secretary for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

SHARON R. LOTZ
Assistant Editor

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

Department of State BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. The BULLETIN is indexed in the Readers' Guide to Periodical Literature.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

CONTENTS

FEATURE

1 President's Visit to Mexico
3 Background on Mexico

The President

10 U.S. Relations With Mexico and Canada
10 U.S.-U.S.S.R. New Year's Messages *(Mikhail S. Gorbachev, President Reagan)*
12 News Conference of January 7 *(Excerpts)*

The Secretary

15 Low-Intensity Warfare: The Challenge of Ambiguity
18 The Writer and Freedom
20 Interview on "Face the Nation"
23 News Conference of January 9

Arms Control

27 Soviet Arms Proposal *(President Reagan, White House Statement)*
27 Nuclear and Space Arms Talks Resume *(President Reagan)*
28 Geneva Arms Control Talks: Round IV *(Kenneth L. Adelman)*
30 CDE Negotiations Resume *(President Reagan)*
31 MBFR Negotiations Resume *(Department Statement)*

East Asia

32 U.S.-Japan Joint Report on Sectoral Discussions

Economics

33 Protecting Prosperity From Protectionism *(W. Allen Wallis)*

Middle East

36 Libya Sanctions *(President Reagan, Letters to the Congress, Executive Orders, White House Statement)*
39 Review of Developments in the Middle East *(Richard W. Murphy)*

Oceans

42 U.S.-Japan Salmon Talks

Population

43 International Family Planning *(M. Peter McPherson)*

South Asia

46 Soviet Influence on Afghan Youth *(Paul Trottier)*

United Nations

52 UN General Assembly Adopts Resolution on Terrorism *(Text of Resolution)*
53 UN Security Council Adopts Resolution on Hostage-Taking *(Vernon A. Walters, Text of Resolution, Department Statement)*
54 Situation in Nicaragua *(Vernon A. Walters)*
57 Situation in Cambodia *(Vernon A. Walters, Text of Resolution)*
60 UN Adopts Resolution to Ban Chemical Weapons *(Donald S. Lowitz, Text of Resolution)*
61 IMO and Maritime Security *(Richard D. Kauzlarich)*

Western Hemisphere

63 Visit of Ecuador's President *(Leon Febres-Cordero Ribadeneyra, President Reagan)*
65 Secretary Meets With United Nicaraguan Opposition Leaders *(Secretary Shultz)*
66 An End to Tyranny in Latin America *(Elliott Abrams)*
69 U.S. Support for Transition to Democracy in Chile *(Elliott Abrams)*

End Notes

71 January 1986

Treaties

72 Current Actions

Press Releases

75 Department of State
75 USUN

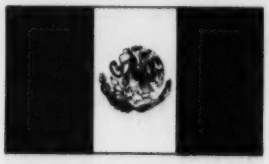
Publications

77 Department of State
77 Historical Record Publication Schedule *(Memorandum From the President)*
78 Documents on Germany Released

Index

(White House photo by Terry Arthur)

President de la Madrid and President Reagan at arrival ceremony.



FEATURE
Mexico

President's Visit to Mexico

President Reagan visited Mexico on January 3, 1986, for a meeting with President Miguel de la Madrid Hurtado. Following are arrival remarks and luncheon toast made by President Reagan during the visit.[1]

Arrival Ceremony, Mexicali, Jan. 3, 1986

It is a special privilege for me to begin my new year with you. As one year becomes another, we're reminded of those meaningful items in our lives that remain constant even through the passage of time. I think we can all be grateful, on both sides of the border, for one thing that has remained constant over these many years: the good will between our peoples. Good relations have been part of our past; they are an important part of our present; and will most assuredly be part of our future.

The trust and cooperation between our two countries are mirrored in the solid personal and professional relationships President de la Madrid and I have developed. I have met with him on three occasions, and the telephone line between Mexico City and Washington, D.C., has been kept busy with our calls.

I'm looking forward to our meeting today; we have much to discuss. The economies of our countries are already closely linked. As we prepare for a better future, we should explore new ways of improving the well-being of both our peoples by enhancing the business, trade, and financial ties that bind us. In our relationship, clearly, we help ourselves by helping each other.

I also look forward to discussing with you other areas of mutual concern and cooperation. The good and decent people of both our countries have made a strong commitment to fight the scourge of narcotics and drug trafficking. This battle continues. Issues of regional and global peace are of intense interest to us both, as is the expansion of democracy in this hemisphere. Cross-border environmental questions are important. As one would expect of close neighbors, we have much to talk about. As one would expect between friends, I am certain our exchange will be in the spirit of mutual respect and understanding.

Citizens of Mexico and the United States share a very human relationship. This was never clearer than when earthquakes savaged your country a few months ago. The heart of the American people went out to you. My wife, Nancy, returned home from visiting the devastation with stories of the quiet dignity and perseverance displayed by your people in the face of great personal tragedy. We are proud to be friends of such people. Again, it is a pleasure to be here with you today. There is every reason to look to the future with optimism and confidence.

Luncheon Toast, Jan. 3, 1986[2]

This visit marks the fourth meeting that I've had with President de la Madrid. And I hope you agree, Mr. President, that each meeting seems more productive than the last.

I deeply appreciate the open and candid manner in which we are able to discuss the issues at hand. It speaks well of our personal relationship and that of our countries. We examined, in our meeting, trade and investment between the United States and Mexico. This is an area in which, I believe, more progress can be made with great benefits to both our peoples.

Mexico's debt burden remains a serious challenge. But I am impressed with the commitment that you've made to meet this challenge and to take the necessary steps to achieve a robust, growing Mexican economy. The United States remains ready and willing to work with you to reach that goal.

We also discussed today the considerable progress made since the signing of the Border Environmental Agreement in 1983. Men may have drawn a line in the ground to determine the boundary between us, but God made the land on both sides of that line. And it's up to us to take care of resources that are placed in our care.

With a 2,000-mile border, there is considerable room for expanding our cooperation in this area. I took special note of the recent agreement to proceed with a major reconstruction of bridges. We also had an opportunity today to review the ongoing battle with the drug traffickers, as you have just said—a fight in which Attorneys General Garcia Ramirez and [Edwin] Meese are playing a leading role.

Cleansing our societies of this evil is not without cost. America joins with you in mourning the death of those valued Mexican officials who have been killed in the struggle against narcotics. There are tears on both sides of the border for the Mexican policeman killed recently in the State of Veracruz. They have shown honor and courage that transcends international boundaries. Our own DEA [Drug Enforcement Administration] agent, Enrique Camarena, brutally murdered in the line of duty exemplifies this. He is an American hero born here in Mexicali.

President Reagan shakes hands with President de la Madrid.

(White House photo by Terry Arthur)

Our meeting today has afforded us a good opportunity to discuss our differences and to expand our cooperation in many areas of mutual interest. It appears these areas are expanding. And that, I believe, should surprise no one.

We share many fundamental values and, in the end, these values will draw us closer. Exemplifying this was an interview you recently conducted with a Mexican newspaper. And in it, you applauded the progress toward democracy being made throughout Latin America and concluded that the tendency of all the world is to seek democracy. Furthermore, you said, and I quote, "Regimes of force or authoritarian regimes are not the solution to overcoming economic and social problems in Latin America. Democracy is more effective in accomplishing these aims in a lasting way than the authoritarian regimes." Well, your words ring true, Mr. President. A commitment to democracy is the only true path to justice and to economic progress. Mexico and the United States can and should stand shoulder to shoulder in support of democracy in this hemisphere.

FEATURE
Mexico

Outside this building is a bell, symbolic of the bell rung by an historic champion of human freedom, Father Hidalgo. This priest rang the parish bell in 1810 to rally the American [Mexican][3] people to fight against oppression. Miguel Hidalgo, Jose Maria Morelos, and many other brave Americans [Mexicans][3] gave their lives for this cause. And on the eve of September 16th, the bells are rung to commemorate your country's independence.

We in the United States also have a bell symbolic of our liberty and independence; it's called the Liberty Bell. It's a national treasure, kept in Philadelphia at our Independence Hall. As we leave here today, let us pledge to each other that Mexico and the United States will ring the bells of freedom as Hidalgo, Jefferson, Juarez, and Lincoln did before us. It's a sound sweet to the ear of all who long to be free. Let us ring the bell of freedom so that all citizens of this hemisphere—and we are all Americans, North, Central, and South—will hear. And so, I ask you all to join me in a toast to my friend, the great leader of the Mexican people, President de la Madrid, and to the friendship between our two peoples.

[1]Text from Weekly Compilation of Presidential Documents of Jan. 6, 1986.
[2]Made in response to a toast proposed by President de la Madrid at El Centro del Gobierno del Estado Plaza.
[3]White House correction. ■

Background on Mexico

GEOGRAPHY

The topography of Mexico ranges from low desert plains and jungle-like coastal strips to high plateaus and rugged mountains. Beginning at the Isthmus of Tehuantepec in southern Mexico, an extension of a South American mountain range runs north almost to Mexico City, where it divides to form the coastal Occidental (west) and Oriental (east) Ranges of the Sierra Madre. Between these ranges lies the great central plateau, a rugged tableland 2,400 kilometers (1,500 mi.) long and as much as 800 kilometers (500 mi.) wide. From a low desert plain in the north, it rises to 2,400 meters (8,000 ft.) above sea level near Mexico City.

Mexico's climate is generally more closely related to altitude and rainfall than to latitude. Most of Mexico is dry; only about 12% of the total area receives adequate rainfall in all seasons, while about one-half is deficient in moisture throughout the year. Temperatures range from tropical in the coastal lowlands to cool in the higher elevations.

PEOPLE

Mexico is the most populous Spanish-speaking country in the world and the second most populous country in Latin America (after Brazil). More than one-half of the people live in central Mexico. Many Mexicans emigrate from areas lacking in job opportunities—such as in the underdeveloped southern states and the crowded central plateau—to the industrializing urban centers and the developing border areas of the northern states. According to 1985 estimates, the urban population of Mexico City may have grown to 18 million, which would make greater Mexico City the largest urban concentration in the world. The northwestern region also had a sharp rise. Guadalajara, Monterrey, and other urban areas also showed large increases.

Education in Mexico is being decentralized and expanded. A major attempt is underway to promote educational activity in rural areas, and the increase in school enrollments during the past two decades has been dramatic. Education is mandatory from ages 6 through 14 or until primary education is completed. Primary enrollment from 1970 through 1980 increased from less than 10 million to 16 million. In 1980, 86% of the population between ages 6 and 14 were in school. Enrollments at the secondary level have more than quintupled since 1955. Estimates of such increases suggest that enrollments increased from 1.4 million in 1972 to as many as 3.4 million by 1981. Between 1959 and 1980, enrollments in institutions of higher learning increased from 62,000 to 770,000.

At the heart of its cultural expression are Mexico's history and quest for national identity. Contemporary artists, architects, writers, musicians, and dancers continue to draw inspiration from a rich history of Indian civilization, colonial influence, revolution, and the development of the modern Mexican state. Artists and intellectuals alike emphasize the problems of social relations in a context of national and revolutionary traditions.

HISTORY

An advanced Indian civilization existed in Mexico before the Spanish conquest. Major Indian cultures included the Olmec, the Maya, the Toltec, and the Aztec. Hernan Cortes conquered Mexico in 1519–21 and founded a Spanish colony that lasted nearly 300 years. Independence from Spain was proclaimed by Father Miguel Hidalgo on September 16, 1810, and the republic was established on December 6, 1822. Prominent in the War for Independence were Father Jose Maria Morelos; Gen. Augustin de Iturbide, who defeated the Spaniards and ruled as emperor for a

short period; and Gen. Antonio Lopez de Santa Ana, who controlled Mexican politics from 1833 to 1855.

Santa Ana was Mexico's leader during the conflict with Texas, which declared itself independent from Mexico in 1836, and during the war with the United States (1846–48). The presidential terms of Benito Juarez (1858–71) were interrupted by the period of the empire. Archduke Maximilian of Austria, who was established as emperor of Mexico in 1864 by Napoleon III of France, was deposed by Juarez and executed in 1867. Gen. Porfirio Diaz was president during most of the period between 1877 and 1910.

Mexico's drastic social and economic problems erupted in the revolution of 1910. Prominent leaders in this revolution—some were rivals for power—were Francisco I. Madero, Venustiano Carranza, Pancho Villa, Alvaro Obregon, and Emiliano Zapata. The Institutional Revolutionary Party, under various names and after a number of reorganizations (now known as the *Partido Revolucionario Institucional*—PRI), continues to be the most important political force in the nation.

Mexico—A Profile

People

Nationality: *Noun and adjective*—Mexican(s). **Population** (1985 est.): 78.6 million. **Annual growth rate** (1985 est.): 2.5%. **Ethnic groups:** Indian-Spanish (mestizo) 60%, American Indian 30%, Caucasian 9%, other 1%. **Religions:** Roman Catholic 97%, Protestant 3%. **Language:** Spanish. **Education:** *Years compulsory*—10. *Literacy*—74%. **Health:** *Infant mortality rate*—55.9/1,000. *Life expectancy*—65.4 yrs. **Work force** (21,500,000, 1983): *Agriculture, forestry, hunting, fishing*—26%. *Manufacturing*—12.8%. *Commerce*—13.9%. *Services*—31.4%. *Mining and quarrying*—1.3%. *Construction*—9.5%. *Electricity*—0.3%. *Transportation and communication*—4.8%.

Geography

Area: 1.978 million sq. km. (764,000 sq. mi.); about three times the size of Texas. **Cities:** *Capital*—Mexico City (pop. 18 million, 1985 est.). *Other cities*—Guadalajara (3 million), Monterrey (2.7 million), Ciudad Juarez (1.12 million), Puebla de Zaragoza (1.1 million), Leon (1 million). **Terrain:** Varies from coastal lowlands to high mountains. **Climate:** Varies from tropical to desert.

Government

Type: Federal republic. **Independence:** First proclaimed September 16, 1810; Republic established 1822. **Constitution:** February 5, 1917.

Branches: *Executive*—president (chief of state and head of government). *Legislative*—bicameral. *Judicial*—Supreme Court, local and federal systems.

Political parties: Institutional Revolutionary Party (PRI), National Action Party (PAN), Unified Socialist Party of Mexico (PSUM), Mexican Democratic Party (PDM), Socialist Workers Party (PST), Popular Socialist Party (PPS), the Authentic Party of the Mexican Revolution (PARM), Mexican Workers Party (PMT), Revolutionary Workers Party (PRT). **Suffrage:** Universal over 18.

Administrative subdivisions: 31 states and the federal district.

Flag: Green, white, and red vertical bands. An eagle holding a snake in its beak and perching on a cactus is centered.

Economy

GDP (1984): $185 billion. **Per capita GDP:** $2,350. **Annual real GDP growth rate** (1984): 3.7%. **Avg. inflation rate** (1984): 59.2%.

Natural resources: Petroleum, silver, copper, gold, lead, zinc, natural gas, timber.

Agriculture (9.5% of 1984 GDP, including fishing and forestry): *Products*—corn, beans, oilseeds, feedgrains, fruit, cotton, coffee, sugarcane, winter vegetables. *Total farmland*—23 million hectares (57.1 million acres).

Industry (1984): *Types*—manufacturing (23.9% of GDP), services (24.7%), commerce (24.0%), transportation and communications (7.6%), petroleum and mining (3.8%).

Trade (1984): *Exports*—$25.2 billion: petroleum and derivatives (67%), coffee, cotton, fruits, vegetables, manufactures, mining. *Imports*—$11.3 billion: grains, machinery, equipment, industrial vehicles, intermediate goods. *Major trading partners*—US, EC, Japan.

Official exchange rate (Dec. 1985): 345 pesos = US$1 (controlled rate); 490 pesos/US$1 (free market rate).

Membership in International Organizations

UN and some of its specialized and related agencies, including the World Bank and the International Monetary Fund (IMF); International Civil Aviation Organization (ICAO); Seabeds Committee; Inter-American Defense Board (IADB); Organization of American States (OAS); Latin American Integration Association (ALADI); INTELSAT; and others.

FEATURE
Mexico

On September 19, 1985, Mexico suffered the worst earthquake in its recorded history. The earthquake, which was centered off of Mexico's Pacific coast, caused at least 10,000 deaths and approximately $5 billion dollars in damage, mostly in Mexico City. Nevertheless, most of Mexico's citizens and buildings escaped harm. As of late 1985, the Mexican Government was completing its long-term plans for earthquake reconstruction.

GOVERNMENT

The constitution of 1917 provides for a federal republic with a separation of powers into independent executive, legislative, and judicial branches of government.

The executive branch is dominant. Executive power is vested in the president, who promulgates and executes the laws of the Congress. The president also legislates by executive decree in certain economic and financial fields, using powers delegated from the Congress. The president is elected by universal adult suffrage a 6-year term and may not hold office a second time. There is no vice president; in case of the removal or death of the president, a provisional president is elected by the Congress.

Congress is composed of a Senate and a Chamber of Deputies. Consecutive reelection to the Congress is prohibited. Sixty-four senators (two from each state and the federal district) are elected to 6-year terms.

Under constitutional and legislative reforms adopted in 1977, the Chamber of Deputies was enlarged in the 1979 elections (from the former 237 members) to allow 300 deputies to be elected in single-member districts by a plurality system and 100 deputies to be elected by proportional representation from the minority parties. This reform is intended to provide minority parties with greater representation in the Chamber of Deputies. Deputies serve 3-year terms. The Mexican Congress is empowered to legislate on all matters pertaining to the national government.

The judicial system consists of local and federal courts and a Supreme Court. Supreme Court justices are appointed by the president and approved by the Senate.

Mexico has 31 states and a federal district. Each state is headed by an elected governor. Powers not expressly vested in the federal government are reserved to the states.

Mexico's armed forces in 1985 numbered about 125,000 officers and troops. The army makes up about three-fourths of the total. One year of limited training is required of all males reaching age 18. A paramilitary force of communal landholders is maintained in the countryside. Principal military roles include maintenance of public order and civic action assignments, such as road-building and disaster relief. Military expenditures constituted 1.4% of the central government budget for the year ending December 31, 1985.

Principal Government Officials

President—Miguel **de la Madrid** Hurtado

Ministers

Government (Interior)—Manuel **Bartlett** Diaz
Foreign Relations—Bernardo **Sepulveda** Amor
National Defense—Gen. Juan **Arevalo** Gardoqui
Navy—Adm. Miguel Angel **Gomez** Ortega
Finance—Jesus **Silva Herzog** Flores
Programming and Budget—Carlos **Salinas** de Gortari
Energy, Mines, and Parastate Industry—Francisco **Labastida** Ochoa
Commerce and Industrial Development—Hector **Hernandez** Cervantes
Agriculture and Water Resources—Eduardo **Pesqueira** Olea
Communications and Transportation—Daniel **Diaz** Diaz
Urban Development and Ecology—Guillermo **Carrillo** Arena
Public Education—Miguel **Gonzalez** Avelar
Health and Public Assistance—Guillermo **Soberon** Acevedo
Labor and Social Welfare—Arsenio **Farell** Cubillas
Agrarian Reform—Luis **Martinez** Villicana
Tourism—Antonio **Enriquez** Savignac
Fisheries—Pedro **Ojeda** Paullada
Federal District—Ramon **Aquirre** Velasquez
Attorney General—Sergio **Garcia** Ramirez

Attorney General for the Federal District—Victoria Adato de **Ibarra**
Comptroller General—Francisco **Rojas**

Ambassador to the Organization of American States (OAS)—Rafael de **la Colina**
Ambassador to the United Nations—Mario **Moya** Palencia
Ambassador to the United States—Jorge **Espinosa** de los Reyes

Mexico maintains an embassy in the United States at 2829 - 16th Street NW., Washington, D.C. 20009 (tel. 202-234-6000). Consular offices are located at 1019 - 19th Street NW. (tel. 202-293-1710). Consulates general are located at Chicago, El Paso, Los Angeles, New Orleans, New York, San Francisco, and San Antonio, and consulates (partial listing) at Boston, Dallas, Detroit, Miami, Philadelphia, and St. Louis.

POLITICAL CONDITIONS

President Miguel de la Madrid Hurtado began his 6-year term in 1982. De la Madrid, a lawyer, has been a university professor, finance director for PEMEX, Director General for Credit at the Treasury, Undersecretary of the Treasury, and the Secretary of Programming and Budget.

The *Partido Revolucionario Institucional* (PRI)—Institutional Revolutionary Party—has been the dominant political force in Mexico since 1929; not only all of its presidential candidates but almost all of its candidates for congressional and state offices have been elected. PRI membership is taken from labor, agrarian, and popular groups, from which candidates for elective office

are selected. The PRI faces several opposition parties. In July 1985 nationwide congressional elections, vote percentages were distributed as follows: PRI (64.85%), PAN (15.5%), PSUM (3.22%), PDM (2.73%), PST (2.46%), PPS (1.95%), PARM (1.65%), PMT (1.55%), PRT (1.26%), other and annulled votes (4.83%).

Significant political themes of the De la Madrid administration have included an emphasis on economic austerity, a drive against corruption in government, and reorganization of all police forces.

ECONOMY

Mexico's economy is experiencing a slow and trying recovery from its 1982 crisis. Nineteen eighty-five is the third year of a 3-year extended fund facility arrangement with the International Monetary Fund (IMF). Since Mexico began the arrangement, inflation has dropped from 100% in 1982 to 80% in 1983, to 59.2% in 1984. For the first half of 1985, however, inflation grew at about the same rate as in 1984. The financial deficit as a percentage of gross domestic product (GDP) decreased from 17.6% in 1982 to 8.5% in 1983, to 7.4% in 1984. Mexico's trade balance turned from a negative $4.5 billion in 1981 to a positive $6.8 billion in 1982, a positive $13.8 billion in 1983, and a positive $12.8 billion in 1984. Mexico's foreign debt has grown to almost $100 billion, and annual public sector interest payments amount to about $10 billion.

Earthquakes in September 1985 will have a significant impact on the Mexican economy. The costs of cleaning and reconstruction will run into the billions of dollars. Most of the funds will go into building construction and the repairing of telecommunications and water supply systems.

During the 1970s, the economy experienced difficulties largely as a result of an ambitious public expenditure program that could not be financed by domestic savings, causing the government to borrow substantial funds from abroad. These policies led to burgeoning public sector deficits, accelerating inflation, and an increase in the Mexican public sector's external debt from $4 billion (12% of GDP) in 1970, to $59 billion (36% of GDP) in 1982, to $97 billion (54% of GDP) in mid-1985.

When President de la Madrid took office in December 1982, the economy was plagued by rising inflation, capital flight, and falling output and employment. Foreign exchange reserves were not sufficient to meet even the country's short-term external liabilities. The new President's inauguration followed by only 4 months the events of August 1982, when the Mexican economic crisis came to a head. At that time, the country was forced to seek emergency assistance to avoid running out of foreign exchange and to begin planning in earnest an economic adjustment program to bring about major structural changes in the economy.

In 1984, the Mexican economy surpassed its growth targets with real GDP growth of 3.5% following real declines of 5.3% in 1983 and 0.5% in 1982. The growth came primarily from nonpetroleum exports, steel, chemicals, in-bond industries, and automobiles.

Petroleum production in 1984 was slightly above that in 1983 even with a temporary production cutback in November. Petroleum exports at $16.6 billion in 1984 accounted for 69% of all of Mexico's merchandise exports. The trade surplus for 1984 was almost $13 billion, and the current account surplus was about $4 billion. Nonpetroleum exports were up by about 26%. Imports were up 18% in dollar terms but remained well below 1982 and 1981 levels.

The international petroleum market and interest rates have had considerable influence on Mexico's economy in 1985. Petroleum prices have already been adjusted downward three times without an increase in volume, causing a decline in export revenues. Lower world interest rates have brought about savings in debt-servicing costs on foreign loans, but higher domestic interest rates have offset some of the consequent budget savings.

During the first half of 1985, foreign exchange reserves contracted as exports decreased and imports increased. Capital flight also contributed to the decline in foreign exchange reserves. The exchange rate has been under pressure since the 1982 crisis, sliding from 26 pesos per dollar at the start of 1982 to 148 pesos per dollar at the end of 1982. The government adopted a dual exchange rate system in December 1982. The official market rate of exchange for the peso declined to 210 at the end of 1984. In December 1985, the official controlled rate for international trade and debt payments was around 345 pesos to the dollar, while the market rate was around 490.

International Trade

Petroleum constitutes about 69% of Mexico's total exports. Manufactures, including chemicals, transport equipment, textiles, shoes, iron, steel, and electric and electronic products make up about 20% of Mexico's exports. Other leading exports include coffee and winter vegetables. Imports are largely of capital and intermediate goods and grains.

Mexico signed a subsidies agreement with the United States in March 1985, which gave Mexico the injury test in countervailing duty cases but called for a progressive elimination of all export subsidies.

The United States purchases about 60% of Mexico's exports and supplies around 65% of its imports. Tourism and in-bond industries are important foreign exchange earners for Mexico, bringing in a total of $2.5 billion in 1984.

Agriculture

Mexico's agrarian reform program was begun more than 50 years ago, and almost all available land has been distributed. Raising the productivity and living standards of subsistence farmers has been slow, however. Self-sufficiency in basic crops such as corn and beans is being stressed by the government, but emphasis is also given to export crops such as coffee, tomatoes, and winter

vegetables. Mexico's agriculture suffers a drought in 4 years out of every 10. In 1980, Mexico began importing large quantities of corn, other feedgrains, and oilseeds to meet domestic needs. In 1984, Mexico was again a net importer of agricultural products as imports of $2.3 billion outpaced exports of $1.7 billion.

Mineral and Energy Resources

Mexico is rich in mineral and energy resources, and mineral exports are an important element in foreign trade. A leading producer of silver, sulfur, lead, and zinc, Mexico also produces gold, copper, manganese, coal, and iron ore. The discovery of extensive new oil fields in the coastal regions along the Gulf of Mexico in 1974 enabled Mexico to become self-sufficient in crude oil and to export increasing amounts of petroleum. Recent estimates put the country's potential petroleum reserves as the fourth largest in the world. It also is now the fourth largest oil producer and exporter in the world.

Manufacturing and Foreign Investment

Mexico's manufacturing sector now accounts for about one-fifth of the GDP. Important gains have been made in the production of cement, aluminum, artificial fibers, chemicals, fertilizers, petrochemicals, and paper. A growing automobile industry has become one of Mexico's most important industrial and export sectors.

The 1973 law governing direct foreign investment in Mexico requires majority Mexican ownership in all new investments except those deemed to be in the national interest by a commission established by the law. In general, the law codifies the existing laws, decrees, and regulations that previously governed the role of foreign direct investment in Mexico.

The De la Madrid administration has said publicly that it welcomes foreign investment on a selective basis and that it will be flexible in applying the law. Foreign investments most likely to be approved are those which complement domestic investment, bring needed technology, help increase exports or reduce imports, or are labor intensive. Flexibility has been seen in the recent approval of a 100% foreign-owned IBM investment proposal.

Other key elements of Mexico's investment policy are a rationalization of industries (i.e., to limit competitors in order to achieve economies of scale), a decentralization of manufacturing industries away from Mexico City and the surrounding area, local content and export performance requirements, and a diversification of foreign investment sources. Currently, an estimated 35% of Mexico's nonpetroleum exports are by foreign-owned firms, which account for only about 4% of total private investment.

Transportation and Communications

Mexico's land transportation network is one of the most extensive in Latin America. The 36,000 kilometers of railroads are government owned. Tampico and Veracruz on the Gulf of Mexico are Mexico's two major ports, although the government is developing new ports on the Gulf of Mexico and the Pacific. A number of international airlines serve Mexico, with direct or connecting flights from most major cities in the United States, Canada, Europe, and Japan. Most Mexican regional capitals and resorts have direct air links with Mexico City or the United States.

Mexico has a well-developed telecommunications system, with its own satellites, 211 television stations, 1,061 radio stations, 3 land satellite receiving stations, and 5.0 million telephones. Earthquake damage to these facilities in September 1985 was extensive. Mexico is a member of the International Telecommunications Satellite Consortium (INTELSAT).

Travel Notes

Customs: A tourist card is required for entry.

Climate and clothing: The high plateau area around Guadalajara and Mexico City is spring-like throughout the year, a bit cooler in winter, and a little warmer in summer. The Yucatan Peninsula, the Monterrey area, and the US border areas are very hot in summer and pleasant in winter. Business suits for men and street dresses or pantsuits for women are appropriate in the cities. Sport shirts are worn for all social occasions in the coastal zones.

Health: Cooked food is safe to eat; raw vegetables often are not. Tapwater may not be potable. Medical facilities in the larger cities are good. A leisurely pace is recommended for the first first few days in the higher altitudes.

Telecommunications: Long-distance telephone and telegraph service to major cities is good. Mexico City is one time zone behind eastern standard time.

Transportation: Direct international air service from many US airports is available to Mexico City, Cancun, Guadalajara, Merida, Monterrey, and other points. Bus service in Mexico is good, and the highway system is extensive. Auto rental is available.

Tourist attractions: About 4 million tourists, about 90% of them US citizens, visit Mexico annually. Among the richest archeological sites are Teotihuacan (with its famous pyramids) and Tula near Mexico City, Monte Alban and Palenque in the south, and Chichen Itza and Uxmal in the Yucatan. The National Museum of Anthropology in Mexico City is one of the world's finest. Other important museums include the Colonial Museum in Tepozotlan, Chapultepec Castle, and the Museum of La Venta at Villahermosa, Tabasco. The major coastal resorts are Acapulco, Puerto Vallarta, Ixtapa, Cozumel, and Cancun.

FOREIGN RELATIONS

The Government of Mexico, in modern times, has sought to maintain its interests abroad and project its influence largely through moral suasion and selective economic assistance. In particular, Mexico champions the principle of nonintervention and certain legal corollaries: the Estrada, Calvo, and Drago doctrines.

During the last 5 years, the Mexican Government has expressed concern about intensified conflict in Central America. Mexicans believe that insurgency in Central America stems principally from economic and social injustices in that area. A Franco-Mexican declaration on El Salvador, issued in late August 1981, pressed for a political settlement that would recognize armed insurgents as "a legitimate political force." Since early 1983, Mexico, Venezuela, Colombia, and Panama have expanded their collaboration in an effort to bring the states of the region together and restore peace.

Mexico and Venezuela have also been collaborating to promote economic progress in the region for the last 5 years. The two countries jointly have sold oil on concessional terms to the developing countries of Central America and the Caribbean, under the 1980 San Jose agreement.

Mexico has shown a marked preference for resolving regional disputes through the United Nations, rather than the Organization of American States (OAS). Mexican leaders have also stated, however, that the OAS should be retained as a forum for Latin American countries to discuss issues in a general way with the United States.

Mexico has been selective in its membership in other international organizations. To date, it has declined to become a member of the General Agreement on Tariffs and Trade (GATT), the Organization of Petroleum Exporting Countries (OPEC), or the Non-Aligned Movement. However, in November 1985, President de la Madrid announced Mexico's intention to seek formal accession to the GATT.

U.S.-MEXICAN RELATIONS

Mexico and the United States have maintained close and friendly relations since 1938, when a major confrontation over the expropriation of oil holdings was resolved. These friendly relations were reinforced by U.S. measures in 1982 to help Mexico deal with its economic problems. Purchases for the U.S. Strategic Petroleum Reserve, with a large advance payment, emphasized the cooperative nature of the U.S.-Mexican energy relationship.

Much of the progress in U.S.-Mexican relations over the past several years has resulted from the close working relationships and frequent meetings between U.S. Presidents and their Mexican counterparts, as well as from high-level day-to-day contacts by the U.S. Ambassador. The most recent presidential meeting was between Presidents Reagan and de la Madrid in Washington, D.C., in May 1984.

Beyond financial cooperation, the United States and Mexico are cooperating in efforts to solve various other problems, the most important of which are narcotics and dangerous drug traffic into the United States, immigration matters, border environmental issues, and trade issues.

International Boundary and Water Commission

Preceded by several short-term commissions to survey and mark the boundary after its creation in 1848 and modification in 1853, the International Boundary Commission was established as a permanent, joint commission by treaty in 1889. The Water Treaty of 1944 extended its authority to the land boundary, and added to its responsibilities the boundary water problems, then becoming very important. The 1944 treaty renamed the body The International Boundary and Water Commission (IBWC). It also required that the U.S. and Mexican commissioners be engineers.

The IBWC has a wide range of responsibilities and specific programs for solution of U.S.-Mexican water and boundary problems. These include distribution between the two countries of the waters of the Colorado River and the Rio Grande; joint operation of international dams on the Rio Grande to control floods, conserve waters, and to generate electricity; other joint flood control works along boundary rivers; solution of border water quality control problems; and stabilization of the river boundaries. These responsibilities and programs are carried out in accordance with various treaties and agreements.

The IBWC has successfully resolved many difficult and longstanding problems. For example, the Chamizal Settlement of 1963 resolved a 100-year-old dispute at El Paso/Ciudad Juarez by exchange of territory and rechanneling the Rio Grande. A permanent solution to the international problem related to the salinity of the Colorado River was reached in 1973. In the 1980s, the IBWC has focused on troublesome border sanitation problems and has been studying groundwater resources along the boundary.

The United States includes the following in its foreign policy objectives toward Mexico: to maintain friendly relations, to assure maximum cooperation between Mexico and the United States, and to settle all differences in the spirit of mutual respect and neighborly understanding. A strong and prosperous Mexico is in the U.S. interest.

Principal U.S. Officials

Ambassador—John Gavin
Deputy Chief of Mission—Morris D. Busby
Counselor for Political Affairs—Robert S. Pastorino
Counselor for Economic Affairs—Richard H. Morefield
Counselor for Labor Affairs—John B. Gwynn
Counselor for Public Affairs (USIS)—Sally Grooms
Counselor for Consular Affairs and Consul General—Charles Brown
Counselor for Scientific and Technological Affairs—Reynaldo Morales
Counselor for Administrative Affairs—Douglas K. Watson
Counselor for Commercial Affairs—Emilio Iodice
Legal Adviser to the Ambassador—Michael Hancock

Consuls General and Consuls
Consulate General, Ciudad Juarez—Michael Hancock
Consulate General, Guadalajara—A. Irwin Rubenstein
Consulate, Hermosillo—J. Christian Kennedy
Consulate, Matamors—Danny B. Root
Consulate, Mazatlan—Elayne J. Urban
Consulate, Merida—Virginia C. Young
Consulate General, Monterrey—Martin G. Heflin
Consulate, Nuevo Laredo—Manuel R. Guerra
Consulate General, Tijuana—Robert D. Emmons

Consular Agents
Acapulco—Lambert Jean Urbanek
Cancun—Genevieve Elisabeth Browning de Valdez
Durango—Kenneth F. Darg
Mulege—Donald J. Johnson
Oaxaca—Roberta K. French
Puerto Vallarta—Jenny McGill
San Luis Potosi—Margaret M. Snydelaar
San Miguel de Allende—Col. Philip Maher
Tampico—Mary Elizabeth Alzaga
Veracruz—Edwin L. Culp

The U.S. Embassy in Mexico is located at Paseo de la Reforma 305, Mexico 06500, D.F. (tel. 905-211-0042).

Taken from the *Background Notes* of December 1985, published by the Bureau of Public Affairs, Department of State. Editor: Juanita Adams. ■

U.S. Ambassador to Mexico

John Gavin was born on April 8, 1931, in Los Angeles, California. He attended Stanford University on a full academic scholarship and wrote his senior honors thesis on Latin American economic history. He graduated with an A.B. degree in 1952.

The following 3 years, he served as an officer in the U.S. Navy. During combat duty in Korea and with the U.S. Seventh Fleet in the Pacific, he won four battle stars. Subsequently, he became flag lieutenant and aide to the Commandant of the 15th Naval District in Panama; there he worked on massive flood relief operations in Panama and Honduras. He speaks fluent Spanish and Portuguese.

While best known for his film, stage, and television performances over the past 25 years, much of Ambassador Gavin's educational and professional experience has focused on Latin America.

During 1961–1974, he served as special adviser to the Secretary General of the Organization of American States. In 1974–1980, he was spokesman for the Bank of America. Ambassador Gavin served on the Board of the Screen Actors Guild from 1966 to 1973, and was named president and chief executive officer in 1971. He is a trustee of the Villanova Preparatory School in Ojai, California.

He was sworn in as U.S. Ambassador to Mexico on May 13, 1981. ■

U.S. Relations With Mexico and Canada

President Reagan's radio address to the nation on January 4, 1986.[1]

Permit me to start today by wishing you and your families a happy and prosperous 1986. As we begin this year, we can be grateful that America is at peace, that our economy is growing, and that throughout the land there's a renewed sense of confidence in America and our future.

I'd like to speak to you today about two vital aspects of foreign policy: our relations with our neighbors, Mexico and Canada. Just yesterday I traveled to Mexicali, Mexico, to meet President de la Madrid. This was our fourth meeting since his election and my seventh with a Mexican President since my own election in 1980.

Today relations between the United States and Mexico are good. There's no clearer proof than our cooperation in rescue efforts after an earthquake struck Mexico City last September. And my talks yesterday with President de la Madrid were marked by an air of friendship. We've made progress in a number of areas which concern our two nations directly, including the improvement of Mexican-American bridges and border crossings and the expansion of trade between our two nations.

We paid particular attention to the fight against illegal drugs, both drug production and smuggling. In the past, our cooperation in this effort has helped stem the flow of narcotics into the United States. But in recent months, drug smuggling has been picking up. President de la Madrid and I have agreed to redouble our efforts to bring this illegal trade—this trafficking and the warping and destruction of human life—to an end. We're of one mind about the need to eliminate drug crops, to provide heavy patrols on the border, and to step up the prosecution of those who deal in illegal narcotics.

Both Mexican and American officials have given their lives in the battle against illegal drugs. For the sake of those brave men and every young person whose life is at stake, we must all and will continue the fight until victory is won.

In the international field, President de la Madrid and I expressed our respective viewpoints, notably on the problems of Nicaragua and other countries in Central America. President de la Madrid stressed that the conflicts in Central America have, in many cases, arisen from social and economic injustices.

For my part, I agreed that the nations of Central America have for many years been beset by poverty. And I pointed out that the United States is currently providing some $1.2 billion a year to the region in economic aid. But I felt bound to add something else, something crucial: The answer to Central America's problems is political and economic freedom, not Soviet tanks and ruthless regimes like the communist dictatorship in Nicaragua that wages war against its own people. And this is why the United States will continue to support those fighting for freedom and democracy in Nicaragua.

Permit me to turn now to Canada, our neighbor to the north. Last March I traveled to Quebec City to meet Canadian Prime Minister Brian Mulroney. The Prime Minister and I agreed that relations between our two countries are excellent. Canada and the United States maintain the largest trade between any two nations on Earth. We cooperate in the defense of North America and are partners in the NATO alliance. We share a tradition of democracy and political stability and a firm commitment to economic growth. We're not only friends and neighbors, we're cousins.

Since our March meeting, the Prime Minister and I have worked to improve our relations still further. Already, we've committed ourselves to joint efforts in defense, the environment, and space.

With regard to trade, I've informed the Congress that I want to begin negotiations with Canada on an agreement of historic significance to both countries. Our goal is to promote free and open economic competition and to reduce those few barriers to our trade that still remain. When Prime Minister Mulroney visits Washington this March, I believe the mid-1980s will already have taken shape as the most productive period in the long history of Canadian-American friendship.

During my 1980 campaign for office, I called for a North American accord—a renewed spirit of friendship and cooperation between the United States, Mexico, and Canada, the three great nations which share this continent. I was delighted to see that spirit so much in evidence yesterday in Mexicali. And I'm confident that this spirit of friendship among our three countries will mark 1986 and the years beyond.

[1]Text from Weekly Compilation of Presidential Documents of Jan. 13, 1986. ■

U.S.-U.S.S.R. New Year's Messages

President Reagan and Soviet General Secretary Mikhail Gorbachev simultaneously exchanged televised New Year's addresses on January 1, 1986.[1]

PRESIDENT REAGAN'S ADDRESS[2]

I'm pleased to speak to you on the occasion of the New Year. This is a time for reflection and for hope. As we look back on the year just concluded and on the year that is to come, I want to share with you my hopes for the New Year, hopes for peace, prosperity, and good will that the American and Soviet people share.

Just over a month ago, General Secretary Gorbachev and I met for the first time in Geneva. Our purpose was to begin a fresh chapter in the relations between our two countries and to try to reduce the suspicions and mistrust between us.

I think we made a good beginning. Mr. Gorbachev and I spent many hours together, speaking frankly and seriously about the most important issues of our time: reducing the massive nuclear arsenals on both sides, resolving regional conflicts, ensuring respect for human rights as guaranteed under international agreements, and other questions of mutual interest.

As the elected representative of the American people, I told Mr. Gorbachev of our deep desire for peace and that the American people do not wish the Soviet people any harm. While there were many areas which we did not agree, which was to be expected, we left Geneva with a better understanding of one another and of the goals we each have. We are determined to build on that understanding in the coming months and years.

One of the most important things on which we agreed was the need to reduce the massive nuclear arsenals on both sides. As I have said many times, a nuclear war cannot be won and must never be fought; therefore, we agreed to accelerate negotiations where there is common ground to reduce and eventually eliminate the means of nuclear destruction.

Our negotiators will soon be returning to the Geneva talks on nuclear and space arms, where Mr. Gorbachev and I agreed we will seek agreements on the principle of 50% reductions in offensive nuclear arms and an interim agreement on intermediate-range nuclear systems. And it's my hope that one day we will be able to eliminate these weapons altogether and rely increasingly for our security on defense systems that threaten no one.

Both the United States and Soviet Union are doing research on the possibilities of applying new technologies to the cause of defense. If these technologies become a reality, it is my dream that, well, to one day free us all from the threat of nuclear destruction.

One of the best ways to build mutual understanding is to allow the American and Soviet peoples to get to know one another better. In Geneva we signed a new agreement to exchange our most accomplished artists and academics. We also agreed to expand the contacts between our peoples so that students, teachers, and young people can get to know each other directly. If people in both countries can visit, study, and work together, then we will strengthen the bonds of understanding and build a true foundation for lasting peace.

I also discussed the American people's strong interest in humanitarian issues. Our democratic system is founded on the belief in the sanctity of human life and the rights of the individual—rights such as freedom of speech, of assembly, of movement, and of worship. It is a sacred truth to us that every individual is a unique creation of God, with his or her own special talents, abilities, hopes, and dreams. Respect for all people is essential to peace, and as we agreed in Geneva, progress in resolving humanitarian issues in a spirit of cooperation would go a long way to making 1986 a better year for all of us.

A safe and lasting peace also requires finding peaceful settlements to armed conflicts, which cause so much human suffering in many parts of the world. I have proposed several concrete steps to help resolve such conflicts. It is my hope that in 1986 we will make progress toward this end. I see a busy year ahead in building on the foundations laid in Geneva. There is much work to be done.

Mr. Gorbachev will visit the United States later this year, and I look forward to showing him our country. In 1987 I plan to visit your country and hope to meet many of you.

On behalf of the American people, I wish you all a happy and healthy New Year. Let's work together to make it a year of peace; there is no better goal for 1986 or for any year. Let us look forward to a future of *chistoye nyebo* [blue skies] for all mankind.

GENERAL SECRETARY GORBACHEV'S ADDRESS[3]

I see a good augury in the way we are beginning the new year, which has been declared the Year of Peace. We are starting it with an exchange of direct messages, President Reagan's to the Soviet people and mine to you.

This, I believe, is a hopeful sign of change which, though small, is nonetheless a change for the better in our relations. The few minutes that I will be speaking to you strike me as a meaningful symbol of our mutual willingness to go on moving toward each other, which is what your President and I began doing at Geneva. For a discussion along those lines, we had the mandate of our peoples. They want the constructive Soviet-American dialogue to continue uninterrupted and to yield tangible results.

As I face you today, I want to say that Soviet people are dedicated to peace, that supreme value equal to the gift of life. We cherish the idea of peace, having suffered for it. Together with the pain of unhealing wounds and the agony of irretrievable losses, it has become part and parcel of our flesh and blood. In our country there is not a single family or a single home that has not kept alive the memory of their kith and kin who perished in the flames of war, the war in which the Soviet and American peoples were allies and fought side by side.

I say this because our common quest for peace has its roots in the past, and that means we have a historic record of cooperation which can today inspire our joint efforts for the sake of the future.

The many letters I have received from you and my conversations with your fellow countrymen—Senators, Congressmen, scientists, businessmen, and statesmen—have convinced me that in the United States, too, people realize that our two nations should never be at war, that a collision between them would be the greatest of tragedies.

It is a reality of today's world that it is senseless to seek greater security for oneself through new types of weapons. At present, every new step in the arms race increases the danger and the risk for both sides and for all humankind. It is the forceful and compelling demand of life itself that we should follow the path of cutting back nuclear arsenals and keeping outer space peaceful. This is what we are negotiating about at Geneva, and we would very much like those talks to be successful this year.

In our efforts for peace, we should be guided by an awareness of the fact that today history has willed our two nations to bear an enormous responsibility to the peoples of our two countries and, indeed, the peoples of all countries for preserving life on Earth. Our duty to all humankind is to offer it a safe prospect of peace, a prospect of entering the third millenium without fear. Let us commit ourselves to doing away with the threat hanging over humanity. Let us not shift that task onto our children's shoulders.

We can hardly succeed in attaining that goal unless we begin saving up, bit by bit, the most precious capital there is: trust among nations and peoples. And it is absolutely essential to start mending the existing deficit of trust in Soviet-American relations.

I believe that one of the main results of my meeting with President Reagan is that, as leaders and as human beings, we were able to take the first step toward overcoming mistrust and to activate the factor of confidence. The gap dividing us is still wide, to bridge it will not be easy, but we saw in Geneva that it can be done. Bridging that gap would be a great feat, a feat our people are ready to perform for the sake of world peace.

I am reminded of the title of a remarkable work of American literature, the novel "The Winter of our Discontent." In that phrase let me just substitute hope for discontent. And may not only this winter but every season of this year and of the years to come be full of hope for a better future, a hope that, together, we can turn into reality. I can assure you that we shall spare no effort in working for that.

For the Soviet people, the year 1986 marks the beginning of a new stage in carrying out our constructive plans. Those are peaceful plans. We have made them known to the whole world.

I wish you a happy New Year. To every American family I wish good health, peace, and happiness.

---

[1]Text from Weekly Compilation of Presidential Documents of Jan. 6, 1986.

[2]Recorded at 9:18 a.m. in the Cypress Room at the Century Plaza Hotel in Los Angeles, California, on Dec. 28, 1985, for broadcast in the Soviet Union at 1 p.m. on Jan. 1, 1986.

[3]Address printed follows the unofficial Soviet translation carried in the text of the White House press release. ■

News Conference of January 7 (Excerpts)

Excerpts from President Reagan's news conference of January 7, 1986.[1]

. . . .

Q. You said in your opening statement that there is irrefutable evidence that Colonel Qadhafi was involved in the airport attacks. The European allies seem less convinced. What proof is there of Qadhafi's involvement in those attacks?

A. The only thing I can say in answering that question—and I can't do all that you would like to do because there are things that should not be revealed—but I can assure you that we have the evidence. We have the evidence of the amount of training that has been given; that, too, he has denied. I don't think he's capable of telling the truth about these things. But we know the location of training camps for terrorists, and we also know that Abu Nidal has more or less moved his headquarters there into Libya. So, we speak with confidence. And I would like to remind you that in the first moments or days or hours following these last two, he did openly praise them as heroic undertakings. And then very shortly, along about the time that the *Coral Sea* was leaving Naples—and it was only leaving because its leave time there was up—but he suddenly decided that, no, he was distressed by these acts of terrorism. I think he was speaking more honestly the first time.

Q. You say that you could prove—that you have conclusive evidence that he, Col. Qadhafi, is personally involved in those attacks that killed Natasha Simpson and the others?

A. We are satisfied that, yes, his regime—and I don't think that his regime is doing anything without his guidance.

Q. For some 40 years, American Presidents have been confronted directly with the Middle East problems. You and your predecessors have often spoken of the legitimate rights of the Palestinians. My question is how did Palestinians attain these rights? How do they rid themselves of foreign occupation? Should they emulate the U.S.-backed freedom fighters in Afghanistan, the *contras* in Nicaragua, or is there a peaceful way?

A. The peaceful way is the thing we've been trying to promote—the idea of peace between the Arab states and Israel. And we have emphasized from the very first that the problem of the Palestinians must be a part of any solution.

But I would also like to point out that virtually every Arab country has thousands and thousands of Palestinians. In fact, some of them, they're practically a majority of their population. So, they are in a number of countries, and in many of these countries they are not made citizens of those countries. They're allowed to live there and so forth, but they don't have passports. They don't have all of the privileges that a citizen of the country would have. And there has to be a solution, particularly—we're not talking about all of those; they seem to be content with where they're living—but those that became refugees, the great refugee camps that we found in Lebanon. Those are the ones that are literally people without a country, and we think there has to be a solution found for them. The reason that we have not approved the dealing with Arafat and that sect—the PLO [Palestine Liberation Organization]—is because how could they sit in in a peace conference when they deny the right of Israel to exist as a nation and have refused to endorse or support or accept the two resolutions, 242 and 338, of the United Nations?

Q. Will Israel accept the existence of the Palestinians, or will the United States continue to give Israel the veto power over any Palestinian negotiating for their people?

A. No, and I don't think that they ask for that. Theirs is—and I would say this of any other country that they're working with—that you can't ask them to negotiate with someone who's sitting on the opposite side of the table saying that they start from the negotiating position that Israel doesn't have any right to exist. And this is the main thing; it's the reason why we have not felt free to talk with an Arafat until he gives up that position.

Q. You have said that your policy toward terrorists is swift and effective retribution. And after the *Achille Lauro* case you said "you can run, but you can't hide." But isn't this one more case where there is no retribution and where the people behind the terrorism have, in effect, been able to hide?

A. Now you mentioned the people behind the terrorism. I'd like to point out that all this talk that there's been about harsh talk and no action and so forth—could I recap just a moment here?

Two of the great terrorist actions against the United States took place in Lebanon: the bombing of our Embassy and the slaughter of our Marines there. But in both cases, the perpetrators of those acts died with the victims; they were suicide atacks. Now, we've made every effort to try and establish, well, who brought these people there? They certainly can't be questioned. How did they get there? Now we've had two more recent attacks. But in these two attacks, the perpetrators are either dead, killed on the scene, or they're wounded and in hospitals under arrest.

But, again, here is a better opportunity now. This was something of a suicide attack, and Qadhafi himself has referred to more suicide terrorist actions.

In other words, finding some poor souls that are fanatic enough that they can be told that they got a free ride to heaven if they'll go out and give up their own lives to kill someone else, innocent people. The only actual case where there were terrorists, and there they were, and we knew their location and where they were trying to go, and we brought them down—and that was the *Achille Lauro* case—and turned them over to the Italians at their request. After all, it was their territory and their ship, and they wanted to do the prosecuting. And they will be prosecuted.

I know it appears that we sit here and are not doing anything. I'd like to tell you something that we have done. We have actually recorded in the last year, and know, that we have aborted 126 terrorist missions. I won't go any further, and I'm not going to tell you how this was done. But in our intelligence and working with the other countries, we have been able to anticipate and, as I say, abort that many terrorist missions.

Q. What you seem to be saying is that in this particular case, in terms of going to the source, going after Abu Nidal or going after the Libyan training camps, it's basically going to be next time for a military strike. And I wonder, given your criteria, which are that there has to be a direct link between the terrorists and the target and that no innocent civilians can be hit, why should Muammer Qadhafi or Abu Nidal believe you?

A. I'm not going to talk beyond the action that we've taken here. I am not going to make any comment as to whether we have other actions in mind or what might be done. I think that Mr. Qadhafi would be very happy if I did answer such a question, but I'm not interested in making him happy.

Q. Were any of these terrorist missions that you say the United States aborted in the United States?

A. I'm not going to comment on that or their location or anything further on it. I'm just going to assure you that we have the intelligence that led us to be able to do that. They weren't all in the United States, or I don't know how many. I haven't got the count before me right now.

Q. You signed a directive which would have required a great number of government employees to take lie detector tests for security purposes. But when Secretary Shultz publicly complained, you changed your mind and cut back on that directive. And one of your aides said to reporters that you really hadn't understood what was in it when you signed it, My question is, did you understand it when you signed it originally, and if so, why did you change your mind?

A. If there was an aide that said anything of that kind, he wasn't an aide. [Laughter]

Q. He won't be tomorrow.

A. No. No, when Secretary Shultz came back, he had been accosted by the press in Europe. And they were leading to believe that I had okayed virtually *carte blanche* the 2½ million Federal employees subject to lie detector tests. And they would be tested based on their personalities or their own personal lives and so forth. None of this was true.

And the document I signed was not changed nor did I change my mind. I was able, when the Secretary and I had a chance to talk when he came back, to point out that what I had signed was a directive that was creating an investigative policy that we were—I did not create it—in that I asked for and was proposing that we come together on a policy for heading off espionage. And, therefore, out of the thousands and thousands of employees, there is a very limited number that actually deal with classified material or could possibly be involved in this. And I recommended, among other things, that this be included as an investigatory tool in such investigations, and it would be limited to what we were trying to find out—espionage and whether to head it off or not.

So, whoever was telling that, and I've seen it and heard it and so forth, and I've sat there fidgeting in my chair because it wasn't true. That's what I signed, and that's what's still signed.

Q. Secretary Shultz made the point that he doesn't believe lie detector tests are accurate, that often they catch people who are not guilty, and even let people who are guilty go. I take it you think they are accurate.

A. I think that it's a useful tool. I know that he does not have too high an opinion of them, and I think that he was thinking also if you're going to have one of those in which you get into people's personal lives and so forth. But also there are others who have a greater confidence in them in such an investigation, where you are directly going at a subject. One of the things that they've done, and the record of polygraph tests throughout our land has proven, that they have been responsible for more confessions than anything actually proven there, that the very nature of the test has led to a multitude of confessions of various crimes and so forth.

Q. The last time you asked the Europeans to take any sort of sanctions against any of the states which might be responsible for terrorist acts, you asked them to stop flying commercial flights into Beirut. The policy was not a notable success. The Europeans have proven extremely reluctant. Is there any reason for you to believe, or for us to believe, that things will be any different this time, simply because you are asking them yet again?

A. I don't know. We're going to consult with them. I don't know that we're going to outright ask them. We're going to tell them what we're doing. They have told us in the past that the limited actions that we had taken against Libya earlier were rather ambiguous. Now we're taking some that are a little unambiguous, and maybe that'll change some of their minds, maybe it won't. Some of them may have problems of their own, in their own economies, that's just going to render this nearly impossible. But we're going to consult and see how much cooperation we can get.

Q. But if they can't do it, it severely curtails the effect of your sanctions. Doesn't it frustrate you?

A. It may be frustrating, but we're going to go on with what we think has to be done.

Q. How seriously do you take the threat of Mr. Qadhafi that if there is some indication of Israeli or American military retaliations, that Washington, D.C., will become a target for hit squads?

A. I wish he was planning to do that himself. I'd be happy to welcome him. [Laugher] But, no, how can you not take seriously a man that has proven that he is as irrational as he is on things of this kind. I find he's not only a barbarian, but he's flaky. [Laughter]

Q. Are you now looking forward to a second summit with Mr. Gorbachev in September or the fall, perhaps, rather than in June, and what has led to that slippage?

A. I don't know. Someone on their side has suggested later in the fall. We thought that June would be a nice time to do it, and not get around to waiting and saying that it's got to be a year between visits. In fact, the last words of the General Secretary to me when we said goodbye was that we should keep in touch and not just wait until there was another meeting, but to keep on with what was started there. And I said to him—proposed that it might be in late June, in the summer. And he nodded his approval of that when he accepted my invitation. Now others have perhaps suggested that it should be at another time. But there hasn't been a date set, and other than the suggestion, they haven't given us any reason why they think that later in the fall would be better than in June.

Q. In terms of the atmosphere between the United States and the Soviet Union, the other day the Soviet officials were complaining about such things as "Rambo" movies and "Rocky" movies which cast the Soviets in a bad light. Do you think that's an appropriate sort of thing? Are you talking to your friends in Hollywood about the kind of movies being made these days? [Laughter]

A. No, I was talking to my friends in Hollywood back at a time when they seemed to be making procommunist pictures.

Q. Back on the subject of terrorism, what effect, if any, do you think the actions you have taken today will have on the welfare of the U.S. hostages in Lebanon?

A. I think we are talking about two separate subjects here, even as to the nature of the people that are holding them and the other terrorists that we've been talking about. But I can only tell you that we have been meeting with, talking with, a number of individuals, a number of other governments, following every lead that we can that would lead to their rescue. And we're not going to let up until we're successful in that.

Again, I can't get specific on the things that we're doing other than it is a constant and all-out effort. But I think that it would be counterproductive for me to explain any of the things that we're doing.

Q. Can you tell us what you know about their welfare?

A. We have no reason to believe that they are not—I hesitate to say well treated. Let us say that, apparently, they're in as reasonably good health as could be expected in view of their incarceration.

Q. In connection with your next meeting with General Secretary Gorbachev, the Russians, in response to the terrorist activities that you have been talking about this evening, have made some very defensive statements of Libya and of Qadhafi. And as you know, they supply Libya with a good deal of their military equipment and possibly some of the training, some of which may be then passed on to the terrorists. I would like to know, when you sit down and talk to General Secretary Gorbachev or if you're in communication with him before your next meeting, do you intend to bring this up and suggest to him that they could be more forthcoming in areas outside of your direct talks and make the climate better?

A. Yes. This was very definitely one of our conversations, or one of our topics in our one-on-one conversations about why we had a suspicion of them. And it was incorporated in a subject that I had brought up in which I said that it was obvious that both of us suspected the other, distrusted the other, and that it was going to take more than words, but take deeds for us to eliminate that distrust. And if we could do that, then we could get on with the business of reducing arms and so forth instead of looking at each other as antagonists all the time.

Q. Have you considered directly communicating with Gorbachev about this recent incident and about possibly using his leverage with Qadhafi?

A. Again, you're getting around to details that I don't want to get into.

Q. Would your response to the terrorist incident have been different if there were not more than a thousand Americans still in Libya?

A. Very obviously, they have to be a consideration. As you will recall, the first time that we took some economic actions, there were roughly 8,000 Americans in Libya. And we asked—did not order and did not declare an emergency, but asked them to come back. And now there are between a thousand and 1,500 there. But, yes, you have to consider them as potential hostages.

Q. You said earlier that you thought Mr. Qadhafi was flaky. Do you seriously think that he might be emotionally or mentally unbalanced?

A. Oh, no, I used that in the term that we use it in conversation about someone. No, I just think that the man is a zealot. He is pursuing a revolutionary cause that could affect a great many countries. And you only have to look at his performance in Chad in which he then violated the word that he had given to France with regard to his aggression there and other places. So, I feel that you have to be on guard against virtually any kind of act.

Q. How safe or how risky do you think it is for Americans to travel to Europe these days? And are you satisfied that our allies have redoubled their efforts for airport security, as you asked them to do last summer?

A. I think there's been great improvement in airport security. And yet when you have suicide attacks as we did in the Rome and Vienna airports, you have to ask yourself what can be done about that to prevent it. I have to feel that a—well, as a matter of fact in recent travels and over the holidays, and I can't tell you how many people of the type that could be expected to be taking European trips or world trips, how many of them went out of their way to tell me that they would plan no such trips under the present situation.

• • • •

[1]Text from Weekly Compilation of Presidential Documents of Jan. 13, 1985. ■

Low-Intensity Warfare: The Challenge of Ambiguity

Secretary Shultz's address before the Low-Intensity Warfare Conference at the National Defense University on January 15, 1986.[1]

I commend the Department of Defense, the National Defense University, and Secretary [of Defense Caspar] Weinberger for convening this conference. It comes at an important time, for it addresses one of the most pressing problems in U.S. foreign and defense policy today.

The problem of low-intensity warfare requires us to confront a host of political, military, intellectual, legal, and moral questions. The label, indeed, may be misleading. When they are shooting at you or trying to blow you up, it's pretty high intensity. Nor is low-intensity warfare the same as limited war.

No, it's a more complicated set of new and unconventional challenges to our policy. It is the scourge of terrorism worldwide; the struggle for Nicaragua between the democratic resistance and the communist regime; it is the insurgencies against the Soviet and Cuban intervention in Angola and Ethiopia; the civil war and terrorism in Lebanon; our rescue of Grenada; and the Cambodian resistance against the Vietnamese occupation. It is the heroic struggle of the Afghan people against Soviet aggression and occupation. It is a matrix of different kinds of challenges, varying in scope and scale. If they have a single feature in common, it is their ambiguity: the fact that they throw us off balance, that we grope for appropriate means to respond, and that we as a society even debate sometimes over the need to respond.

The ironic fact is, these new and elusive challenges have proliferated, in part, *because* of our success in deterring nuclear and conventional war. Our adversaries know they cannot prevail against us in either type of war. So they have done the logical thing: they have turned to other methods. Low-intensity warfare is their answer to our conventional and nuclear strength—a flanking maneuver, in military terms. They hope that the legal and moral complexities of these kinds of challenges will ensnare us in our own scruples and exploit our humane inhibitions against applying force to defend our interests. Ambiguous warfare has exposed a chink in our armor.

The Nicaraguan communists, for instance, have done all they can to hide their true ambitions. Some were fooled by this. The Nicaraguans used progressive rhetoric to obscure their totalitarian goals. They imported Cuban experts to construct a totalitarian state, but, at first, only a small number, so as to not attract attention. Then, as the numbers rose, we were told the Cubans were teachers or construction workers (who happen to handle guns quite well, as we learned in Grenada). Now we are told they aren't really organized troops, just advisers—who seem to wander into combat. We warned against the Nicaraguans' import of MiGs and other advanced weapons; so they have brought in powerful weapons below that threshold, like Hind helicopters. They have committed aggression against their neighbors and provided arms to terrorists like the M-19 group in Colombia, but cynically used the International Court of Justice to accuse *us* of aggression because we joined with El Salvador in its defense.

These tactics obviously play on the moral scruples that discipline our power, on the American people's antipathy to violence and desire for peace. Well, the truth—which most of us here long recognized—is now gaining wider and wider acceptance. A consensus is emerging in Congress that the Sandinistas are not reformers—or even Sandinistas—but Leninists who seek a monopoly of power at home and subversion of their democratic neighors—and who must be stopped.

But look at the time the Nicaraguan communists have gained to consolidate their tyranny. Years in which we have been consumed in acrimonious internal debate have been used by them to tighten their grip and heighten the danger to the whole region.

In Grenada, the tactics were similar. Documents we captured when our forces landed there 2 years ago reveal how ambiguity and deception were employed as tools of power. The construction of an airport whose true aim was to serve as a Soviet/Cuban base was, we were told, for civilian purposes to aid the local economy. And if we had not intervened when we did, that "civilian" airport might have been in service today, as a transit point for sending more Cuban mercenaries to Angola or more Libyan arms to Nicaragua or more terrorists to our hemisphere.

In southern Africa, of course, the problems are not solely the result of communist subversion. There is the profound problem of South Africa's internal policies and Namibia's right to independence. But there *is* a serious East-West dimension which we, because of the Clark amendment, prevented ourselves from grappling with for 10 years: this is the extraordinary Soviet and Cuban military intervention in Angola, in which we have just seen a massive escalation in the last year and a half. Some will argue that this threat is not serious enough to warrant a response from us, or that we'll be on the wrong side, or that *we* would be escalating. This illustrates the seeming ambiguity of such geopolitical challenges to Western interests. But what would it mean globally, or for Africa, if Soviet/Cuban military intervention—and escalation—became the arbiter of local or regional political conflicts?

Terrorism, of course, is the most striking example of ambiguous warfare. Terrorist acts are a form of criminality, waged by surprise against unarmed men, women, and children in cold blood. Terrorist attacks are sometimes the random, senseless acts of zealots; more often, they are systematic and calculated attempts to achieve political ends. Despite the horror they inflict and the widespread recognition that their acts are criminal, few terrorists are caught, and fewer still are punished to the full extent they deserve. They know we abhor the loss of innocent lives; so they live and train in the midst of their women and children. And we debate among ourselves over the appropriate targets or the foreign policy consequences of a punitive blow. Terrorism is the newest strategy of the enemies of freedom—and it's all too effective.

We are right to be reluctant to unsheath our sword. But we cannot let the ambiguities of the terrorist threat reduce us to total impotence. A policy filled with so many qualifications and conditions that they all could never be met would amount to a policy of paralysis. It would amount to an admission that, with all our weaponry and power, we are helpless to defend our citizens, our interests, and our values. This I simply do not accept.

So we must meet this challenge of low-intensity conflict and ambiguous warfare. We have no choice.

The Intellectual Challenge of Ambiguous Warfare

Our first task, it seems to me, is to come to grips with the problem intellectually.

For various reasons, at least in this century, we Americans have been uncomfortable with conflicts involving limited uses of force for limited ends. Nor have we had to confront systematic terrorism here at home, as Israel has for almost four decades. We have, sometimes, been slow in confronting dangers from abroad, waiting until a limited or ambiguous challenge has escalated into one of global dimensions. Today, we are faced with demands that we be absolutely certain of the need to act before doing so; that we act openly, swiftly, and conclusively; and that we support only those whose aims and conduct we approve in every way.

We know, today, that such simple clarity in the use of power is often elusive in the modern world. We have seen and we will continue to see a wide range of ambiguous threats in the shadow area between major war and millennial peace. Americans must understand, and I believe most Americans do understand, that a number of small challenges, year after year, can add up to a more serious challenge to our interests. The time to act, to help our friends by adding our strength to the equation, is not when the threat is at the doorstep, when the stakes are highest and the needed resources enormous. We must be prepared to commit our political, economic, and, if necessary, military power when the threat is still manageable and when its prudent use can prevent the threat from growing. We have far less margin for error today than we did even 30 years ago. We cannot afford to be complacent about events around the world in the expectation that, in the end, we will have the strength to overcome any challenge. We do not have the luxury of waiting until all the ambiguities have disappeared.

This is the essence of statesmanship—to see a danger when it is not self-evident; to educate our people to the stakes involved; then to fashion a sensible response and rally support.

Our intellectual challenge is especially to understand the need for prudent, limited, proportionate uses of our military power, whether as a means of crisis management, power projection, peacekeeping, localized military action, support for friends, or responding to terrorism—*and* to coordinate our power with our political and diplomatic objectives. Such discreet uses of power for limited purposes will always involve risks. But the risks of inaction will, in many circumstances, be greater.

Our political analysis must be clear sighted. Allies and friends may object to our action—or say they object. But this cannot be decisive. Striking against terrorism in the Middle East, for example, is bound to be controversial. But the worst thing we could do to our moderate friends in the region is to demonstrate that extremist policies succeed and that the United States is impotent to deal with such challenges. If we are to be a factor in the region—if we want countries to take risks for peace relying on our support—then we had better show that our power is an effective counterweight to extremism.

Among other things, this has to include the military supply relationships we have long had with our friends in the Arab world. This is tangible backing for their security in a dangerous period and an important factor for regional stability.

And we must show staying power. Americans are a nation of problem-solvers, and that is a mark of our greatness. Yet many of the problems we face are not susceptible to a quick fix. Few threats can be dealt with as rapidly as Grenada. Most will require perseverance and a longer term commitment. The struggle against terrorism will not be ended by a few dramatic actions. The safeguarding of fragile democracies and vulnerable allies against subversion and covert aggression, in Central America or elsewhere, will require more than brief and quickly completed uses of American power.

Our objective in these situations will always be to prevail. Sometimes, as in the case of Grenada, success will take the form of a total military victory and the removal of foreign troops. In other cases, success will consist of denying victory to the adversary so that political solutions become possible.

We must avoid no-win situations, but we must also have the stomach to confront the harder-to-win situations that call for prudent involvement, even when the results are slow in coming. Steadfastness and endurance are the keys to success; our adversaries notice when we are impatient, uncomfortable, or vacillating. Thus, we lose our leverage, and we *make* the problem more prolonged and more difficult to resolve.

The Political, Legal, and Moral Challenges

Unfortunately, in the wake of Vietnam, our endurance against any kind of challenge has been open to question.

Recent decades have left a legacy of contention between the executive and legislative branches and a web of restrictions on executve action embedded in our laws. The result has been a loss of coherence and recurring uncertainty in the minds of friend and foe about the constancy of the United States. The War Powers Resolution sets arbitrary 60-day deadlines that practically invite an adversary to wait us out, that invariably send signals that the United States, despite all our power, may be "short of breath." That description—"short of breath"—was offered by a Syrian, 2 years ago, who watched our congressional debates and concluded that we lacked staying power; this undercut the prospects for successful negotiation. The rationale of our diplomacy—that the May 17 agreement was the way to bring Israeli withdrawal—was itself undercut when Israel pulled back. This problem can recur as we seek to meet other challenges.

We must tackle this political dilemma head on. Recently, a legislator criticized us for not consulting with the Congress before our interception of the airliner carrying terrorists who had killed an American. But if we delayed acting in order to consult, the terrorists would surely have escaped. I have no doubt that the American people want to see their President acting flexibly, effectively, and decisively against the terrorist menace to defend our citizens. Surely there can be accountability without paralysis.

The fact is, we will never face a specific threat that does not involve some hard choices that are difficult for a democracy. The simple, tragic truth about many low-intensity challenges is that the "rules of the game" are often blurred, at best. Terrorists do not abide by the Geneva convention. They place a premium on the defenselessness and helplessness of their victims. The more heinous the crime, the more attention terrorists attract to their "cause."

The same is true of communist guerrillas, whose fundamental tenet is that the goal of seizing power justifies any method that comes to hand—urban terrorism or waging war on the civilian economy, as in El Salvador. They believe, as Castro once said, that history

will absolve them. In the Philippines, the communist guerrillas are men of extraordinary brutality; they have been compared to the Cambodian communists, and this is not a wild comparison.

In the wake of the recent attacks at the Rome and Vienna airports, we have heard it asserted that military action to retaliate or preempt terrorism is contrary to international law. Some have suggested that even to contemplate using force against terrorism is to lower ourselves to the barbaric level of the terrorists. I want to take this issue head on.

Unlike terrorists and communist guerrillas, we do not believe the end justifies the means. We believe in the rule of law. This nation has long been a champion of international law, the peaceful settlement of disputes, and the UN Charter as a code of conduct for the world community.

But the Charter's restrictions on the use or threat of force in international relations include a specific exception for the right of self-defense. It is absurd to argue that international law prohibits us from capturing terrorists in international waters or airspace; from attacking them on the soil of other nations, even for the purpose of rescuing hostages; or from using force against states that support, train, and harbor terrorists or guerrillas. International law requires no such result. A nation attacked by terrorists is permitted to use force to prevent or preempt future attacks, to seize terrorists, or to rescue its citizens when no other means is available. The law requires that such actions be necessary and proportionate. But this nation has consistently affirmed the right of states to use force in exercise of their right of individual or collective self-defense.

The UN Charter is not a suicide pact. The law is a weapon on our side, and it is up to us to use it to its maximum extent. Cooperation in law enforcement, international agreements against hijacking and terrorism, extraditing and prosecuting terrorists when captured—these are indispensable tools. But we can go further.

There should be no confusion about the status of nations that sponsor terrorism against Americans and American property. There is substantial legal authority for the view that a state which supports terrorist or subversive attacks against another state, or which supports or encourages terrorist planning and other activities within its own territory, is responsible for such attacks. Such conduct can amount to an ongoing armed aggression against the other state under international law. As the President said last week:

> By providing material support to terrorist groups which attack U.S. citizens, Libya has engaged in armed aggression against the United States under established principles of international law, just as if [it] had used its own armed forces.

Think about the practical and strategic implications of allowing a state to evade responsibility for the acts of its terrorist surrogates: a nation like Qadhafi's Libya would acquire immunity while carrying on the secret or ambiguous warfare which poses such a threat today to the security and well-being of free nations. And to let ourselves be deterred by Qadhafi's threats from doing what is needed to stop him will only establish in his mind, and in the minds of other fanatics, that the scheme has worked. State-supported terror will increase through our submission to it, not from our active resistance.

The future will be grim, indeed, if we permit this. The potential gravity of terrorist acts is certain to increase as terrorists obtain the means to use weapons far more destructive and harmful than guns, grenades, and bombs. In fact, state support will probably be the single most important factor in enabling terrorists to acquire such weapons, which may well include nuclear devices small enough for terrorists to assemble but devastating enough to destroy a government's leadership and a nation's morale. We must use the law to preserve civilized order, not to shield those who would wage war against it.

The armed ideologues of the world may believe that our devotion to international law will immobilize us abroad, just as they may believe our political system will immobilize us at home. As we have shown in response to Nicaragua's hypocritical suit in the World Court, we will not permit our enemies—who despise the rule of law as a "bourgeois" notion—to use *our* devotion to law and morality as a weapon against us. When the United States defends its citizens abroad or helps its friends and allies defend themselves against subversion and tyranny, we are not suspending our legal and moral principles. On the contrary, we are strengthening the basis of international stability, justice, and the rule of law.

Our morality must be a source of strength, not paralysis. We cannot walk away from every situation that poses a moral dilemma. The use of force at *any* level involves moral issues. We should use our military power only if the stakes justify it, if other means are not available, and then only in a manner appropriate to a clear objective. But we cannot opt out of every contest. We cannot wait for absolute certainty and clarity. If we do, the world's future will be determined by others—most likely by those who are the most brutal, the most unscrupulous, and the most hostile to everything we believe in.

A Strategy for Ambiguous Warfare

Thus, the United States needs an active strategy for dealing with ambiguous warfare. We must be better prepared intellectually and psychologically as a nation; we must be better prepared organizationally as a government. Many important steps have been taken. But more needs to be done.

First of all, our policy against ambiguous warfare must be *un*ambiguous. It must be clearly and unequivocally the policy of the United States to fight back—to resist challenges, to defend our interests, and to support those who put their own lives on the line in a common cause. We must be clear in our own minds that we cannot shrink from challenges.

For this, there must be public understanding and congressional support. That is why, again, I applaud you for holding this conference—not only for probing deeper into the problem but for contributing to the body of public knowledge and education.

In fact, we are much farther along as a nation in this regard than we were a few short years ago. Unfortunately, much of what we learned, we learned the hard way. Public discussion and debate about the problem must continue—not to magnify our hesitations but to crystallize a national consensus.

Second, we must make the fullest use of all the nonmilitary weapons in our arsenal. Strengthening the collaboration of governments, developing new legal tools and methods of international sanctions, working to resolve conflicts through diplomacy, taking defensive measures to reduce our vulnerability—all this we must keep doing.

Our programs of security and economic assistance to friends are essential. In this era of budgetary stringency, I want to record an urgent plea on behalf of security assistance. As the President has said, "Dollar for dollar, security assistance contributes as much to global

security as our own defense budget." In El Salvador, we see how the wise provision of sufficient economic and military assistance obviates the need to consider any direct involvement of American forces. And we must extend moral or humanitarian or other kinds of support to those resisting totalitarianism or aggression. Our ideals and our interests coincide.

We must also strengthen our intelligence capabilities—not only intelligence collection and intelligence cooperation with allies but also our means for covert action. In this regard, it is imperative that we stop leaks. There is no disagreement within this Administration that unauthorized disclosure of military or intelligence information is a crime. Since time immemorial, governments—including democratic governments—have conducted sensitive activities in secret, and the democracies only court disaster if they throw away this instrument through indiscipline.

One of the cliches one hears these days is that covert operations leak, so why try to do things covertly? First of all, I think we can keep things secret if we try harder. Second, other countries working with us often have good reasons not to want publicity, and unacknowledged programs afford them some protection, even if there are leaks in the press. It can mean the difference between success and failure for our effort. In addition, unacknowledged programs mean a less open challenge to the other side, affording more of a chance for political solutions. Covert action is not an end in itself, but it should have a place in our foreign policy.

Finally, there is the military dimension of our strategy. Just as we turned to our men and women in uniform when new conventional and nuclear threats emerged, we are turning to you now for the new weapons, new doctrines, and new tactics that this new method of warfare requires.

I have no doubt that we have the physical resources and capability to succeed. To combat terrorism we have created the Delta Forces; we have created the Special Operations Forces for a multitude of tasks; the Army is forming new light divisions; the Marines are developing new capabilities; the Air Force and Army are developing new concepts and doctrines. The courage and skill of our armed forces have been proven time and again—most recently in Grenada and in the capture of the *Achille Lauro* hijackers.

But the challenge we face continues. I am confident you will know what is required to ensure coordination and effectiveness. I do know we will need the closest coordination between our military power and our political objectives—because I, as Secretary of State, know full well that power and diplomacy must go together. We need to re-learn how to keep our military options and preparations secret. There may be an important new role for our military in the area of covert operations.

Cap [Weinberger] and I discuss these issues and these challenges frequently, and we will be working together, in full agreement on the urgency of the problem.

Prospects

So, in conclusion, I can tell you that your topic is a prime challenge we will face, at least through the remainder of this century. The future of peace and freedom may well depend on how effectively we meet it.

I have no doubt we can succeed. We have learned much in recent years—about terrorism, about Soviet-backed insurgencies, and about how to use American power prudently. Our armed forces are better equipped, both physically and psychologically.

The American people are today more confident in themselves, in their nation, and in the rightness of their principles, and this will be a source of enormous strength in the future. And we draw strength from the newly democratic nations which have joined our ranks and look to us for leadership.

With the necessary will, hard work, and a degree of wisdom, we will prevail over this challenge, as we have prevailed over so many others in our proud history.

---

[1]Press release 8. ■

The Writer and Freedom

Secretary Shultz's address before the Poets, Playwrights, Essayists, and Novelists International Conference in New York City on January 12, 1986.[1]

I was in Cartagena, Colombia, last month, for the annual meeting of the Foreign Ministers of the Organization of American States, a group not especially known for the elegance of its prose, and certainly not much of literary note was going on while I was there. Two days after I left, however, the *New York Times* correspondent reported from Cartagena that:

> . . . scantily dressed women danced the rumba, a local politician made a speech about love and death, proud relatives toasted the author's fortune with rum, and, in the steaming tropical port where it is set, Gabriel Garcia Marquez's new novel was launched.

Probably all you writers have experienced something like that kind of reception for your work. But when Stanford University published my latest book, nobody in Palo Alto even did the foxtrot.

A book that tries to explain economic policy beyond the headlines certainly is not a poem or a novel; it's not far from an essay, though. But I recognize that I'm not standing here today simply because of my achievements as an essayist. Indeed, I can only regard Norman Mailer's invitation to me as another shining example of that charitable spirit for which New York literary circles have long been famous. But it wasn't until I read the *New York Times* on Friday that I realized that I've become the latest PEN [Poets, Playwrights, Essayists, and Novelists] controversy. In Norman's world, that's a high form of flattery—and that's how I take it. And I salute you for taking this decision in favor of free speech.

In the few minutes I have here, I want to presume to make a few comments not only in my present official role but also from the standpoint of some other aspects of my experience.

Nearly every field of knowledge emulates—or ought to emulate—literary models of analysis, persuasion, and explanation. Clarity, insight, illumination—these are the qualities at the very heart of every serious intellectual endeavor. Literature is a first order, leading intellectual endeavor. If mathematics is the Queen of Sciences, literature surely is the King of the Humanities.

In my own field—economics—like literature, we think and analyze with metaphor and seek to persuade through considerations of analogy, symmetry, and the beauty of the argument. Even statistics can be figures of speech.

All this leads me to two observations: first, Ken Galbraith deserves to be a member of PEN, despite the fact that he once wrote a novel about diplomacy; and, second, that I regard the creative literary writer as an individual of primary importance for the entire range of thought, culture, and human existence.

So I am pleased and honored to be here. It has been a long while since the International Conference of PEN has been held in the United States. America is proud to have you here. Diversity, debate, contrast, argumentativeness are what we as a people thrive on. So, as individuals, each of you is truly welcome here. And PEN as your collective spirit and organization is welcome as well, for the larger and noisier PEN has become, the more it has been able to do for freedom around the world.

Freedom—that is what we are all talking about and why we are here. And the writer is at the heart of freedom. There is no more striking image of freedom than the solitary writer, the individual of imagination, creativity, and courage, imposing through language the perceptions and prescriptions that can illuminate and, perhaps, change the world. The writer needs freedom, but the writer also is the creator of freedom. No government or ideological system has ever yet succeeded in stopping the writer, although some are trying very hard.

That is why the theme of this Congress is a serious one, and I would like to say something about it.

As you recognize, there is often a built-in tension between the aims of the writer and the very concept of the state. The state aims to provide social order, and the writer aims to create an imaginative order of his own. Sometimes their relations are amicable, and the tension can be creative rather than oppressive. In an enlightened society, the writer is free to pursue his thoughts, to offer new visions.

At other times, relations between the writer and the state may be strained, even hostile. And when the state falls short, as it is bound to do, writers and intellectuals become its most articulate and forceful critics—the conscience of society. Here in America, the literary vision of the 1940s and the 1950s—both black and white—affected public attitudes and perceptions in ways indispensable to the epic political and social achievements of the civil rights movement of the 1960s.

But the conflict between the writer and the state can assume vastly different forms. One of the first responsibilities of intellectuals everywhere is to think clearly, to make distinctions. That responsibility is especially serious when it comes to thinking about politics. It seems to me that if the history of the 20th century teaches anything, it is the intellectual and moral hazards of personifying "the state," of divorcing "the state" from its historical and social particulars. That abstraction is morally hazardous because it ignores the fact that states everywhere are governed by individuals who are responsible for their actions. And it is intellectually hazardous because it glances over a number of distinctions between states—distinctions that are crucial to any meaningful reflections about politics and art.

There are countries in which writers know that if their art appears to threaten the political fortunes of their rulers, they may be silenced, imprisoned, even killed. Equally tragic, there are countries in which writers choose to aid the apparatus of repression.

By contrast, there are other countries—and I'm proud to say that the United States is one of them—where writers can speak, write, and publish without political hindrance. Their freedom to criticize the state is the true measure of their independence. To me, the vindication of free societies is the outspokenness, even the obstreperousness, and the self-evident vitality of the artists and intellectuals of the free nations—indeed, in the presence of many of you here and in the very existence of this organization.

So there is a difference. It would be ironic if intellectual freedom were appreciated only in countries where it didn't exist, and taken for granted, or even deprecated, in the countries where it thrives. Freedom is what we are here to talk about, freedom of thought, of expression, freedom from official censorship or private intimidation.

To those who speculate that creativity forged in the crucible of totalitarianism is greater than that in politically free but culturally commercialized societies, I say the answer always is individual freedom. And serious people know the difference between freedom and its absence. To declare one's alienation without distinction is to abdicate judgment, analysis, differentiation, wisdom. It is to risk marginality and estrangement from the roots of traditional and community life that nourish the creative imagination. It can be a recipe for irrelevance.

Freedom is real, and it works. In fact, one of the most powerful trends in the world favors freedom. In recent speeches, and in Moscow and Geneva, I have spoken on the reality that the industrial age is coming to an end. In some places, it is over. The economy of the future will be based more and more on information technologies. And the creative flow of information requires freedom—freedom of thought and communication. Ideology has nothing to do with this; it is just a fact of life.

The societies that will succeed in these years to come will be those that let ideas, people, and capital resources move freely, that encourage entrepreneurship and experiment. Regimes that try to stifle the new information technologies may find themselves falling behind economically, and if they permit them, they risk losing their monopoly control over information and ideas. They probably won't have a choice. It is impossible to stop technological change by political fiat.

It is the democratic societies that have grasped the plain fact that the source of economic vitality is individual creativity and not the state. Countries where the flow of information is intrinsic to the political system and its principles will have the advantage.

Democratic societies understand that cultural vitality springs from individual creativity and not from the state. But information is one thing; knowledge is another. Data and wisdom are not the same.

Emerson said that the scholar is our society's "delegated intellect. In the right state he is man thinking," said Emerson. To me, intellect joined with imagination and creativity is achieved in the situation of "man writing." This means books: novels, poetry, plays, criticism, essays.

In the computer age, reading and writing will not become obsolete, as many have so facilely asserted. In this era of other arts—film, dance, painting, music—there is no escaping the reality that our culture is built upon, and relies upon, the written word. As Jorge Luis Borges has said, "Books will never disappear. It is impossible for it to happen. Of all mankind's diverse tools, undoubtedly the most astonishing are his books. If books were to disappear history would disappear. So would men," he said.

Indeed, the awesome power of the writer resides in the fact that it takes only paper and pencil to do it. No apparatus, consensus, or license is required. Traditional Chinese tales tell of the village papercatcher, the one designated to go about gathering up any stray scrap of paper with writing on it that might be blown along the alleys by the wind—not for the purpose of cleaning up litter, but because writing was precious, and one single piece of paper might be found to contain an enlightening thought which, however fleeting, must not be lost.

That is why, to me, the horror at the core of George Orwell's *1984* is the suggestion that a tyranny might someday arise that could deprive the individual even of the simplest tools of pen and paper. And that is why I am proud to represent an Administration that more than any in this century is committed in philosophy and in fact to reducing the intrusion of government into the lives, minds, and livelihood of the individual.

And I would like to say, in that connection, particularly since the McCarran-Walter Act and its administration have been raised so forcefully at the beginning of this session, to make a comment about that, a considered comment.

The United States is the most open society in the world. Of course, we are not perfect, and I know that some of your members have been particularly aggravated by problems some writers have had in obtaining visas as a result of the McCarran-Walter Act of 1952.

This Administration is committed, and I am personally committed, to protecting free expression of all political ideas. We agree with PEN's charter when it states that: "Literature, national though it be in origin, knows no frontiers." In fact, we would apply this principle to all forms of expression. America's dedication to the principle is unsurpassed in the world today.

I've taken very seriously my Department's role in reviewing proposed visa denials that could affect free expression. It has never been the approved policy of the United States to deny visas merely because the applicant wants to say that he disapproves of the United States or one of its policies.

I realize that errors may be made from time to time, particularly in the acts of administration. But we have learned over the years how to build protections into the decisionmaking process to ensure that the value of free expression is given due weight. The fact is that in the course of this Administration a significant change in policy has occurred. When a writer or artist seeks a visa for the purpose of speaking or lecturing or performing in the United States, the administration of the Act now involves the strong presumption against denying access for foreign policy reasons. No denial is ever based on a person's abstract beliefs.

I want to make it clear, however, that we will deny personal access to people who aim to undermine our system through their actions, who are likely to engage in proscribed intelligence activities, or who raise funds or otherwise assist our enemies. We are careful in reaching such a conclusion about any writer or other artist, irrespective of his or her relative fame. But occasionally we do so conclude. While those judgments are made by human beings and are, therefore, fallible, they are made in good faith and consistent with established policies concerning our national interests; but we will never deny physical access to anyone merely because of the beliefs he or she intends to espouse.

I think this Administration's policies and protective procedures are now working well. And this gathering is only one of many recent testaments to our commitment to maintain the free marketplace of ideas.

I also agree with your Congress' catalogue when it says that:

> The minimum contract between the state and the citizen is for the maintenance of order: To provide for the common defense and diplomacy, to administer justice, to look to the equality of opportunity and the distribution of income, and to manage a sound currency.

That's about it, in my view. Governments around the world should be criticized in direct proportion to the extent to which they go beyond those functions. So I put it to you that we have more in common than you think.

Let us remember today those writers who exist in states where the typewriter or mimeograph are regarded as dangerous weapons, where writers have no independent right to publish, and where a free press has no free access. Let us work to support the solitary writer in a suppressive society. Let us take heart that many governments and their censors have found that it is not so easy to stop all the writers, every last solitary individual with a pen and paper or typewriter and friends who will smuggle out what he or she writes.

The writer will be the last to be stifled. The writer will always be with us, testing the limits and expanding the horizons of his society.

I am optimistic about the future. As the world gets smaller, the importance of freedom only increases. The yearning for freedom is the most powerful political force all across the planet. You are among its champions. You can be proud of what you have done for that cause.

And don't be so surprised by the fact that Ronald Reagan and I are on your side.

[1]Press release 6 of Jan. 14, 1986. ■

Secretary's Interview on "Face the Nation"

Secretary Shultz was interviewed on CBS-TV's "Face the Nation" on January 12, 1986, by Lesley Stahl, CBS News.[1]

Q. There are reports now that investigators in Europe believe that the terrorists who perpetrated the bombings in Rome and Vienna did not come from training camps in Libya, but came from camps in the Syrian-controlled Bekaa Valley, and then came through Syria into Europe. Are there second thoughts within our government about just exactly how much Libya is to blame for this latest terrorist act?

A. No. Libya is clearly supporting terrorism in general. Libya has provided financial support—we know that—to the terrorists groups, particularly the "Abu Nidal group," which is the group that perpetrated this last catastrophe. The passports being carried by some of those who were engaged were passports that the Libyans confiscated from some Tunisians, so they had to come from Libya. Now, that doesn't mean that everything that was done was connected with Libya, but surely there is a very definite Libyan connection with this—and a whole pattern—of terrorist activity. That's why we're concentrating on Libya.

Q. Now, what about Syrian involvement? Just how much is that government responsible?

A. Syria's picture is a rather different one. I would remind you that Syria has long been on our terrorist list, but Syria's behavior toward all of these things is rather different from Libya's.

Q. In what sense? How is it different?

A. In their public attitudes, and beyond that we are working with Syria on a number of fronts in a constructive way.

Q. There are people who find it peculiar, though, that if there is some evidence linking Syria, why isn't our government willing to speak out? Are we afraid for the lives of our hostages in Lebanon? Is that part of this?

A. We have spoken out, and as I said, Syria is on the terrorist list of the few countries that we feel are doing more to support terrorism than they should.

Q. Mr. Oakley, who is the head of the terrorism task force within the State Department—

A. Yes, and doing an outstanding job.

Q. —has said that it is possible that you could impose the same kind of sanctions against Syria as you did against Libya. Is that a serious possibility in this situation?

A. There is no plan or thought about that. Of course anything is possible, but it depends not on us. It depends on what other countries do, and we believe it's—I hope that Syria will not do things that will make that necessary, and I—my guess is they won't.

Q. Have you ruled out the—any link in this case, in this specific case? I mean, what about the fact that they may have in this latest incident?

A. Been in the Bekaa Valley and gone through Damascus, and to what extent, of course, the—that involved the Syrian authorities, we're not able to say.

Q. You're not able to say. Which raises a question about our whole intelligence capability in all of these acts of terrorism. There is deep concern that we have not been able to pinpoint exactly who these groups are, where they are, where Mr. Abu Nidal is at any one moment. What is our government doing to improve our intelligence capability in the Middle East?

A. Of course it's true we don't know everything, but we know a lot, and we know more than we used to, and our capability has been improving, not only our capability but the capability of others around the world, and our ability to interact with them in a determined and constructive way. The President mentioned at his news conference last Tuesday that there'd been in the last 14 months, 126 terrorist acts that didn't happen. Why? Because of our intelligence and the intelligence of others and our collaborative patterns. So I agree with you that we need to do more, a lot more, but at the same time we shouldn't get that helpless feeling that we don't know anything that's going on and we can't do anything about it. We can, and we have, and we need to do a lot more.

Q. But you never—you threaten to strike back constantly, which, because you do so much and never do strike back, are beginning to leave an impression of empty threats, crying wolf, and this apparently is for a lack of good intelligence, to be able to pinpoint exactly where the terrorists are; isn't that true?

A. This is an attack in the Vienna and Rome airports that happened, so it wasn't possible to interdict it and stop it, but I told you of 126 times when it didn't happen, more or less.

Q. No, I'm talking about retaliation.

A. So there is progress.

Q. What about retaliation, though? If you can't pinpoint where these people are being trained, where they come from, where they go back to, where the people who mastermind it are, isn't that evidence of poor intelligence work?

A. We want to know more, obviously, and my opinion is that we need to raise the cost to those who perpetrate terrorist acts by making them pay a price, not just an economic price, so they'll have to think more carefully about it. We also, obviously, have to think about other consequences to others who may be innocent victims in case of any military action.

Q. When President Reagan spoke to European journalists earlier this week, he left an impression that the reason the Americans were withdrawn from Libya is that he—was because you want to clear the decks for a military strike. Is he trying to leave that impression, that either a military strike is coming or that the very next incident will definitely provoke a strong military response from this government?

A. We have—the President has said, and he has instructed me and others, that we will have nothing whatever to say about what we may or may not have in mind.

Q. But he left that impression.

A. I will have nothing to say.

Q. You are sending the number two man at the State Department, Mr. Whitehead, to Europe to urge our allies to join us in our economic sanctions. My question is—they've already said no. They've publicly said no. They've rejected us. Why are we going back in again to face almost certain rejection all over again and leave an impression in the world that we are almost totally isolated in this situation?

A. I think the picture that you just painted is not right. I believe that people are more and more conscious of the terrorist threat, not only in this country but in Europe and elsewhere in the world. There is really no argument about Libya and Qadhafi's involvement in it. Nobody's arguing that they're not involved. They may argue particulars in a—in this case as you did, but you didn't even argue that Qadhafi and Libya, are they involved in terrorism.

Q. I didn't argue at all, sir.

A. Everybody knows that. So that has become more and more apparent to people, and I think that we have taken the position that the right thing to do is to disengage from them entirely, and we are doing it, and we are pointing out to others what is going on and the consequences. They can see. After all, these acts take place much more in Europe than they do here.

So, we will go around and we will highlight this to people, and people have been responding. I think the Canadian response was an interesting one. The Italian decision to stop selling arms is an interesting one. So I don't think it's a snap-of-the-fingers-type thing; it's a consciousness raising and long-term effort that we're involved in.

Q. There are those who believe that this whole spate of terrorist acts going on right now are designed to subvert the peace process in the Middle East, and that the aim in fact is to get us, the United States, involved in a military action in the Middle East that will then destroy the peace process, and that's what the goal is, and that it would be wise for us never to take military action because then we would be playing into the hands of the

terrorists in the end anyway. What's your response?

A. I think you're absolutely right, or those you're quoting are right, that the people who are perpetrating the terrorism are opposed to peace. Peace means that the countries in the Middle East need to sit down with Israel and make peace, and it's very interesting that—what happens when a Sadat comes forward? What happens when King Hussein does the very constructive and bold things that he's done? Immediately the people who say they are worried about the Palestinian cause try to murder those people or terrorize the Jordanian Airlines and things of that kind. So they are not for peace. They are not really for the Palestinian cause. The Palestinians need a better break. They have gotten a raw deal, and they need a peace process, and you're not going to get it through this violence.

Q. But my question to you was really about the retaliation in a military fashion by the United States, which we've been told time and again you favored, and that you were the major supporter of going in and fighting back in this particular case, and my question is, wouldn't we then really be playing into the hands of these people who want to subvert the peace process?

A. I think when you put down somebody like Qadhafi and the Libyan support for terrorism, you are raising, not lowering, the chances for peace.

Q. Even though it's what they appear to want, they want us—

A. What they want is to destroy chances for peace. They are not for peace. They are not for a peace process in the Middle East. They're against it, and it's an irony that they put themselves forward as advocating the Palestinian cause, because what they're doing is directly opposed to anything constructive for that cause.

Q. What is the Soviet role in all of this, in your opinion? Where do they stand? Who are they supporting? What do they want?

A. The Soviets—you'll have to ask them their question of what—what do they want.

Q. Can't you give us your analysis? You're our Secretary of State.

A. They are supporting Syria. They are sending weapons to Libya. They have made many statements in connection with this latest series of events that I regard as very unhelpful. They have tried to portray us as parlaying this into a major confrontation when we—

Q. Have you been in touch with them?

A. —have to recognize that the immediate cause of all this is not something we did, but terrorism in the Vienna and Rome airports. We've got to keep our eye on what really this is about.

Q. Has the President been in touch with Mr. Gorbachev over this and what—

A. The Soviets know full well our point of view.

Q. But what has their response been? Do you feel that they're making the situation worse at this point or not?

A. You can read their response in the papers.

Q. Mr. Treiki, the Foreign Minister, says that Arab countries are going to start taking money out of American banks because of the freezing of the Libyan assets. Is there any evidence of that? Have we been in touch with these Arab countries to discourage it? What is that situation?

A. There is no evidence of that, and any step to affect in any way assets of a country here is taken with great, great, deep reluctance. Now, notice what was done was to freeze these assets, not to confiscate them, freeze them. While they're frozen they accumulate interest [if] that image is possible, and they are there as a kind of insurance policy against what may be done with American assets in Libya.

Q. Are we supporting the opposition groups to Mr. Qadhafi? Are we giving them money and any other kind of support?

A. I don't make any comments on things like that at all, except to say that, obviously, we think the Qadhafi regime is doing very bad things from everybody's point of view, from ours, from the Europeans', from the other Arabs' point of view, from the standpoint of the Palestinians, and he ought to stop or get out of the way.

Q. Would you be encouraging, would you like to encourage some group to go in and overthrow his regime? Are we?

A. This is not a subject that I'm commenting on at all, but I'm just saying what I think of his regime.

Q. It's been reported, as you well know, that we are.

A. I don't comment on everything that's reported.

Q. We have run out of time, but I must ask you a final question. The former national security adviser Zbigniew Brzezinski believes that you're running for President. Are you running for President? Would you like to be President of the United States?

A. I am not running for President.

Q. Would you like to be President of the United States?

A. I have been very close to several Presidents and I know what a tough job they have. They're welcome to it. I have enough to do right now myself.

Q. There's another report that you would like to be President of the World Bank. Are you planning—

A. That's also wrong.

Q. —to leave your job at the State Department any time soon?

A. No. I have no such plan.

[1]Press release 5 of January 13, 1986. ■

News Conference of January 9

Secretary Shultz held a news conference at the Department of State on January 9, 1986.[1]

Q. Given the Europeans' spotty record and your own forceful assertions about the evils of terrorism, how come the United States hasn't used force now to deal with what has been going on?

A. The President has taken the steps for the moment that he feels are appropriate.

We have done a wide variety of things about terrorism over a considerable period of time, and the steps taken yesterday and the day before are the latest in a long series. Unfortunately, it's likely to continue because terrorism is a problem that is very much with us. The United States is very firmly opposed to it, and we will take the actions necessary to bring it to an end.

Q. Do you think terrorists, who apparently speak a different language from civilized man, are in fear of U.S. force considering that in several instances now, what the United States has done, essentially, is to take economic reprisals?

A. We have used military force on one occasion. We have directly ourselves, or in one way or another indirectly, taken part in quite a large number of instances where potential terrorist acts have been stopped.

We are prepared to use the measures that will be effective and are necessary. Force is not always the best means, but it may be necessary on occasion.

Q. I'm curious to know where your recent enthusiasm for economic sanctions springs from. Do you think the Nicaraguan sanctions have been effective in changing their behavior? It was you, I recall, who used to be opposed to economic sanctions as a rule, a course of policy for the United States.

A. I think that the actions taken with respect to Nicaragua and with respect to Libya are by way of saying that the United States feels that in these two countries, for different reasons in some respects but parallel reasons in others, they represent countries that we don't want to have anything to do with.

We think they are involved in actions that are antithetical to civilized norms in the world generally and in their neighborhood. And so what we're doing is withdrawing the benefits of United States contact with them and making a statement to everybody about how we feel about those countries.

Now, as far as the effectiveness of the economic sanctions by themselves are concerned, undoubtedly they have some effect. But no one contends that these actions by themselves are likely to have a decisive effect.

Insofar as Libya is concerned, I think you have had distributed to you the rather lengthy pattern of gradually escalating economic sanctions against Libya, and I think by this time we're pretty much at the end of the road. All of the things that one can think of, economically, have pretty much been done now.

We have taken these actions carefully so that they represent a statement of the United States view. We haven't either in the case of Nicaragua or Libya put them forward in a manner in which we try to force on others our view. But we do believe, in the case of Libya—and Nicaragua, for that matter—that other countries should take a good look—a good hard look—at the behavior of these countries and ask themselves, don't they want to act the same way we are?

I agree with you that we haven't had a lot of success in persuading people to that view. But just because others are not prepared to do the right thing is not any reason why the United States shouldn't do the right thing. We should do the right thing here. And as we do, and as the force of this gradually accumulates, I believe that others will gradually come around to our viewpoint.

Q. Why the narrow focus on Libya when our own intelligence community has singled out Iran, for example, as a country that trains terrorists, a country that has taken American lives over the past several years in places like Lebanon? Why the lashing out on this one subject and not tackling the others?

A. Libya is a country that has been, is, and no doubt will continue to be involved in terrorist activities. They give safe haven. They give financial support. They have arms and explosives stored in their embassies; they pass them out. They are involved in terrorist activities, and we are making a statement to that effect.

Insofar as Iran is concerned, we are as concerned anywhere about terrorist activities. We are talking about Libya in this instance. We have very little trade with Iran. There is no blanket sanction, as in the case of Libya, as a result of the Algiers accord in which we were obligated to withdraw all those sanctions, as you remember; and there is a court proceeding going on in The Hague having to do with that.

Q. How do you account for the fact that the countries most affected seem to be the countries least capable of going along with some of these sanctions and perhaps the most willing to step in where American businesses will step out, such as the European allies?

A. The Europeans have the largest relationship with Libya.

Your question seems a little—I can't sort of follow the logic of it altogether. But the Europeans have substantial relationships with the Libyans—they have assets there; they have people there; they have substantial economic and trade flows—which means that if they were to adopt the point of view that we do, then the opportunity to be effective with respect to Qadhafi and cut off the resources that he uses to support terrorism would be much improved. So we will keep trying to persuade them that that would be a good idea.

To date, we haven't made much headway, although I think that there will be a reluctance to move in to the roles that the United States is leaving.

I might say that we plan to send Deputy Secretary John Whitehead on a trip through some European capitals next week, and he will be there on a mission of explaining our point of view and trying to be as persuasive as he can. And he's a pretty persuasive guy.

Q. On what basis do you believe that this reluctance, as you described it, which includes Chancellor Kohl of West Germany saying a flat no, will change?

A. What people have to observe is that here is Qadhafi; he is harboring terrorists; he is providing them financial support; he is providing them a certain kind of infrastructure. So he is involved. He is a terrorist.

You have to keep asking yourself, when you see pictures of the mayhem in the Rome airport or the Vienna airport, if you want to deal with somebody who

is involved in that. The President has come to the conclusion that the answer to that is no. And if it costs us a little bit initially, so be it, but we don't want to deal with him.

I think the Europeans are going to have to look at that question very hard in their own interests. Europe is experiencing, unfortunately, quite a rash of terrorist acts, not all associated with Qadhafi, but he's undoubtedly behind a fair share. So how do you come to grips with this?

Obviously, you come to grips by law enforcement methods of various kinds which people are using increasingly effectively. But you also must come to grips by a more active kind of defense. You have to identify where this is coming from.

As [Italian] Prime Minister Craxi said, and the President quoted him, you have to identify the states that are willing to harbor these people, and I think the implication—and peoples' thinking is moving. It's not static; it's dynamic. You have to say to yourself, well, if you identify the state, then what? I think that there is going to be an increasing feeling that there's got to be an answer to that.

Q. It seems somewhat ironic to have quoted Craxi, who continues to say that he's not convinced that there is enough of a link between the attacks in Rome and Vienna and Qadhafi, and the Europeans are using this—are saying this.

Are you convinced there is a big enough link, and how will you convince them more about it?

A. I'm convinced—no doubt whatever of Qadhafi's involvement in terrorist activity. And I must say from all of the reports that I've had from our European friends and the information that flows in, nobody is really quarreling with that. That's acknowledged.

Now, you can ask yourself, precisely what did he have to do with precisely some incident. And as it happens, in the case of these airport massacres, there is a precise connection in the form of these passports.

The reason I quote Prime Minister Craxi is that the Italians have been very good in getting after terrorism. They have a strong program, and I admire it. I think it's interesting that Prime Minister Craxi said, "We have to identify the states," and once you take that step, well, then you have to identify the states. After you've identified them, it's bound to lead you to some conclusions.

Q. About 1 week ago the spokesmen here and at the White House said that several options were under consideration, including the military one, in response to the terrorist attacks.

Could you at least give us some feeling on why a military response was not decided upon within the Administration? Was it because of the number of Americans there, a fear of losing planes, or what?

A. We're not making any comments whatever on military options or other things of that nature.

Q. Qadhafi said today, he said he pledged to help fight terrorism. What's your reaction to that? Is that what you're looking for from him?

A. We're looking for people to stop associating themselves with terrorism. This rhetoric doesn't get us anywhere. He has done a broad array of things that have been identified in the white paper that you have, over a long period of time, and the nice thing would be to see an end to any more entries on that list. So it's behavior that we're looking for.

Q. If I could ask you a question about the larger impact of this on the peace process in the Middle East. Mohammed Abbas is quoted in the *Irish Times* today as saying, "The American economic sanctions against Libya mean the United States has declared war against the Palestinian people."

Are you concerned at all about efforts by Mr. Abbas and others to exploit this and about the deterrent effect that incidents of this kind will have or may have on King Hussein and others in terms of reducing their willingness, their eagerness, their courage in moving forward in the peace process?

A. The United States, over a long period of time, has been doing and trying to do as much as we possibly can for the Palestinian people. The Palestinian people are a deprived people. They are a very capable people.

I happen to know many of them. I used to, in my private life, have working relationships with them. I admire them, and they deserve a better fate than they have.

We have tried in various ways to help move toward that end. We have said that there are legitimate rights of the Palestinian people. We have been trying to put forward, with some success gradually, a quality-of-life program addressed to the needs of the Palestinian people.

I think that one of the major arguments for the peace process—there are others—but one of the major arguments is that it will help to bring stability and some meaning to the lives of the Palestinian people, so we are very concerned about the Palestinian people.

Now, you have to ask yourself, why is it that when King Hussein starts the kind of constructive efforts that he has been making over the past year—and his efforts have been very bold and constructive—that immediately these people who profess to be for the Palestinians start taking shots at Jordanian airlines and assassinating a Jordanian diplomat? What is the message?

The message is that they don't want to see a peace process. So those who are in favor of a legitimate peace process in the Middle East which will try to bring about the servicing of the legitimate rights of the Palestinian people should be against this kind of terrorism.

The violence and terrorism in the Middle East has not achieved anything for the Palestinian people. The only thing that can really get anywhere is a negotiated solution. The states involved have to be ready to sit down with Israel and negotiate out their differences; and that's what we're for, that's what we have been struggling for decades, and that's what we would dearly love to see happen.

Q. You have said that we're pretty much at the end of the road on economic leverage that we could bring to bear against the Qadhafi regime.

A. Directly by us.

Q. By us. You've also said—

A. We've tried to persuade others to weigh in.

Q. Excuse me, sir. You've also said that it's expected that he will continue supporting terrorism.

A. I hope he doesn't.

Q. It leaves—

A. I hope he doesn't. I hope what he says he delivers on, but I'm just giving you a guess.

Q. Since the chances, the prospects, of persuading important numbers of European traders to go along with us are not rated high by anybody, even in this Administration, it leaves us with the impression—the implication that next time you're looking at very harsh options. Is that

the impression you wish to leave us with?

A. I'm not leaving any—I'm not making any comment.

Q. What will our attitude be toward Americans who do not leave Libya? Will they be regarded as potential hostages that inhibit future military actions, or if they don't leave, will we take the position that they have in effect given up their sort of rights of protection as Americans?

A. Americans are our concern under any circumstances. However, this Executive order, legally issued under the emergency act, makes it a violation of U.S. law to engage in transactions, including the kind of transactions that you have to engage in just to conduct your life anywhere. So American citizens who stay there will violate our law.

Now, there undoubtedly are cases of people who are married to Libyans or who are Libyans who've gone—Americans who've gone back there, or things of that kind, who are very special cases, and the Treasury has the ability in the regulations to gear itself to those humanitarian cases, if necessary. But we think that the Americans ought to leave, and the President said that very directly, and they violate the law when they stay.

Q. Will we ever reduce the American presence to the point where our military retaliation will not be prohibited? Do you foresee that?

A. I'm not going to comment on military matters at all, and I'll just leave it there.

Q. I'd like to ask you in another area, please, have you and Mr. Shevardnadze agreed yet on a date for the followup meeting for you to have to begin the process for the next summit, and can you tell us something about the progress that's been made toward setting a date for the summit?

A. We've had quite a lot of discussion of these matters and others with the Soviets—a rather active dialogue. I had a meeting yesterday with Ambassador Dobrynin. There haven't been any dates set. We've discussed various possible times for a meeting of the President and the General Secretary, and nobody has said firmly, "No, this," "It's got to be this," or anything of that kind. We're exploring it, and we'll work it out.

In terms of Mr. Shevardnadze, we also have not set a date, but that's not as though it's a major issue. He's been doing some traveling. He'll be in Japan next week seeing Mr. Abe, who's here, and they have their Central Committee meeting toward the end of February, which apparently is consuming a lot of their time. But this is moving along very well, and the various meetings on different arms control issues, on bilateral matters, on regional issues, are gradually falling into place, and I think the followon is going along pretty well.

Q. Would you not expect to see Mr. Shevardnadze, then, until after the Party Congress?

A. I would expect that would be right. Yes.

Q. Did you discuss the Libyan situation with Ambassador Dobrynin, and what were his throughts on that?

A. I have on a number of occasions made it clear to representatives of the Soviet Union what our point of view is, why we are so upset about Qadhafi, and given them full information on his activities.

Q. Did you get any support from Ambassador Dobrynin on it or any sympathy?

A. I'm not going to discuss—you'll have to ask him about his reactions, and we read about what the Soviet Union is saying. And to say that in some manner we are trying to heat up the situation is most ironic. It is the massacres in Vienna and Rome that have heated up the situation, and Qadhafi's support for them.

Q. Are you considering any sanctions against any country who supports Abu Nidal, like Syria? And, secondly, what happens now to—

A. Any country that supports what?

Q. Abu Nidal, and especially Syria, you know, has offices and camps for Abu Nidal. Secondly, what happened to the peace momentum after the rapprochement between Syria and Jordan?

A. There are lots of things going on. Some positive, some not so positive. We're working with that situation. Of course, we would always welcome a constructive Syrian role in the peace process, and the U.S. position has always been that Resolutions 242 and 338 cover all the territories. And I have heard Israelis say on many occasions they're prepared to engage in a bilateral discussion with Syria. But I'm not saying that anything I've heard about Syrian comments amount to a suggestion that that might happen.

But, at any rate, it's a little hard to read just what all this means for the peace process, and we're trying to puzzle it through and trying to keep it on the track for the very reasons that I was talking about earlier. It's stability and peace in the Middle East, it's the interests of the Palestinian people, let alone the security of the Israelis, that we work for here.

As far as Abu Nidal is concerned, he's a rather elusive figure, as we know, and moves around, and we do have Syria on the terrorist list, in part for that reason.

Q. Concerning Abu Nidal, the question—what about the remarks that were made in *The Washington Post* that General Sharon of Israel has two of his men in the Abu Nidal organization, and that General Sharon might have had a role in ordering the terrorist attacks in Vienna and Rome in order to cut—as part of an effort to cut a deal with the Soviets and take the Pollard affair off the front pages?

A. You'll have to ask *The Washington Post.* I don't know about that story. [Laughter]

Q. Assistant Secretary Crocker has been in southern Africa talking to the Angolans, and he's shortly to go to South Africa. It's generally perceived to be the last chance for some movement on some negotiated withdrawal of the Cubans on some timetable or other before the United States starts effective public support to some of the factions in Angola. Can you bring us up to date whether any progress has been made toward a negotiated movement in Angola, and do you feel that it's sort of the end of the line for that trend of policy?

A. I don't know where this "last chance" lingo came from, although I have heard it and seen it used. There's never, so to speak, a "last chance" in something like this. It's clear that in the end if we're going to have peace and stability in southern Africa, it's got to come about through negotiations among key people involved. Whether you're talking about negotiations among racial groups in South Africa, whether you're talking about negotiations between South Africa and Mozambique or Angola or Botswana or whatever, that is the way in which these things are going to be resolved.

Now, there has been more interest in some of the proposals we've put forward recently, and Chet Crocker has been exploring them, and I don't expect

any sort of major breakthrough. On the other hand, I think there have been some interesting developments, but not of a breakthrough sort. But we will continue working at it and trying to bring about the kind of negotiation that will get the foreign forces out of Angola and Namibia made independent in accordance with the U.N. resolution—what is it?

Q. 435.

A. U.N. Resolution 435, I think it is. [Laughter] Showing off.

Q. On that same subject, though, there are those who say provision of U.S. aid to UNITA would scrap any chance the United States has of being an honest broker and whether we continued to try for negotiation. It would make it almost impossible. In fact the President of Angola said today he doesn't understand if the suggestion of aid is pressure on Angola or a declaration of war. Where does that leave us, if that's our next step?

A. I think that negotiations—I now speak as a generalization—take place in an interplay with cards that you hold, with power, with the ability to have some command in a situation. And the necessity that the Angolans feel to pay some attention to Savimbi is a result of the fact that he has some power; and in our judgment is standing up to the Soviet/Cuban-sponsored and supported regime, we think that we're on Savimbi's side on that.

Now at the same time we're quite prepared to see some sort of negotiated outcome, and I don't really see any contradiction.

Q. Wouldn't a similar boycott imposed on Libya by the European allies push the Libyans to become more of a Soviet base in northern Africa?

A. They get a pretty fair flow of supplies from the Soviet Union now and provide hard currency in doing so. That conceivably might happen, but I think that if there were a real European movement, it would have a major impact, and a dramatic impact. But I'm not saying that that's about to happen. I certainly would like to see it happen.

Q. When you were in Bucharest, you made an arrangement with the Romanians to follow up on certain areas of specific human rights in Romania.

A. Yes. That's right.

Q. Has there been any progress on this issue at all since then?

A. This is something we set up with the Ambassador there, and I don't have anything right in my mind that I can report to you on it.

Q. Has the Marcos Administration in the Philippines made arrangements to guarantee free and fair elections? And, if not, what is the next thing the United States can do about that?

A. We have been very much supporting the idea that elections must be free and fair and trying to grow that culture, so to speak, around the world, including in the Philippines. And insofar as measures to ensure it are concerned, I think there has been an observer group identified which will help to monitor that, and there's a great deal of interest in the United States in providing observation on that election, including by members of our Congress. I hope that that will turn out to be possible.

Q. Are American companies and banks going along with the new Libyan restraints?

A. Yes.

Q. Nobody trying to sneak by or get under the wire?

A. I don't think so. Well, who knows, if somebody's trying—I don't know what "getting under the wire" means. There's a February 1 time designed to give people a chance to disentangle themselves, and so presumably they're doing that. That will no doubt involve a certain amount of transactions, and I don't regard that as trying to slip under any kind of a wire.

Q. Will you authorize a reward for Abu Nidal's capture?

A. This is a question we're considering. No decision has been made on that, but I might say in this connection that there's a very interesting buildup of legislation, of, you might say, the emergence more and more of a web of law, a rule of law, approach to terrorism, which I welcome.

One of the elements in it is authorization by the Congress to offer rewards for information leading to the arrest and so on. There are others. We have things we should do ourselves. We have an extradition treaty, for example, in which, with respect to Great Britain and we think with respect to other democratic countries, we should remove the so-called "political exception" from our willingness to extradite people so that people accused of murder in Great Britain will not be excused on so-called "political grounds," and so on.

And I think there is developing more and more consciousness of how we can use the rule of law as well as the many other measures that we're taking—intelligence measures, defensive measures, and so on—in this fight against terrorism. It is an all-out fight, and it has to be waged on all fronts, including the legal front.

---

[1]Press release 4 of Jan. 9, 1986. ■

Soviet Arms Proposal

PRESIDENT'S STATEMENT, JAN. 15, 1986[1]

In 1983 at the Japanese Diet, I called for the total abolition of nuclear weapons. Since that time, the United States has put forward a series of proposals to achieve this goal through radical reductions in strategic weapons. As early as 1981, I set forth a specific proposal for the elimination of all long-range intermediate nuclear missiles. At the Geneva arms control talks in November, we made yet another proposal designed to bring us closer to the goal of zero nuclear weapons. Now the Soviet Union has responded with a proposal which builds on some of the elements we had previously set forth.

I welcome the Soviets' latest response and hope that it represents a helpful further step in the process. We, together with our allies, will give careful study to General Secretary Gorbachev's suggestions. Many elements contained in the response are unchanged from previous Soviet positions and continue to cause us serious concern. There are others that at first glance may be constructive.

The American delegation in Geneva has instructions to implement the agreement reached at the Geneva summit to seek early progress in achieving radical reductions in offensive nuclear weapons, including an interim agreement on intermediate-range nuclear forces. If the position outlined by General Secretary Gorbachev advances this objective, it would prove to be a constructive step.

WHITE HOUSE STATEMENT, JAN. 16, 1986[1]

The Soviet response is another step in what we hope will be an increasingly positive process of give-and-take. We will, together with our allies, give it careful study, keeping in mind our basic objectives. Many elements of the Soviet proposal appear unchanged and cause us concern. Others, at first glance, appear constructive. We also have proposals on the table that we hope the Soviets will respond to. We look forward to exploring both sides' proposals at the negotiating table in Geneva.

We welcome the Soviet Union's response and its support for the goal of the elimination of nuclear weapons, a goal toward which we have long been committed. We hope the details of the Soviet proposal will prove to represent a helpful step in the arms reduction process and the implementation of the joint statement's call for early progress.

At first glance many elements in the new Soviet proposal appear unchanged from their previous proposals and cause us concern, for example, the continued linkage of reductions to a ban on "space-strike arms." We believe strategic defenses can make a significant contribution to stability in a world free from nuclear weapons.

In other areas there may be some constructive steps, for example, the Soviet statement addressed verification measures, including on-site inspection. This offer, of course, needs to be translated into specifics for it to be properly evaluated.

Other parts of the Soviet offer also require more concrete detail, and we hope Soviet negotiators will explain their proposals promptly and fully in the proper negotiating forums.

We wish to emphasize that Geneva is the proper place for detailed explorations of both U.S. and Soviet proposals on nuclear and space arms. The Soviets mentioned ideas regarding progress in other arms control fields, such as MBFR [mutual and balanced force reductions], chemical weapons, and CDE [Conference on Confidence- and Security-Building Measures and Disarmament in Europe]. We hope they will explain their ideas fully in those negotiations as well.

The United States tabled new proposals in the nuclear and space talks (NST) at the end of the last round, and we expect a further Soviet response to those proposals.

Our goal remains equitable, verifiable, and stabilizing agreements. We will evaluate the Soviet proposals in that light.

[1]Text from Weekly Compilation of Presidential Documents of Jan. 20, 1986. ■

Nuclear and Space Arms Talks Resume

PRESIDENT'S STATEMENT, JAN. 15, 1986[1]

Tomorrow marks the opening of the fourth round of the nuclear and space arms talks. These negotiations are devoted to seeking ways to reduce the U.S. and Soviet arsenals of nuclear weapons and simultaneously to strengthen strategic stability. I have no higher priority than to achieve agreements which would strengthen America's security and that of our allies by establishing a more stable strategic balance at radically reduced levels of weaponry. And it is my hope that we can one day eliminate them altogether.

The upcoming session represents an important opportunity to give new momentum to arms negotiations. Building upon the fresh start in our relationship that General Secretary Gorbachev and I made at our meetings in Geneva, it is my hope that we can see the general agreement on principles that we reached in Geneva translated into real progress at the negotiations.

General Secretary Gorbachev and I made a commitment to accelerate Soviet-American arms reduction negotiations where there is common ground. Specifically, we agreed to the principle of 50% reductions, appropriately applied, in nuclear offensive arsenals and to seek an interim agreement on limiting intermediate-range missile systems. We hope that during this new round of talks progress can be made toward achieving these mutually beneficial objectives.

During the previous round of the negotiations, the Soviet Union made counterproposals to the concrete American arms reduction positions. After careful study, we found the Soviet counterproposals to have some positive elements, but also to be seriously one-sided in a number of key areas. To move the negotiations forward, the United States made a fresh offer. Our offer encompassed a proposal to cut in half the offensive nuclear arsenals of both sides in an appropriate and equitable way. The U.S. proposal takes account of expressed Soviet concerns and

builds on the common elements in our respective positions. It seeks deep cuts, no first-strike advantage, continuing defensive research—because defense is much safer than offense—and no cheating. Our proposal is fair, balanced, and, if accepted, would result in the most dramatic cuts in offensive arms ever achieved.

The new U.S. offer is not a take-it-or-leave-it proposition. I have instructed our negotiators to press ahead in laying out the details of our position and in seeking and expanding common ground. Our objective remains an agreement for 50% reductions, appropriately applied, in the strategic nuclear arsenals of both the United States and Soviet Union and for enhanced stability by reducing the capability to conduct a first strike. With respect to intermediate-range nuclear forces, our objective remains the eventual elimination of the entire category of LRINF [longer range intermediate-range nuclear forces] missile systems, but we are prepared to work out an interim agreement based on the principle of equality which limits LRINF missiles. In the defense and space forum, we will continue to seek to expand our dialogue with the Soviets concerning the offense-defense relationship. We will also push for Soviet agreement to our new proposals for reciprocal visits to laboratories engaged in strategic defense research.

U.S. negotiators are ready for tough but honest bargaining. The challenge ahead is formidable, but they have the flexibility to explore any promising avenues for agreement. As we have said before, we are more interested in results than in methods of reaching them. If the Soviets approach this round in a similar spirit, the prospects for progress will be greatly increased.

Our two countries have it within our power to make 1986 a year of genuine peace and progress in arms control. Fair, equitable, and verifiable reductions of the weapons of massive destruction will serve Soviet and American interests and that of all humanity. It is a noble goal and an awesome responsibility. I wish our negotiators good luck, and Godspeed.

[1]Text from Weekly Compilation of Presidential Documents of Jan. 20, 1986. ■

Geneva Arms Control Talks: Round IV

by Kenneth L. Adelman

Address before the National Press Club on January 14, 1986. Mr. Adelman is Director of the Arms Control and Disarmament Agency.

I am delighted to be here at the National Press Club this morning to have the opportunity to speak with you about the upcoming round of arms talks in Geneva.

Arms control, as you know, is a field in which public officials are continually asked to make predictions. Needless to say, our predictions are not always on the mark. I recall Churchill's response to a question on the most desirable qualification in a young man seeking office. "It is," he said, "the ability to foretell what is going to happen tomorrow, next week, next month, and next year. And to have the ability afterwards to explain why it didn't happen."

Nonetheless, I will try this morning to foretell, as concretely as I can, where we might see movement in the arms negotiations and, more importantly, what influences might operate either to facilitate or impede such movement.

Prospects for Progress

Surely we are in a better position today for real progress in arms control than we've been in years. This improved situation for arms control—and the current improvement in our relations with the Soviets overall—have occurred because of, and not in spite of, the President's resolution in arms control and national security policies over the past 5 years.

Basically, I see the coming round in Geneva—round IV—as a round of opportunity—one in which the Soviet negotiators should buckle down to the real work of arms control and implement what was agreed to at the summit, namely, that progress be made as quickly as possible where common ground exists between the United States and the Soviet Union. This was agreed at the summit to be 50% cuts in strategic arms and an interim agreement on intermediate-range nuclear weapons. In round IV, we seek to learn the Soviets' reaction to our new ideas, presented in each of the three areas of the talks during the final days of the previous round. And our negotiators will be elaborating on these November 1 proposals. Furthermore, they look forward to real give-and-take on the basis of these proposals.

The ball is in their court. The Soviets owe us a complete response. They owe it to everyone to get serious about making progress in arms control. They've been skirting around the central issues too long already.

I would note that the recent summit meeting delved into many key issues besides arms control. That is as it should be. It is important to remember that nuclear weapons are not the only things that divide us from the Soviet Union.

We desire progress in arms control. But we also wish to see progress in the regional conflicts in which the Soviets have a hand. We wish to see progress, however halting or inadequate it may prove to be, toward freedom for the Soviet people and for the captive peoples of the East bloc. These are not superficial concerns. They go to the very heart of the American-Soviet relationship.

The U.S.-Soviet Relationship

If we have been compelled to live with a competition in weapons in this century, it arises from the Soviet habit, even compulsion, of stirring the world's troubled waters. It is precisely because the Soviet Union has set itself as the main force opposing freedom around the world. The nuclear weapons that we have been forced to acquire over the years are the symptoms of this conflict, the inevitable response to this threat.

It is in this sense that President Reagan stated at the close of the recent summit, "The real report card on Geneva will not come in for months or even years, but we know the questions that must be answered." These questions are:

- Will we join together in sharply reducing offensive nuclear arms and moving to non-nuclear defensive systems to make this a safer world?
- Will we join together to help bring about a peaceful resolution of conflicts in Asia, Africa, and Central America so that the peoples there can freely determine their own destiny without outside interference?
- Will the cause of liberty be advanced, and will the treaties and agreements signed—past and future—be fulfilled?

To mute our concerns about these conflicts we have with the Soviet Union would be both a moral and a tactical error. It would be a moral error because it would undermine the very principles we stand for, our very reasons for being as a nation. It would be a tactical error because it would reveal us in negotiation to be irresolute and weak. And, as I've said, we're in a good position on arms control today precisely because of our past firmness.

Besides, it is a simple historical fact that Americans have always seen progress in arms control as part of an effort to improve the broad sweep of Soviet-American relations, as part of a broad movement toward reducing the level of aggression in the world as a whole. When the SALT II [strategic arms limitation talks] Treaty failed to gain Senate ratification in 1979, it was in large measure because a number of Senators had reservations about the treaty provisions; but the Carter Administration finally withdrew the treaty in response to the Soviet invasion of Afghanistan—that is, in response to a regional conflict.

The Strategic Defense Initiative (SDI)

In addition to expressing our concerns about regional conflicts and about human rights, the President took the opportunity at the summit to set forth in detail his vision of a future free from the shadow of nuclear apocalypse. Since the dawn of the nuclear age, we have taken two paths to deal with "the nuclear problem"—deterrence through offensive strength and arms control through negotiations. Despite our unilateral efforts to maintain deterrence and attempts to negotiate a stable nuclear balance at lower levels, the Soviets have shown a lack of restraint in both offensive and defensive programs and a generally unconstructive approach to arms negotiations. These Soviet actions, if not countered or corrected, will undermine deterrence.

While still—like his predecessors—pursuing the two paths of deterrence and arms control, President Reagan has added a third path. This President is the first to create hope, through SDI, of a future in which our security rests not upon the threat of nuclear retaliation but, rather, on the ability to defend against potential attack. If our research yields positive results, it offers the possibility of reversing the dangerous military trend by moving to a more stable basis for deterrence and providing new and compelling incentives to the Soviet Union to negotiate deep cuts in nuclear arsenals. If a new strategy based on effective defenses proves feasible, then our security, for the first time in the nuclear era, would not be held hostage to the threat of nuclear devastation, Soviet rationality, or the uncertain outcome of arms control talks.

If successful, we would hope that the Soviets would travel with us from a world dominated by weapons of mass destruction to a world secured by the technologies of defense. Even in the short run, SDI holds out the promise of improving deterrence by removing the capacity of the Soviets to benefit militarily from a first strike—something that we have long tried to do through arms control and, so far, failed.

Avoiding Miscalculation

Still, a legitimate question remains: what is the purpose of this kind of summit exchange? What good does it do to have President Reagan setting forth his positions and Mr. Gorbachev setting forth another set of positions, if the two leaders fundamentally disagree, as they did and as they do?

The usual answer is that such discussions improve the atmosphere—and this is not altogether wrong or useless. Clearly, there are some atmospheres that are more conducive to productive negotiations and others that are less so. But atmosphere is not substance. We must be on guard against that error to which democracies have long been subject: the error of mistaking atmosphere for substance. It is worth remembering that the atmosphere immediately following Neville Chamberlain's Munich meeting with Hitler in 1938 seemed very propitious; a more disastrous agreement was, however, never concluded.

Atmosphere is important, but quite secondary. Moreover, it is transitory: atmosphere comes and goes. What is more critical is the matter of miscalculation. One of the paramount tasks of diplomacy is to avoid miscalculation or, at least, to minimize the role played by miscalculation in world affairs. That was one key purpose of the Geneva meeting.

There are two kinds of miscalculation to be avoided. The first is a miscalculation of our intentions. For 40 years we have been assuring the Soviet Union of the peacefulness of our intentions, and I think there are many people who would argue that the Soviets have understood our basic attitude all along. But it never hurts to reaffirm what, for us, is a matter of principle and a fact of life.

Mr. Gorbachev expressed the concern that the Strategic Defense Initiative may be offensive in character, and President Reagan assured him that this was palpably not the case. As proof of our good faith, the President elaborated our "open laboratories" proposal—an initiative that would permit scientists of both countries to visit the laboratories where research on strategic defense is being conducted, to see with their own eyes that such research is defensive. This initiative, we feel, offers a kernel of trust around which a cooperative transition to a more defensive world might crystallize. We will have more to say about the proposal—and some interesting ideas here—in the coming weeks in Geneva.

The second, more important form of miscalculation to be avoided is miscalculation of our strength and our resolve. In this respect, the summit gave Mr. Gorbachev the opportunity to gauge the intensity of the President's conviction that Soviet aggression around the world will not pay and to perceive the intensity of the President's commitment to the Strategic Defense Initiative. The latter point has vast consequences for arms control.

Until recently, the Soviets have taken the position that no arms agreement would be possible unless the United States were unilaterally to abandon its research in strategic defenses. Indeed, they go so far as to deny that they are themselves engaged in such research, though proof to the contrary is unmistakable. So confident have they been in this tactic that, for months after the United States tabled its proposals on intermediate-range arms in Geneva, the Soviets did not ever bother to table their own proposals. Indeed, they were hardly negotiating at the conference table—they were too busy negotiating in the headlines.

It would seem that this Soviet position was based on the assumption—or at least the hope—that we might be prevailed upon to abandon *our* SDI—that, at bottom, we were not all that serious about strategic defense research. This, I think it is fair to say, is a bad miscalculation—a miscalculation that the

Geneva meeting may have moved to dispel. Real progress will not be possible until the Soviets recognize that their sweeping and unverifiable demand for an end to U.S. research on strategic defense has not the slightest chance of being met. That's a fact. The sooner the Soviets grasp it, the sooner we can move out on arms control.

The Current Negotiations

There are signs—small signs, tentative signs—that this may already be happening, though we still have a long way to go. Nonetheless, at the summit conference, Mr. Gorbachev did seem to imply, in a new departure from the old Soviet position, that a new arms agreement might permit some U.S. intermediate-range systems to remain in Europe. He also suggested that an agreement on intermediate-range forces might be possible without direct linkage to space and strategic armaments. This constitutes progress, for it means that an agreement on intermediate-range missiles is no longer held hostage by the Soviets to an unverifiable ban on strategic defense research.

Now the same should apply to the START [strategic arms reduction talks] negotiations on long-range strategic systems—that these issues, too, can be considered on their own merits. Such would constitute a major step in the upcoming round IV and be a major move to open real progress. We hope the Soviets will move to such a position.

The Soviets have also said, again for the first time over the past months, that they accept our basic principle of deep cuts—beginning with 50% reductions, appropriately applied, in nuclear forces. This new departure comes with a twist; for there is a major discrepancy here between the headline message of public relations and the fine print of actual negotiations.

As anyone who has looked closely at the current Soviet proposals is aware, they are absurdly one-sided. They include as "strategic" a number of intermediate-range systems on our side, while excluding over 2,000 obviously comparable systems on the Soviet side. Thus, the new Soviet proposal includes all U.S. nuclear systems deployed to protect our allies in Europe and excludes all Soviet systems to threaten our allies—both in Europe and Asia. In particular, the Soviets' proposal attempts to include our so-called forward-based systems in Europe. This is a retrogressive step, which takes us back to 1970, when the Soviets tried to include "forward-based systems" in the SALT I talks.

Progress in SALT I, as the Soviets were well aware, hinged on moving beyond this one-sided position. To return now to the opening negotiating positions of 1970 tends to make mockery of the notion of "progress" in arms control, of the notion that we are in a position to build on past achievements. So there has been a large dose of propaganda and a correspondingly large dose of retrogression in recent Soviet proposals.

But the Soviets have made unreasonable demands before, and they have eventually abandoned them—once it became clear that such proposals have no chance of being met.

Take INF [intermediate-range nuclear forces], for example. In 1977, the Soviet Union began to deploy, unprovoked, a new generation of powerful intermediate-range missiles in Europe—the SS-20s. In 1979, NATO attempted to meet this threat with a "dual-track" decision to try to negotiate a new arms agreement and, if necessary, to deploy American Pershing and cruise missiles in response. While the NATO nations were debating this proposal, the Soviets said that if the dual-track decision were adopted, they would simply refuse to negotiate. The dual-track decision was adopted, and by June 1980, the Soviets had reversed themselves and had come to the negotiating table. In 1983, when the first American missiles were deployed in Europe, the Soviets left the table and declared they would never return so long as the missiles remained in Europe. Well, the missiles are in Europe, and they are back negotiating, even coming up with a proposal enabling us to keep some INF systems deployed in Europe.

Despite enormous pressures, we held firm on INF, insisting upon agreements that respected the needs of both sides. Indeed, arms control agreements must be good for each side or they are good for nothing. In the process, we proved the bond among NATO countries to be far stronger than many skeptics supposed. We also brought the Soviet Union back to the bargaining table. There is little doubt that the improvement in relations now is a reward for our resolution then.

CDE Negotiations Resume

PRESIDENT'S STATEMENT, JAN. 21, 1986[1]

I met today with Ambassador Robert L. Barry, head of the U.S. delegation to the Stockholm Conference on Security and Confidence-Building Measures and Disarmament in Europe (CDE), which resumes on January 28, 1986. I expressed to Ambassador Barry my satisfaction with the progress made during the last round of the Stockholm conference and my belief that an accord with important implications for the overall East-West relationship can be achieved there this year.

At our meeting in Geneva in November, Soviet General Secretary Gorbachev and I stated the political commitment of the United States and the Soviet Union to work with others for a successful conclusion to the Stockholm conference. I have instructed the U.S. delegation to pursue concrete results at the negotiating table in Stockholm.

Such an agreement, in keeping with the mandate for the conference, must be meaningful in military terms; it must give reassurance to all states that the military activities in Europe are routine and nonthreatening. The agreement must be verifiable and go well beyond the limited confidence-building measures agreed to in Helsinki over 10 years ago.

If the Stockholm conference is successful—and the United States will do its part to ensure that it will be—it can help to lower the barriers which now divide Europe artificially East from West, thereby making the threat or use of force less likely.

The Stockholm conference, moreover, can contribute to security in the larger sense, that which encompasses political, economic, cultural, and humanitarian matters—human rights—as well as strictly military matters. The attainment of this broader concept of security is the fundamental objective of the United States. I am confident that our delegation in Stockholm will advance these objectives in the months ahead.

[1]Text from White House press release. ■

Much of our current task in negotiations is to persuade the Soviets that their more one-sided and unreasonable proposals have no chance of being met. More than that, we must persuade them that they have nothing to gain by sticking to one-sided and unreasonable proposals, that they will not be rewarded in the West for taking such positions.

One form of reward is press and media coverage. If the Soviets know that they gain a page one story in the West and a spot on network news by advancing a completely unreasonable and one-sided position, they will be sorely tempted to do so. If, on the other hand, they understand that such propaganda maneuvers will be relegated to page 13, then the incentive to put such propagandistic proposals forward is weakened.

There is one other pitfall we must avoid—the perennial folly of assuming that unilateral concessions and restraints on our part will inspire reciprocal restraints on the Soviet side. This approach to arms control has a very bad record—the examples are too numerous to cite here. Unilateral cancellations on our part result in unilateral advantages on their part. Our capacity to assure our national security and to succeed on arms control is contingent upon, and underwritten by, our strength and resolve and by our ability to convey these to the Soviet leadership. Remove the threat of American force modernization, remove the advance of America's ability to deter and to seek new means of deterrence, and you have removed part of our safety and our incentive for arms control. If we show a lack of resolve, vacillation, and an unwillingness to stand firm on these key measures of will, the Soviets will not need bilateral arms control. They will be able to sit back and watch us unilaterally disarm ourselves. For they take such cancellations not as a sign of good will but as a sign of lack of will.

This is not a pleasant truth. It is not as pleasing as the quasi-Ghandian notion that our example of self-restraint will inspire corresponding self-restraint in Soviet leaders; but it is a fact of life. And what I say applies quite directly to the ASAT [antisatellite systems] testing ban now enforced by Congress. Such bans have the effect simply of removing the incentive for negotiation of shrinking the realm in which the writ of arms control may run. They are bad for genuine arms control.

Verification and Soviet Treaty Violations

There is one final concern I wish to touch on, and that is the issue of verification and Soviet treaty violations. This continues to be a perplexing and frustrating topic. It is one of those curious questions in life on which a great many people seem somehow to suspend their common sense. Imaginative energies have been expended over the past several years in the service of exculpating Soviet violations of arms control treaties and commitments. Some of the arguments we hear are a testimony to the abiding role of absurdity in human life. As George Orwell once said, some things are so absurd only an intellectual could have thought of them.

We hear that we should not concern ourselves with the violations because they are not comprehensive. That is to say, we should not be concerned because, as yet, the Soviets have failed to violate *every* provision of the treaties. It is a statistical fact that only a tiny percentage of people in this country cheat on their income tax. It is also a fact that even these people seldom cheat on every provision of the tax code. But does anyone seriously suppose the government could forgo audits and penalties for income tax evasion—even of those who only evade a few provisions of the code—without a total breakdown of the system? Why should we have a lower standard of compliance in an area vital to our national security than we do in our own tax system?

We also hear that the arms control violations are not "serious." How serious do they have to be? The Soviets have built a new large phased-array radar in Siberia with a location and orientation explicitly forbidden by the ABM [Anti-Ballistic Missile] Treaty. Hundreds of hours were expended negotiating this treaty provision. Violation

MBFR Negotiations Resume

DEPARTMENT STATEMENT, JAN. 30, 1986[1]

Today in Vienna, members of NATO and the Warsaw Pact resume their efforts to negotiate reductions and limitations of conventional forces in central Europe. These discussions, known as the mutual and balanced force reduction (MBFR) talks, hold more promise of progress than at any previous time in their 12-year history. Early last month, the United States and its NATO allies presented a major new initiative aimed at breaking the decade-long deadlock in those talks.

The NATO proposal accepts the general framework of the February 1985 model proposed by the Soviet Union and its allies for a time-limited, first-stage agreement. It also sets aside the long-standing NATO requirement that the sides agree on the size of present troop levels before treaty signature, which the Soviets have long claimed to be the major barrier to agreement. These important moves are consistent with the Geneva summit declaration of the importance the United States attaches to progress in the Vienna negotiations.

As we have stated, we are prepared to begin reducing 5,000 U.S. and 11,500 Soviet ground troops in the central European reductions area as soon as a first-phase agreement is reached. NATO has proposed a commitment by both alliances not to increase total troop levels in the MBFR reductions area for 3 years following the initial reductions. We hope this will be only the first step in reducing tensions between East and West in Europe, the world's most heavily armed frontier.

It is important, however, to stress that such reductions and limitations should only take place on the basis of mutual trust resulting from an effective verification regime. A package of fair, effective, and reciprocal verification measures is thus an integral part of our new proposal. These measures are essential to monitor compliance with the terms of an agreement.

With this in mind, the United States, together with our NATO allies, will continue to actively seek every avenue of possible agreement to a significant and verifiable accord. If the East can match us in flexibility and goodwill, then the basis for an agreement is possible.

[1]Made available to news correspondents by Department spokesman Bernard Kalb.

of this provision strikes at the heart of the ABM Treaty. The Soviets have tested and are now deploying a second new ballistic missile in violation of SALT II. What is SALT II's primary function other than to limit missiles? How serious do the violations have to be? Must we have a total debacle, must we have a total disaster on our hands, before anyone is roused to act? The fact is that violations of arms control treaties are likely to begin in small ways, just as festering wounds begin as small inflammations. Do we neglect to treat such wounds until there is evidence of gangrene—for fear that the antiseptic will sting?

The basic point is this. The Soviets, as good Marxist-Leninists, respect treaties only so long as they reflect the real relations of power in the world. Violations are a sign of declining respect—the surest sign we have that the arms control process is weakening, that it is losing out to more aggressive impulses. It is imperative, for the sake of arms control, that we make it clear to the Soviets that a record of strict and literal compliance is essential to continuation of the arms control process. If our message is to get through to Soviet leaders, it must have public support.

Conclusion

Arms control is never easy; it is never a risk-free business, especially for a democracy. One reason it is difficult is that it demands contradictory qualities: it demands that we keep realism and tough-mindedness alive amid hope. I sometimes think that nothing has proved so fatal to the arms control enterprise over the years as its moments of success—for precisely at such moments we are inclined to forget the safeguards, the caution, and the resolve necessary both to obtain and to preserve success.

At the present moment, we will be tempted to yield to optimism. But let us never forget that the preservation of optimism demands that we not be overcome by it, that we keep our wits about us, that in this new atmosphere of seeming amity, we keep alive the awareness of our principles and our strengths. ■

U.S.-Japan Joint Report on Sectoral Discussions

Secretary of State Shultz and Foreign Minister Abe met on January 10, 1986, in Washington, D.C., and reviewed progress in the market-oriented, sector-selective (MOSS) discussions held by the United States and Japan during the past year. These discussions, launched pursuant to a meeting between President Reagan and Prime Minister Nakasone in January of last year, have involved an intensive and comprehensive effort to identify and remove impediments to market access in four sectors—telecommunications, medical equipment and pharmaceuticals, electronics, and forest products.

The Secretary and the Foreign Minister agreed that important progress has been achieved as a result of the MOSS discussions. Under MOSS a number of positive changes have been made in conditions of market access in Japan. These should create new market opportunities for American and other foreign firms. Further progress should be achieved through continued discussion in the MOSS framework.

In calling attention to the achievements of MOSS during the past year, Secretary Shultz and Minister Abe expressed the expectation that the private sectors in both countries will take maximum advantage of the expected improvements in market access. They reaffirm that the intent of these discussions is to facilitate an increase in Japan's manufactured imports by achieving unimpeded access for the United States and other foreign countries in these sectors. An increase in Japanese imports in the MOSS sectors will be the important test of our accomplishments through mutual effort.

MOSS is part of a broad joint effort to address various bilateral trade issues—sectoral, nonsectoral, and structural. MOSS discussions during the past year have reflected the close relationship between the United States and Japan. The ability to work together to foster free and expanding trade is an essential element in our common effort against protectionism.

The Secretary and the Minister agreed that MOSS is a valuable framework for resolving sectoral issues on a cooperative basis and that the process will, accordingly, be continued. The Secretary and the Minister agreed that the MOSS plenary should continue to meet as appropriate under the chairmanship of the Under Secretary of State for Economic Affairs and the Deputy Minister of Foreign Affairs to coordinate overall followup and to oversee work in new MOSS sectors, where mutually agreed. It was further agreed that each of the sector groups will continue to meet as appropriate at a high level to review implementation of the agreed solutions, to review the experience of foreign firms with the new rules and procedures that have been agreed upon, to assess sales efforts and results, and to address for resolution all issues related to their sectors. The role of business practices will be an important issue for ongoing examination in the followup process. ■

Protecting Prosperity From Protectionism

by W. Allen Wallis

Address before the Economic Policy Council of the United Nations Association on January 17, 1986. Mr. Wallis is Under Secretary for Economic Affairs.

Two months ago marked the 100th anniversary of one of the greatest economists, Frank Knight, who for more than 40 years was a professor of economics at the University of Chicago. He was, in fact, "the fountainhead of the 'Chicago school' of economics." To mark that centenary, Herbert Stein published in *The AEI Economist* a selection of Knight's writings.

Although Stein described these quotations as "outside the field of economic theory," two of them make an appropriate introduction to my remarks on international economics.

The first is "Frank Knight's first law of talk." It is patterned after Gresham's law of currencies, propounded in the 16th century, and says that "cheaper talk drives out of circulation that which is less cheap."

The second quotation from Frank Knight is something he said in questioning whether it is worthwhile to try to teach economics—which is what he did throughout his long life. "What point is there in propagating sound economic principles," he asked, "if the electorate is set to have the country run on the principle that the objective in trade is to get rid of as much as possible and get as little as possible in return?"

About the time that Frank Knight was born, a century ago, Henry George, a San Francisco economist, pointed out that a protective tariff and a naval blockade are alike, in that both seek to prevent trade. The difference is that a blockade harms our enemies by obstructing their trade, while a protective tariff harms our own people by obstructing their trade. Eighty years ago, Ambrose Bierce, another San Franciscan, threw a different light on protective tariffs when he said that they protect businessmen against the greed of consumers.

Today's proponents of protection make different claims. They say, first and foremost, that protection can save jobs for American workers. They assert that protection is necessary to maintain the American standard of living—to stave off the low wages that they say would be necessary for our industries to compete.

They see protection as the key to preventing the "deindustrialization" of America. Protection, according to its supporters, could bring an end to our trade deficit and raise the revenue necessary to balance the Federal budget at the expense of foreigners who would pay the import duties. Some claim that we need protectionist legislation as a bargaining chip to obtain free access to foreign markets for our own exports.

Common Economic Fallacies

No matter how alluring these claims may be, they are fallacies—cheap talk which, too often, drives out sound ideas. I ask you to examine with me half-a-dozen of the fallacies.

Fallacy number 1 is that when we import, we export jobs; that we would have more jobs if we were to reduce our imports. During the past 3 years, we have experienced record trade deficits but we have added about 9 million jobs, and our unemployment rate has fallen by more than a third. Europe, on the other hand, is far more protectionist than we, but it has experienced economic stagnation for more than a decade. Total employment there is virtually the same now as it was 10 years ago; and since the labor force has grown, unemployment has grown. The combination of the protectionist common agricultural policy, various restrictive trading arrangements for industrial goods, and a wide variety of protections for special purposes—for geographic regions against plant closings or relocations, for employees against layoffs, for existing suppliers against innovations—all of these make Europe a less open market than America.

Has this protection helped Europe? No, of course not; just the opposite. Protection has contributed to economic rigidities in Europe which, in turn, are a major cause of its dismal economic performance.

Our imports are large because our economy is strong. Our trade deficit would be lower if our economy were not so strong and if it were not such an attractive place to invest, but we would be worse off.

Fallacy number 2 is that foreigners bear the cost of protection because it is their goods which are kept out of our market. Each job regarded as saved in a protected industry entails a high and continuing cost to the rest of us. For example, the Council of Economic Advisers estimated last summer that the protection proposed for the U.S. shoe industry, which the President rejected, would have saved some 30,000 jobs. But the average cost per job saved—a cost which American consumers would have paid in the form of higher prices for both domestic and imported shoes—would have been about $50,000 per year. The average employee in our shoe industry, who earns about $14,000 per year, would have seen little of this money. Some of the money would have appeared on the bottom line of protected firms' income statements, but much would have gone to foreign producers in the form of higher prices.

Another example: between 1981 and March 1985, Japanese automobile producers restricted their exports to this country. (They still do, but at a higher level.) The International Trade Commission has estimated that these restrictions saved 44,000 jobs in the domestic automobile industry, but they cost American consumers $16 billion during the 4 years. In other words, each job saved in the U.S. industry cost Americans about $90,000 per year. The Japanese automobile companies enjoyed record profits during that period, mostly from elevating their prices in America. If the companies had gotten together and agreed to gouge Americans that way, our antitrust division would have gone after them with a vengeance—as it should have.

Protection does not affect total employment. It simply shifts employment from more efficient industries to less efficient industries, thus reducing our national income.

Fallacy number 3 is that imports are causing the "deindustrialization" of America and creating a "hamburger economy." The fact is that there is no "deindustrialization" of America. Manufacturing contributes just about the same fraction of our total output now that it has for at least 30 years—just under one quarter. It is true that

the fraction of total employment accounted for by manufacturing has declined; it is only about half what it was a generation ago. The change in the relationship between employment and output reflects productivity gains, a major achievement of U.S. manufacturers. As for a "hamburger economy," service workers include doctors, nurses, lawyers, engineers, architects, teachers, programmers, journalists, lobbyists, and probably most of us in this room.

Some industries, to be sure, are declining. Steel is one. The decline of the steel industry is attributable, but only in part, to competition from abroad. However, the United States now consumes little more steel than it did 20 years ago, and our steel industry uses only half as many workers. A basic problem faced by our steel industry is that the resources used to produce a ton of steel can produce other products in our economy that are worth more than are the alternative products that can be produced in some other countries with the resources they use for a ton of steel.

It is comparative advantage, not absolute advantage, that influences international trade. If steel costs three times as much as another commodity in the United States, but only twice as much in another country, it will pay us to buy steel from the other country, and it will pay them to buy the other commodity from us. It is the fact that comparative costs differ from one country to another that makes international trade mutually beneficial, regardless of absolute costs.

Comparative costs change. Permitting changes in comparative costs to be reflected, through market forces, in changes in our imports and exports has kept the U.S. economy internationally competitive and permitted us to grow more rapidly than those nations which have attempted to frustrate the workings of the market.

Fallacy number 4 is that high wages make us noncompetitive internationally. The usual argument linking wages to noncompetitiveness compares our hourly wage rates to those abroad. Such a comparison ignores the productivity of American workers, which, overall, is among the highest in the world. We cannot have a comparative advantage in the production of all goods, so we cannot be competitive internationally in everything. For several decades, however, the United States has been the world's largest exporter, and our exports have been trending upward at a faster rate than the rest of our GNP [gross national product]. The fact that we are competitive internationally in many sectors is one of the reasons our wages are as high as they are.

Fallacy number 5 is that protection can eliminate the deficits in our trade and current accounts. In recent years, the U.S. economy has abounded in investment opportunities, but investment opportunities in most other countries have been less than here. As a result, there is a substantial flow of foreign capital into the United States, and there has been a great reduction in the outflow, resulting in a large increase in net inflow.

Since accounts must balance, the surplus in our flow of capital necessarily is accompanied by a deficit in our flow of goods and services. This deficit will diminish if, and only if, the net inflow of capital diminishes. That could come about through better economic policies abroad that improve the relative attractiveness of investment opportunities abroad. It could come about through deterioration of investment opportunities here. It could come about also by increased saving here or decreased saving abroad. But the deficit will not be affected by trade policies, except indirectly if they alter the relation between total investment—foreign and domestic—and domestic saving.

Government spending absorbs a substantial portion of our income that could be saved and made available for investment. As you know, the Administration is working with the Congress to reduce government spending and, thereby, reduce the government's absorption of our national income. Getting our fiscal house in order would be a useful step toward reducing our trade and current-account deficits, just as establishing a better climate for growth and investment abroad would be a useful step by our major trading partners. (I commend to your attention the editorial in today's *Wall Street Journal*, entitled "Lecture to the Europeans"—which is, in fact, a lecture to the Japanese, too.)

The deficits in current accounts are rooted in U.S. and foreign economic conditions, and they will change only as those conditions change, not as trade policy changes.

Fallacy number 6 is that by imposing new tariffs, we can generate revenues which will make a substantial contribution to balancing our Federal budget. Earlier this year, the press reported the results of a study of this question by a leading economic forecasting firm. (The study itself was not made public.) That firm ran a simulation of its model of the U.S. economy assuming a temporary 20-percentage-point tariff surcharge applied to all U.S. imports in 1986, to be phased out by the end of 1988. The press reported that the duty would raise $80 billion in new revenue during 1986—and that foreigners would pay half of it.

We were interested in these results and asked our economists to examine the analysis. We discovered that the study assumed that purchasers of imports will not reduce their purchases when prices rise substantially and that, despite the publicity that would precede the passage of such legislation, buyers of foreign goods would neither stock up before the temporary duty took effect nor draw down their inventories before it ended. Finally, the analysis assumed that our trading partners would not retaliate.

The State Department is a client of the same forecasting firm; so we asked for a set of simulations of the effect of a 20-percentage-point import surcharge on the same model of the U.S. economy, but using more plausible assumptions. The new results show that the tariff surcharge would raise much less revenue; that our exports would fall; that GNP growth would be reduced; and that U.S. inflation, unemployment, and interest rates would rise. In time, weakness in the U.S. economy would cause the budget deficit to widen further. With this kind of economic modelling, "you pays your money and you takes your choice"—of assumptions, hence, of conclusions.

National Security Concerns

Protection is occasionally justified on national security grounds. (In fact, those who cannot make a case on other grounds often try national security, but a few of those cases remind me of Samuel Johnson's 18th-century definition of patriotism as "the last refuge of scoundrels.") Today, our national security depends on maintaining a technological edge over potential adversaries. We need to foster a climate conducive to innovation at home and to maintain

access to the technological innovations of others. Protectionism breeds stagnation and, even in such critical industries as semiconductors, it is likely to be inimical to national security. Our defense equipment must be the best that can be made, not just the best that can be 100% American.

The President's Trade Program

Enough on the negatives, even though the list of fallacies is anything but complete. Let me turn to President Reagan's trade program, which deals with the same issues in a positive and constructive manner.

The President has pursued and, recently, has reaffirmed vigorously, a program that will keep our country strong and competitive while, at the same time, addressing the trade problems caused by rapid change and the strong dollar.

First, and most important, the President has directed the Special Trade Representative to negotiate with our trading partners to strengthen the rules of the General Agreement on Tariffs and Trade (GATT), under which international trade is conducted. Recently, at a meeting of the GATT in Geneva, the United States gained the agreement of other countries to accelerate preparations for what is known as a new round of multilateral trade negotiations. Our five most important objectives in this new round are:

- Improved access to other countries' markets for services;
- Better protection of our rights in intellectual property—patents, copyrights, trademarks, designs, programs, music, movies, and so forth;
- Increased discipline over the use of subsidies, particularly in agriculture;
- Tighter rules governing actions to safeguard troubled industries; and
- A more effective procedure for settling disputes.

Second, the President has notified Congress that we will explore the advantages that might be gained from a free trade area with Canada, which is our largest trading partner.

Third, the Secretary of State is accelerating negotiations to open markets in Japan, which is our largest overseas customer. Last January, in a meeting with President Reagan, Prime Minister Nakasone took the initiative in suggesting these negotiations. They are unique, in that both sides have the same set of instructions: to identify and remove impediments to access to Japan's market. Despite widespread skepticism at the start, these negotiations have already yielded important changes in Japanese practices, regulations, and laws and have resulted in large sales that, a year ago, would have been impossible. We have made major progress in opening Japan's markets to imports of telecommunications equipment, forest products, medical equipment, pharmaceuticals, and electronics and in liberalizing its financial markets.

We have made significant progress also in opening up Japanese markets for transportation services. Three new U.S. air carriers will be authorized between the United States and Japan. On the maritime side, we have managed to open a significant crack in the market for carriage of tobacco. Formerly, all shipments of U.S. tobacco to Japan were carried on Japanese ships. Just last Friday, one of the largest Japanese automobile companies announced that some of its cars for the United States will be shipped in a U.S. flag vessel.

Much of the Japanese economy, notwithstanding its popular image, is inefficient. There are numerous depressed industries, the financial system does not channel savings effectively into productive domestic uses, and much of the distribution system is primitive. The government there is actively considering measures that would reduce Japan's trade surplus by providing incentives to invest more of its savings at home.

Fourth, the Administration is combating restrictive practices in both aviation and ocean shipping. During the last 5 years, many problems relating to conduct of business have been eliminated or minimized for air carriers, and restrictive cargo allocation schemes that some countries have sought to impose on their maritime trade with the United States have been thwarted.

Fifth, the President has begun, for the first time, to use his authority to initiate investigations of trade-distorting practices of foreign countries, instead of waiting for American businesses to initiate them. Investigations underway concern Korean barriers to foreign insurance companies, Brazilian restrictions on computer imports, Korean violations of intellectual property rights, and Japanese restrictions on imported tobacco. Trade actions, by themselves, as I said earlier, cannot correct our trade deficit—that requires fundamental changes in our economy and in the economies of our main trading partners—but trade actions can increase efficiency and raise the national incomes of ourselves and our trading partners.

Sixth, the President authorized the Secretary of the Treasury to meet with key finance ministers in September in New York to seek agreement on ways other countries could improve their economic performance and strengthen their currencies. These nations are beginning to remove regulations, rigidities, and tax disincentives that hinder growth in their economies. Many European leaders have told the President that they want to learn from our experience.

Seventh, the United States must do its share to restore better balance in the world economy, and the President is committed to reducing excessive government spending. Congress has enacted legislation that improves the prospects for achieving a balanced budget by 1990. This will enhance our competitive position by releasing resources that can be used more productively in the private sector.

The President and the Administration have, in fact, been emphasizing these points ever since they took office 5 years ago. The President has expounded them during each of the four economic summits of industrialized countries that he has attended. At last May's summit in Bonn, there was broad agreement on strategies to achieve these objectives. The pace of change, however, has been slow, and the pressure to take counterproductive protectionist action has intensified.

Taken as a whole, the President's program will help to keep our economy tough, resilient, and growing. This will assure that the economy will be able to support the defense effort needed to protect ourselves and our friends and allies. It will provide the stimulus to innovation needed to maintain a technological edge over our adversaries. Open markets and competition will help to keep us strong.

The President's program will open new opportunities for mutually beneficial trade. As we expand into new markets, we will exploit the gains to be had from an international division of

labor based on comparative advantage. In this way, open markets and competition will make us richer.

Finally, the President's program will minimize the Federal Government's interference with commerce. The government does not need to tell producers what they can make or how to make it, and it does not need to tell consumers what they can buy and how to use it. (It does too much of that already.) By restraining the scope and the size of government, the program will allow our citizens to make their own decisions on economic issues. Open markets and competition will keep us free and prosperous.

Conclusion

To conclude: prosperity and protection are inconsistent; we will not let the fallacies of protectionism delude us. The American people have expressed their desire for less government in each of the last three presidential elections. On the domestic front, the President's tax program, the refreshing breezes of deregulation, and the determination to beat inflation have all contributed to a remarkably strong and balanced economy.

We are determined to do the same on the international front. We will not try to retreat into a "Fortress America." We are in an interdependent world, and government regulation of trade is no better internationally than it is domestically. Protection is government intervention in international markets. Prosperity is our goal; but, make no mistake about it, protection is its enemy. ■

Libyan Sanctions

PRESIDENT REAGAN'S OPENING STATEMENT, JAN. 7, 1986[1]

On December 27th, terrorists, as we know, attacked Rome and Vienna international airports. It was the latest in a series of atrocities which have shocked the conscience of the world.

It's clear that the responsibility for these latest attacks lies squarely with the terrorist known as Abu Nidal and his organization. The number of his victims increased by 19, among them 5 Americans including Natasha Simpson, an 11-year-old girl. Many others from around the world were wounded. And we shall make every effort to bring Abu Nidal and other terrorists to justice.

But these murderers could not carry out their crimes without the sanctuary and support provided by regimes such as Col. Qadhafi's in Libya. Qadhafi's longstanding involvement in terrorism is well-documented, and there's irrefutable evidence of his role in these attacks. The Rome and Vienna murders are only the latest in a series of brutal terrorist acts committed with Qadhafi's backing.

Qadhafi and other Libyan officials have publicly admitted that the Libyan Government has abetted and supported the notorious Abu Nidal terrorist group which was directly responsible for the Rome and Vienna attacks. Qadhafi called them "heroic actions," and I call them criminal outrages by an outlaw regime.

By providing material support to terrorist groups which attack U.S. citizens, Libya has engaged in armed aggression against the United States under established principles of international law, just as if he had used its own armed forces.

We've urged repeatedly that the world community act decisively and in concert to exact from Qadhafi a high price for his support and encouragement of terrorism. The United States has already taken a series of steps to curtail most direct trade between our two countries while encouraging our friends to do likewise. Terrorists, and those who harbor them, must be denied sympathy, safe haven, and support.

In light of this latest evidence of Libya's growing role in international terrorism, it is clear that steps taken so far have not been sufficient. Tougher, more comprehensive measures are required by the international community. Accordingly, I signed today an Executive order stating that the policies and actions of the Government of Libya constitute a threat to the national security and foreign policy of the United States.

Congress has been notified of my decision. Under the authority vested in me by the Constitution and the laws of the United States, I've taken measures to end virtually all direct economic activities between the United States or U.S. nationals and Libya. These measures, some of which take effect immediately and others no later than February 1, impose a total ban on direct import and export trade with Libya, except for humanitarian purposes. They prohibit commercial contracts and other transactions with Libya, including travel-related activities other than those needed for journalism or to carry out this order. I call on all Americans in Libya to leave immediately. Those who violate these orders should know that they will be subject to appropriate penalties upon their return to the United States. Let the Government of Libya understand that it is fully responsible for the welfare of those Americans still in Libya, and that Libya will be held accountable for any attempt to harm them or restrict their freedom to depart.

Our differences are not with the people of Libya, but with Col. Qadhafi and his regime. We've taken these steps after much reflection and in full awareness of the economic consequences which the United States stands to incur as a result. Civilized nations cannot continue to tolerate in the name of material gain and self-interest the murder of innocents. Qadhafi deserves to be treated as a pariah in the world community. We call on our friends in Western Europe and elsewhere to join with us in isolating him. Americans will not understand other nations moving into Libya to take commercial advantage of our departure. We will consult with all our key allies to pursue the goal of broader cooperation.

Italy's Prime Minister Craxi, in whose country one of the recent attacks occurred, properly emphasized the necessity not only of coping with terrorists but identifying "those states that

guarantee terrorist protection and the possibility to arm and organize themselves to carry out their bloody raids." Qadhafi's Libya is such a nation, and we call upon other nations to join us in denying it the normal economic and diplomatic privileges of the civilized world.

If these steps do not end Qadhafi's terrorism, I promise you that further steps will be taken.

LETTER TO THE CONGRESS, JAN. 7, 1986[2]

Dear Mr. Speaker:
(Dear Mr. President:)

Pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. section 1703, section 505 of the International Security and Development Cooperation Act of 1985, and section 301 of the National Emergencies Act, 50 U.S.C. section 1631, I hereby report that I have exercised my statutory authority to declare a national emergency and to:

- prohibit purchases and imports from and exports to Libya;
- ban U.S.-Libya maritime and aviation relations;
- ban trade in services relating to projects in Libya;
- ban credits or loans or the transfer of anything of value to Libya or its nationals, except their property held prior to the effective date of this order or transactions allowed by regulations providing for norma' activities by Libyans lawfully in the United States; and
- prohibit transactions relating to travel by Americans to or in Libya, other than for commercial activities permitted until February 1, 1986, or those necessary for prompt departure from Libya or for journalistic travel.

These prohibitions are subject to regulation by the Secretary of the Treasury. Certain of the prohibitions in the order will apply as of 12:01 a.m. Eastern Standard Time, February 1, 1986. The remainder of the prohibitions of the order will become effective immediately.

I am enclosing a copy of the Executive order that I have issued making this declaration and exercising these authorities.

I have authorized these steps in response to the emergency situation created by international terrorism, in this instance the actions and policies of the Government of Libya. Its use and support of terrorism against the United States, other countries, and innocent persons violate international law and minimum standards of human behavior. These Libyan actions and policies constitute a threat to the security of the United States as well as the international community. Our Nation's security includes the security of its citizens and their right freely to go about their lives at home and abroad. Libyan use of and support for terrorism also constitute a threat to the vital foreign policy interests of the United States and of all other states dedicated to international peace and security.

Since Libya was officially designated under U.S. law in 1979 as a country that has repeatedly supported acts of international terrorism, the United States has taken a number of steps in response to hostile Libyan policies and actions. We have denied licenses for exports that may contribute to Libya's military potential or enhancing its ability to support acts of international terrorism. We have denied export of most national security controlled items; of goods or technical data which could contribute directly to the Ras Lanuf petro-chemical complex; of aircraft, large off-road vehicles and parts with a high risk of diversion by Libya for military activities; and for oil and gas technology and equipment not available from third-country sources. On the import side, we have banned Libyan petroleum and, since November 1985, Libyan refined petroleum products. We have stopped Libyans from coming to the United States for aviation maintenance, flight operations or nuclear related studies. We have taken measures to limit the expansion of Libyan UN Mission facilities. We have also repeatedly called upon corporations to withdraw American citizens from Libya, for their safety, and we have restricted the use of U.S. passports for travel there. All these measures have not deterred Libya from its use and support of terrorism. Moreover, approximately 1500 Americans remain in Libya.

The Congress of the United States has repeatedly deplored the Qadhafi regime's use of and support for international terror. Recently it did so by enacting section 504 of the International Security and Development Act of 1985. Moreover, I have determined that Libya falls within the terms of another statute directed by the Congress against those countries that support terrorism against civil aviation, section 1114 of the Federal Aviation Act of 1958, as amended.

The United States reaffirms its call to Libya and all nations supporting terrorism to turn away from that policy. The United States also calls upon other nations to join with us in isolating the terrorists and their supporters. We must demonstrate by firm political and economic sanctions that the international community considers such actions intolerable, that states that engage in such actions cannot expect to be accepted members of the international community.

Failure to call Libya into account for its policy places the civilized world at the mercy of terrorism. This has necessitated the steps I have taken today. The terrible tragedies of Vienna and Rome demonstrate that no nation can be immune, that each nation must bear its fair share of the vital effort against the politics of terror. I call upon every nation to do so now.

Sincerely,

RONALD REAGAN

EXECUTIVE ORDER 12543, JAN. 7, 1986[3]

Prohibiting Trade and Certain Transactions Involving Libya

By the authority vested in me as President by the Constitution and laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), sections 504 and 505 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83), section 1114 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1514), and section 301 of title 3 of the United States Code,

I, RONALD REAGAN, President of the United States of America, find that the policies and actions of the Government of Libya constitute an unusual and extraordinary threat to the national security and foreign policy of the United States and hereby declare a national emergency to deal with that threat.

I hereby order:

Section 1. The following are prohibited, except to the extent provided in regulations which may hereafter be issued pursuant to this Order:

(a) The import into the United States of any goods or services of Libyan origin, other than publications and materials imported for news publications or news broadcast dissemination;

(b) The export to Libya of any goods, technology (including technical data or other information) or services from the United States, except publications and donations of articles intended to relieve human suffering, such as food, clothing, medicine and medical supplies intended strictly for medical purposes;

(c) Any transaction by a United States person relating to transportation to or from Libya; the provision of transportation to or from the United States by any Libyan person

or any vessel or aircraft of Libyan registration; or the sale in the United States by any person holding authority under the Federal Aviation Act of any transportation by air which includes any stop in Libya;

(d) The purchase by any United States person of goods for export from Libya to any country;

(e) The performance by any United States person of any contract in support of an industrial or other commercial or governmental project in Libya;

(f) The grant or extension of credits or loans by any United States person to the Government of Libya, its instrumentalities and controlled entities;

(g) Any transaction by a United States person relating to travel by any United States citizen or permanent resident alien to Libya, or to activities by any such person within Libya, after the date of this Order, other than transactions necessary to effect such person's departure from Libya, to perform acts permitted until February 1, 1986, by Section 3 of this Order, or travel for journalistic activity by persons regularly employed in such capacity by a newsgathering organization; and

(h) Any transaction by any United States person which evades or avoids, or has the purpose of evading or avoiding, any of the prohibitions set forth in this Order.

For purposes of this Order, the term "United States person" means any United States citizen, permanent resident alien, juridical person organized under the laws of the United States or any person in the United States.

Sec. 2. In light of the prohibition in Section 1(a) of this Order, section 251 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1881), and section 126 of the Trade Act of 1974, as amended (19 U.S.C. 2136) will have no effect with respect to Libya.

Sec. 3. This Order is effective immediately, except that the prohibitions set forth in Section 1(a), (b), (c), (d) and (e) shall apply as of 12:01 a.m. Eastern Standard Time, February 1, 1986.

Sec. 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of this Order. Such actions may include prohibiting or regulating payments or transfers of any property or any transactions involving the transfer of anything of economic value by any United States person to the Government of Libya, its instrumentalities and controlled entities, or to any Libyan national or entity owned or controlled, directly or indirectly, by Libya or Libyan nationals. The Secretary may redelegate any of these functions to other officers and agencies of the Federal government. All agencies of the United States government are directed to take all appropriate measures within their authority to carry out the provisions of this Order, including the suspension or termination of licenses or other authorizations in effect as of the date of this Order.

This Order shall be transmitted to the Congress and published in the *Federal Register*.

RONALD REAGAN

WHITE HOUSE STATEMENT, JAN. 8, 1986[3]

The United States today will begin consulting with allies and other friendly nations in Europe and the Middle East to encourage cooperation in imposing economic and political sanctions on the Qadhafi regime and Libya. We will monitor the effects of our actions to decide what additional steps may be needed to isolate Qadhafi politically and economically and to bring an end to worldwide terrorism. Cooperation of our allies and friends is critical if we're to exact a high cost to Qadhafi.

Europe has borne the brunt of Qadhafi's latest outrages. European leaders surely recognize that there is a strong and increasing public sentiment for firm action against those who support terrorism. Many Arab States have suffered also from terrorism. Arab leaders are well aware of Qadhafi's uncivilized behavior, and he is a threat to them, as well. Europe and the Middle East countries have lost more than $1 billion in tourism alone. Airport workers in Rome have gone on strike to protest this situation. All countries are spending millions in increasing security. The cost in lives and property is enormous, and this will surely increase if terrorist acts continue.

But the cost of rampant and spreading terrorism is a price free nations cannot and will not pay. In our consultations, the United States will make it clear our position is that all nations must act in concert if we are to halt terrorism. It is essential that we make Qadhafi and others pay a premium if they continue their attempts to terrorize the world. Many actions will be taken, and we will hold in abeyance any further decisions that we make. The United States will continue to reserve the right to act in an appropriate manner in our own self-defense. All available measures will remain under consideration to bring terrorists to justice. We want to convince Qadhafi that terrorism will not be cost-free, nor will it be without consequence. Should Qadhafi continue his involvement in international terrorism, we're fully prepared to take additional measures.

EXECUTIVE ORDER 12544, JAN. 8, 1986[3]

Blocking Libyan Government Property in the United States or Held by U.S. Persons

By the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) and section 301 of title 3 of the United States Code, in order to take steps with respect to Libya additional to those set forth in Executive Order No. 12543 of January 7, 1986, to deal with the threat to the national security and foreign policy of the United States referred to in that Order,

I, RONALD REAGAN, President of the United States, hereby order blocked all property and interests in property of the Government of Libya, its agencies, instrumentalities and controlled entities and the Central Bank of Libya that are in the United States, that hereafter come within the United States or that are or hereafter come within the possession or control of U.S. persons, including overseas branches of U.S. persons.

The Secretary of the Treasury, in consultation with the Secretary of State, is authorized to employ all powers granted to me by the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq.*, to carry out the provisions of this Order.

This Order is effective immediately and shall be transmitted to the Congress and published in the *Federal Register*.

RONALD REAGAN

LETTER TO THE CONGRESS, JAN. 9, 1986[2]

Pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703, and section 301 of the National Emergencies Act, 50 U.S.C. 1631, I hereby report that on January 8, 1986, I signed Executive Order No. 12544 blocking all property and property interests of the Government of

Libya and the Central Bank of Libya that are in or come within either the United States or the possession or control of United States persons, including overseas branches of United States juridical persons. In this Order, I have authorized the Secretary of the Treasury, in consultation with the Secretary of State, to employ powers granted to me by the International Emergency Economic Powers Act to carry out this direction.

A copy of this Executive Order is enclosed. The Order took effect upon signature.

This Order does not apply to the property of Libyan citizens or entities not controlled by the Government of Libya. Moreover, the Order does not confiscate property of the Government of Libya. Such property will continue to belong to the Libyan Government, and financial assets held in U.S. banks and their branches overseas will continue to earn a commercial rate of interest as appropriate.

I have taken these further steps pursuant to the national emergency I declared in Executive Order No. 12543 on January 7, 1986. My reasons for taking these actions are set forth in my letter to you of January 7, 1986, reporting the measures taken in that Order. Based on a continuing assessment of the situation, the steps taken became necessary to carry out the purposes of that Order. They are not intended to deprive the Government of Libya of property but rather are to help assure the orderly management of the dissolution of the United States economic ties with Libya and to protect against the possibility of unlawful Libyan actions which adversely affect American interests.

Sincerely,

RONALD REAGAN

---

[1]President Reagan's opening statement made at his news conference of Jan. 7, 1986 (text from Weekly Compilation of Presidential Documents of Jan. 13, 1985).

[2]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate (text from Weekly Compilation of Presidential Documents of Jan. 13, 1985).

[3]Text from Weekly Compilation of Presidential Documents of Jan. 13. ■

Review of Developments in the Middle East

by Richard W. Murphy

Statement before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee on January 28, 1986. Ambassador Murphy is Assistant Secretary for Near Eastern and South Asian Affairs.[1]

It is a pleasure to be here again, to have another opportunity to discuss with you recent developments in the Middle East. In particular, I want to bring you up to date on the peace process and our policy toward Libya, on developments in Lebanon and South Yemen, and on the Iran-Iraq war.

We face continuing problems in the area for which there are no easy solutions. They are not intractable, but they are certainly among the more complicated and difficult issues in American foreign policy. They affect U.S. interests in the region and the lives and well-being of our friends and allies. Given the volatile nature of these problems, we must pay close attention to them, minimizing damage to our interests and those of our allies.

Peace Process

In recent days I have discussed at length with [Israeli] Prime Minister Peres and [Jordanian] King Hussein the outstanding issues we must resolve before the opening of direct negotiations between Jordan and Israel. I am pleased to be able to report to you that during the course of those meetings in London and The Hague progress was made toward our shared goal of achieving direct negotiations between the parties.

This subcommittee has followed closely the unfolding of our efforts over the past year. Upon returning from consultations with the parties in the Middle East, on several occasions I have discussed with you the status of the peace process. Six months ago, the central issues were still very much undefined. Since then, we have made steady progress to clear the underbrush and reveal the critical obstacles blocking our path.

Two months ago, our efforts began to focus on two primary issues—an international conference and Palestinian representation. But at that time, we still addressed these issues in general terms. Today, I have a different message. We made clear progress during this last set of talks. The exchanges among the parties reached a new level of detail and specifics on key issues in a way we had not seen until now.

I will not pretend that the parties have resolved their differences. As this subcommittee recalls, I have long counseled against expecting a dramatic breakthrough. Finding ways to bridge differences is no small challenge; untangling the whole knot will require additional effort, ingenuity, and political courage. I continue to believe, however, that this can be accomplished. Most importantly, the leaders share this opinion. Prime Minister Peres and King Hussein remain firmly committed to the shared objective of reaching the bargaining table. Both were encouraged by the incremental achievements made during the recent talks. Both believe we are moving in the right direction by addressing in a serious way specific questions about the arrangements for and participation in these negotiations and in what we have called its international framework.

To achieve real progress we are confronting tough questions: we are addressing seriously the compelling, difficult, but fundamental question of Palestinian representation. We have often said that the Palestinians must be represented at every stage of the process. The nature of that representation gets to the heart of the credibility of the process and, thus, to the acceptability of its results by the Palestinian community. Syria, too, has much to gain from, and has an important role to play in achieving, a lasting peace in the region. For this reason, all parties have let it be known that Syria is welcome to participate in the process.

Time is not always an ally of reason in the Middle East. I am concerned—and I know that King Hussein and Prime Minister Peres are as well—that further protracted delay will have the effect of reversing the momentum toward direct negotiations. We have, therefore, made clear to both leaders that we are prepared to intensify our efforts to assist them in achieving that objective.

Arms Sales

There is no doubt that congressional support for the proposed Jordan arms package would have a positive influence on:

- Our efforts to sustain peace process momentum;
- Arab states' confidence in the United States as a reliable security partner; and
- Jordan's self-defense capabilities.

The Administration proposal for Jordanian arms is, of course, still pending. Since our last open session, Congress approved legislation providing that no Letters of Agreement for advanced

arms to Jordan would be valid prior to March 1, "unless direct and meaningful peace negotiations between Israel and Jordan are underway." When the President signed that legislation, we recognized that it was a compromise designed to avoid an adverse vote on the proposal while sensitive discussions between peace process parties were in progress. We appreciate congressional efforts to work with us so that we might accomplish our shared objective of direct negotiations. The Administration intends to abide by the conditions of the compromise. The Secretary and President have made it clear that we are not going to engage in any sleight of hand.

I am sure we all agree that the central issue is how we may best enhance the prospects for direct negotiations. The Administration asks your help in avoiding a disruption at this delicate stage in the process.

I would like to again emphasize that our security assistance programs in the region remain an important part of U.S. policy. The programs enable us to strengthen friendly moderate states, enabling them to defend themselves, which, in turn, contributes to the protection of our own interests in the region. We have no plans to notify the Congress of major new systems for any country, although we are continuing to process requests for follow-on support and upgrades of present systems in several states, including Israel, Egypt, and Saudi Arabia.

As I have stressed before, the Administration has an important security relationship with Saudi Arabia, the maintenance of which directly supports our interest in the free flow of oil and the stability of the Arabian Peninsula. This relationship, and the deterrence created by a strong Saudi defense, has been a major factor in keeping the Iran-Iraq war from spreading across the gulf. Our security relationship with Saudi Arabia—the cornerstone of our bilateral relations—has enabled us to work closely with Saudi Arabia in addressing events such as the continuing strife in Lebanon and the gulf war. We have carefully avoided viewing all Middle East issues through the prism of the peace process. We believe a strong and ongoing defense relationship with Saudi Arabia enhances prospects for regional peace and stability quite apart from the Arab-Israeli dispute.

By failing to address Saudi Arabia's legitimate defense requirements, we weaken this important relationship, detract from Saudi Arabia's ability to defend itself, and reduce Saudi confidence in the value of continued cooperation with the United States on regional peace and security issues. At the same time, we forfeit to suppliers less mindful of the security concerns of Israel sales of military equipment worth billions of dollars and thousands of high-technology jobs.

Israeli-Egyptian Relations

A sound Israeli-Egyptian relationship is key to our regional security policy and the essential building block for broader Middle East peace. In recent months, the two sides, with our participation, have been engaged in an effort to resolve the Taba border dispute and other issues—including the absence of Egypt's Ambassador from Tel Aviv—that have eroded mutual confidence. In this context, the Israeli Cabinet decided on January 13 to permit resolution of Taba through arbitration—a step that could clear the way for accelerated progress. Much work remains to be done, but the outlook for improved ties between these vital peace partners is brighter than it has been for some time.

Libya

The Qadhafi regime has a long record of overt and covert aggression against its neighbors and of support for international terrorism. Following the December 27 attacks on the Rome and Vienna airports by the Abu Nidal group and the clear evidence of Libyan involvement, the President decided to take rigorous, but measured and focused, steps to underscore our opposition to Qadhafi's policies in support of terrorism and to induce Qadhafi to change his policies. President Reagan banned direct trade with Libya on January 7 and on January 8 froze Libyan governmental assets in this country and in branches of U.S. financial institutions abroad.

There are three underlying messages of our policy toward Libya.

First, the United States made the unambiguous statement that we will not continue to do business with a person who has placed himself far outside the boundaries of civilized conduct.

Second, the measures announced by President Reagan make the point that Qadhafi's continued support for terrorism carries a cost for Libya. Last year, the United States was Libya's third largest export partner. American companies lifted almost half of Libya's oil production. We do not contend that our measures, taken by themselves, will do irreparable harm to Qadhafi. However, they will, over the short term, cause important dislocations in the Libyan economy.

Third, the steps we have taken to date are not the most severe actions that could be levied against Qadhafi. In light of the heinous nature of terrorist acts, these are modest measures. If Libyan aid to terrorists continues, however, the United States has the option of imposing a range of more severe actions. The steps that we have taken may not be our final response, but we sincerely hope additional efforts will not prove necessary.

Deputy Secretary Whitehead just returned from a visit to nine allied capitals where he conveyed our deep concern at the threat that terrorism represents in the world. We do not expect our allies to duplicate our actions but, rather, to examine additional measures appropriate in each individual situation. We are grateful for the position taken by several of our friends, such as the Governments of Canada and Norway, who assured us that they will not fill in behind American individuals and companies that are leaving Libya. Italy, which traditionally does a great deal of business with Libya and which has suffered more than its share at the hands of terrorists, demonstrated political courage in announcing the cessation of all arms sales to Libya. While the Deputy Secretary found occasional differences over tactics among our allies, we are encouraged by the broad commitment to close, effective action in the fight against terrorism.

It is still too early for me to give you a precise readout on the effect of our measures against Libya. I can say that our determination to respond to his support of terrorism has induced Qadhafi and other nations to focus more directly on the dangers posed by his policies.

Qadhafi has responded to our actions by threats and posturing, including the promise to train any Arab who wishes to become a terrorist in support of the Palestinian cause. He relishes the role of chief defender of that cause. Our efforts and those of our Arab friends to pursue the path of a just and durable negotiated settlement are abhorrent to him. We will prove him wrong.

Qadhafi has attempted to garner support from his fellow Arabs. He managed to obtain a resolution and a

declaration critical of our economic sanctions from the Organization of the Islamic Conference ministerial meeting in Fez, but most Arab governments publicly deplore acts of terrorism and privately encourage us to take measures to deal effectively with terrorists. For too many years Qadhafi has directed violence against his Arab brothers. His invasion of Chad; plots to destabilize Egypt, Sudan, and Tunisia; and attempts to assassinate Egyptian officials have won him few friends.

Lebanon

We have been following the situation in Lebanon closely and with concern as discussions over the tripartite accord continue. The United States remains fully committed to Lebanon's sovereignty, independence, and territorial integrity. It is our firm conviction that there is no military solution to the political problems of that troubled country. We have supported, and continue to support, a dialogue among the various factions in an effort to reach a genuine consensus on Lebanon's political future. Any solution, if it is to be viable, will require broad support in all communities.

All Lebanese lose from continuing violence. Abandoning the political dialogue at this stage undercuts the efforts that have been made toward strengthening the political process. There is no substitute for dialogue. We have repeatedly urged the parties to focus on the dialogue essential to the establishment of a political consensus.

For these reasons, I want to remind the subcommittee of the importance of the UN Interim Force in Lebanon (UNIFIL). UNIFIL has played a constructive role in helping to provide stability in southern Lebanon and, thereby, contributes to the security of the Lebanese-Israeli border. Dissolution of the force will create a power vacuum in its current area of operations which may trigger serious fighting and give free rein to radical groups. Once dissolved, UNIFIL would be extremely difficult to recreate. For these reasons, the Administration opposed congressional action to reduce by $21.6 million our fiscal year 1986 contribution to UNIFIL.

In addition to UNIFIL, the United States also supports the several other international organizations which play key roles in stabilizing the highly volatile Middle East situation—organizations that merit our continued support. They include the UN Disengagement Observer Force on the Golan Heights, the Multinational Force and Observers in the Sinai, and the UN Truce Supervisory Organization. We provide men and/or money for these operations, either directly or through our contributions to the United Nations. The tragic plane crash in Newfoundland before Christmas reminded all of us of the quiet but very successful role the Multinational Force and Observers has played in the Sinai in ensuring that the Israeli-Egyptian peace treaty is carried out. We honor these young men and women who gave their lives on a mission to bring peace to the Middle East.

Iran-Iraq War

The Iran-Iraq war continues to consume the national energies and resources of both countries. It is now well into its sixth year, and there are no signs that it is nearing an end. Indeed, Iran has been making intense efforts over the past several weeks to position itself for yet another major offensive against the defensive positions the Iraqis have established well within Iraq's recognized borders. Several governments and regional, Islamic, and nonaligned organizations as well as the United Nations have offered to facilitate discussions with the two belligerents in an effort to end the war. Over the past 3 years, Iraq has been willing to engage in such discussions in various prospective fora, while Iran has declined to participate except under conditions which are unacceptable to Iraq.

Our policy has not changed since the last time we met. The United States is neutral in the conflict, and we are not considering changing that policy. We have a firm policy of not supplying war-making materiel to either Iran or Iraq. We are in active contact with all potential mediators and have encouraged them to keep up their efforts, despite the repeated rebuffs they have experienced. We profoundly hope that, perhaps after the next round of fighting which may take place at any time, both parties will be amenable to such discussions. In the meantime, the war drains both nations of their young men, their financial resources, and their national energies at the same time that it wreaks havoc on civilians on both sides of the border.

Because Iran has stubbornly refused to agree to discuss the end of the war except on terms which are clearly unacceptable to the Iraqi side, we have chosen to exercise what limited influence we have to deny Iran additional armaments. To that end, we have encouraged governments with whom we have close relations to forgo the economic benefit of significant arms trade with Iran. We have had substantial, if incomplete, success in this effort.

The use of chemical warfare has continued, and there is recent disturbing information that both sides may be prepared to use it in upcoming battles. We have spoken out against the Iraqi use of chemical warfare, and we continue to encourage both sides to forswear its use. As the war effort is sustained, it also creates conditions and circumstances which are dangerous and explosive. That the war might spread to neutral countries in the gulf continues to be of concern to the United States. The recently energized Iranian policy of boarding and searching, and sometimes seizing, "contraband" on neutral shipping is also worrisome because of its potential for miscalculation and violence.

Persian Gulf
Freedom of Navigation

In this connection, the American President Lines' ship *President Taylor* was boarded briefly by the Iranian Navy on January 12 while it was in international waters outside Iran's war zone. There is a basis in international law for ship searches by belligerents. At the same time, we consider the Iranian policy to be one of the significant negative consequences created by the Iran-Iraq war. The dangerous conflict between Iran and Iraq now continues because of Iran's intransigent refusal to participate in a negotiated solution. We have stated our deep concern about this incident because of the danger of misunderstandings, overstepping of rights and norms, and even violence which is inherent in all ship search incidents.

South Yemen

The situation in the People's Democratic Republic of Yemen (P.D.R.Y.) remains unclear. Members of the ruling party congress declared on January 25 that the Prime Minister (previously in Moscow) was made deputy head of state, provisionally holding the powers of head of state. We understand that this new regime has not been established by a necessary quorum of the P.D.R.Y. Central Committee. No government has yet acknowledged the legitimacy of the new formulation. The

U.S. Government has no relations with P.D.R.Y. and has no intention of recognizing or dealing with the rebels. However, we are concerned that the Soviet Union, by its increasingly evident support for the rebels in Aden and Prime Minister Attas, appears to be taking sides on behalf of one faction in the still unresolved internal political struggle in South Yemen.

As far as we can tell, supporters of President Ali Nasir Muhammad continue to battle supporters of the coup, and the fighting is apparently extending into the hinterland. The genesis of the coup is also unclear. The opponents of the President appear to be hard-line Marxists opposed to President Ali Nasir's policies of ending his country's support for insurgents in Oman and North Yemen. However, we assume there is a strong dose of pure political opportunism. Additionally, fighting is apparently breaking down along tribal lines as well as ideological ones.

The Soviets have maintained a significant presence in the P.D.R.Y. for many years. They have been active in helping arrange for the evacuation of foreigners and have maintained an official stance of noninvolvement while sponsoring talks aimed at reconciling the warring factions. However, even prior to the new rebel formulation recently announced, there have been some indications of seemingly direct Soviet involvement in aid of the rebels. For example, there have been reports from refugees in Djibouti of Soviets helping to direct fire for the rebels or in unloading ammunition. We cannot confirm these stories. There have also been prorebel statements made in Moscow by Yemeni leaders who were outside the country when the coup attempt began and have since gone to Moscow. Soviet statements have been veering increasingly toward support of the coup leaders. The Soviets officially state that they are against outside intervention. We hope that they mean it.

We are concerned that the outcome not reinvigorate threats to Oman and North Yemen which could be profoundly destabilizing on the Arabian Peninsula. The loss of life has reportedly been high, and we hope that the struggle will be resolved quickly in a way that will promote stability in the country and the region as a whole.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S.-Japan Salmon Talks

The United States and Japan have been engaged in negotiations to resolve the problem of Japanese fishermen catching U.S. salmon on the high seas. The salmon migrate great distances in the ocean before returning to Alaskan rivers where they spawn. Both nations recognize that the International North Pacific Fisheries Commission (INPFC) protects most North American-origin salmon stocks. However, since 1984 scientific studies have indicated that the Japanese fleet intercepts significant numbers of salmon of North American-origin in those areas where the Japanese fish for salmon on the high seas. These interceptions have a significant impact on the United States, particularly on small communities of western Alaska. Therefore, the purpose of these negotiations is to reduce significantly those interceptions.

However, the United States and Japan to date have been unable to agree on what measures should be taken by Japanese fishermen to reduce their catches of North American-origin salmon, which U.S. scientists estimate to number approximately 1 million per year. Six negotiating sessions have been held during the course of the past year in an effort to resolve this question. The United States is disappointed that very little progress has been made in these negotiations.

The United States recognizes that most of the salmon caught on the high seas by Japanese fishermen are not of North American origin and does not propose to eliminate the Japanese fishery for salmon of Asian origin. Japan has been asked not to fish at times and in areas where substantial numbers of U.S. salmon are taken. The United States is willing to allow Japanese fishermen to continue to fish inside the U.S. 200-nautical-mile exclusive economic zone. Also the United States is prepared to reconsider the extent of the areas proposed to be closed to Japanese vessels if subsequent scientific evidence indicates that substantial numbers of U.S. salmon would not be saved by moving the Japanese fishery further west.

The United States does not believe that this proposal would have a seriously disruptive impact on Japanese fishermen. On the other hand, a substantial savings of U.S. fish would be of considerable benefit to the economically depressed Alaskan communities which are heavily dependent for food and subsistence on the salmon which return to U.S. rivers.

The United States particularly is disappointed in the unwillingness of Japan to demonstrate flexibility on this issue in light of the close cooperation which exists between the U.S. and Japanese fishing industries. The Japanese fishing industry has been making an important contribution to the development of the U.S. fishing industry, in return for which Japanese fishermen have received substantial allocations of U.S. groundfish, such as Alaskan pollock. If the salmon issue is resolved, Japan could expect to receive about 500,000 metric tons of bottomfish in 1986. However, it will be very difficult to release this amount unless the salmon issue is resolved.

The United States believes it is in the interest of both countries to be flexible in the salmon negotiations and is hopeful that the matter can be resolved in the near future in an equitable manner that takes into account the fishing interests of both countries.

Press release 13 of Jan. 16, 1986. ■

International Family Planning

by M. Peter McPherson

Address before the American Enterprise Institute on November 25, 1985. Mr. McPherson is Administrator of the Agency for International Development (AID).

Starting about 20 years ago, there began to be a growing awareness of the high rates of population growth in many developing countries of the world. Indeed, rates of population growth in many poor countries today are as high as 3% or 4% a year. This contrasts with much slower growth rates in developing countries only a few decades ago. The recent and unprecendented growth rates are a consequence of lower mortality without corresponding reductions in fertility. Donor agencies can be proud of the role they have played in significantly improving the standards of health in developing countries.

I am sure in this room there is a variety of viewpoints on the subject of population growth. Some believe current high rates of growth constitute a global crisis; others are equally convinced that there is no cause for alarm. For some time there has been an active debate surrounding these differences. The question has centered on the relationship between population growth and economic growth and on abortion.

This debate has been characterized by strongly held and often polarized convictions. But the debate has usually failed to take into account a most important set of reasons for family planning programs. Specifically, there has been little attention to the interests of families and individuals. This is unfortunate since the availability or lack of family planning services is of enormous consequence to some families and individuals. These family and individual interests fall into three categories:

- The desire of couples to determine the size and spacing of their family;
- Mother and child survival; and
- Reduction of abortion.

The Right of the Family To Choose

The right of the family to choose the number and spacing of their children was strongly reaffirmed by international consensus at the International Conference on Population in Mexico City in 1984. Governments should not dictate the number of children couples can have. However, family planning services should be encouraged so that people really do have the option, if they desire, of fewer children.

Families make decisions in their own interest based upon their social and economic and religious situation. Change, including urbanization and lower child mortality, has created a new situation for millions of families throughout the developing world. Once, most families wanted and needed more children to contribute to the family's agricultural production and to ensure that enough children survived to care for their parents in their old age. Fifty percent or more of the populations of many developing countries are now urban, and there is even a very strong urban trend in Africa. Moreover, many children who would have died formerly now live because of improved health services. Accordingly, the world is simply very different for many families, and they need and want fewer children.

Also, many families feel they can do more for each of their children—for example, provide a better education—if they have a smaller family. In many areas of the developing world, couples are having eight or nine or more children. When the financial and emotional resources of these families are divided among the children, the frequent result is that the children are undernourished and there is little money for education and health care for each child. Family planning services would give these couples the opportunity, which many currently do not have, of concentrating the resources of the family on fewer children. We can debate the impact of population growth on economic growth in a country, but there is no question that many families feel they can do more for each child if they have fewer children.

Fewer children are an option which American families take for granted. I suspect that most of us here are pleased that we have, and our children will have, available the information and services so that we can decide the size and spacing of our own families. We must remember that these services are not available to millions of families in the Third World. The unfulfilled desire of Third World families to have fewer children is not just Western speculation. Surveys show a large number of women who would like to space births or limit their family size but cannot because no services are available. The percent of such women is highest where few services are available—it is 67% in Bangladesh where only 13% of couples use contraceptives; 22% in Costa Rica where 65% of couples are currently using contraceptives.[1] A carefully monitored project in Matlab Thana in Bangladesh demonstrated that when high in quality family planning services were made available to poor villagers on a voluntary basis, contraceptive prevalence increased from 6.9% to 35%.[2]

Health and Survival of Mothers and Children

The health and survival of mothers and children provides a second important reason for family planning. We know that one of the most serious consequences of women having many children in quick succession is that more children and mothers die. Studies of child mortality conducted in 26 countries have confirmed that a child born within 2 years of an earlier birth is twice as likely to die as a child born after an interval of 2 or more years. Also, the older child is more likely to die if there is another child born within 2 years.[3] It is estimated that spacing all births at least 2 years apart would reduce the deaths of children under 4 years by 21%.[4]

Maternal health is also affected by the number and spacing of children and the age of the mother. As many as 200,000 maternal deaths per year are attributed to too many pregnancies, too early or too late in the reproductive period.[5]

These are dramatic statistics that family planning saves lives: it is a critical component of mother and child survival. The Administration, with strong congressional support, has launched a strong health component of our foreign aid program, focused particularly on interventions to save children—for example, immunizations and oral rehydration therapy. It makes sense to encourage a life-saving family planning service as part of our health efforts.

Reduction of Abortion

A third reason for family planning is the reduction of abortion. When couples want fewer children and family planning services are not accessible, abortion is often resorted to. This is true whether or not it is legal. It is estimated that more than 25 million abortions occur in developing countries each year, compared with 113 million births.[6] Evidence from some Latin American and Asian countries indicates that as many as one out of three women have had an abortion. Many of these abortions would be prevented if family planning services were available. The Mexican Social Security Administration estimates that it has prevented 360,000 abortions since family planning services began in 1972.[7] In Chile, the number of women seeking help in hospitals for complications from illegal abortions declined substantially after 1965 when modern family planning services began to become widely available.[8]

Based solely on these three family and individual needs—i.e., the families' desire to determine the number and spacing of children; mother and child survival; and reduction of abortion—I believe assistance to family planning programs is necessary.

Economic Growth and Development

Next, I would like to discuss the relationship between economic growth and population growth. This relationship has been the center of recent controversy. The debate has tended to be characterized by two extremes.

Some have argued that rapid population growth rates are a worldwide crisis and a primary reason why more progress has not been made in the Third World. The crisis perception of population growth has been tempered in the minds of some—though not all—because of declining birth rates in several countries and the recognition that human resources and technological innovation provide a key response to the needs of a growing population.

Unfortunately, a careful study of the data does not fully clarify the relationship between population growth and economic growth. For one thing, it is difficult to separate out population growth rates from all other factors affecting economic growth. Nevertheless, it appears that a number of countries with sustained economic growth in recent decades also had widespread and effective family planning services and reduced population growth rates. The Pacific Rim, for instance—Korea, Taiwan, Singapore, Hong Kong, and others—comes to mind. It is not clear how much of the population growth reductions in these economies came because of economic growth or, on the other hand, what contribution the reduced population growth rates made to economic growth. In any case, in the Pacific Rim the availability of family planning services, moderate population growth rates, and sustained economic growth tend to go hand in hand.

In contrast, there are a number of countries where there are high population growth rates and slow economic growth. The situation in Africa is especially noteworthy. In many countries there has been a negative per capita growth for a sustained period and very high population growth rates.

Let me review the arguments of those who say that very high population growth rates reduce economic growth in some countries. They argue that a poor nation with too high a population growth rate cannot make the investment in education, health, and so forth, because of the ever-growing wave of new children. Some also argue that population growth rates can have a negative impact on the degradation of the land.

The other side contends that nations, over time, are able to adjust to the pressures of more people; indeed, that the pressure may be a very important stimulus to innovation and growth. It seems to me that those taking the position that nations can adjust must assume a degree of political flexibility. They may underestimate, for example, the tribal conflicts, the urban exploitation of a rural majority of many African countries, and famines. Also, those who assume that all nations can adjust may not be realistic in judging the ability of fairly primitive societies to obtain technological innovation. In short, the situation may be so severe that reasonable adjustments will not occur in a timely fashion and countries just sink deeper into poverty.

Let's talk about economic development for a moment. I think that some components are clearly needed to obtain economic growth—components about which there is a growing consensus.

The first component is sound market—oriented economic policies, without which the economic and social aspirations of countries cannot be achieved. There also are several other components which countries usually need to meet to achieve sustained growth. Among the most important is human resource development—for example, education and training. (Nobel Prize winner Dr. Theodore Shultz has documented the role of human resources in economic growth.) Another critical component is technology. Without the Green Revolution technology, India might well still have terrible famines rather than being more or less self-sufficient in grain production. It is no coincidence that Africa, with its low economic growth, has a very high rate of illiteracy and needs a Green Revolution of its own.

I would like to note that AID has worked hard for the last 5 years to promote sound economic policies and is spending substantial money on both training and research in the Third World.

Yes, sound economic policies and various development efforts are critical to economic growth. However, as suggested above, family planning has been part of successful packages in some key countries in recent years. Based upon that, I feel that sound economic and population policies are mutually supportive components of a country's plans for economic growth. This was the position taken by the Administration in Mexico City, and it remains our position.

As I have stated above, I think that we should support strong family planning programs in the interests of families and individuals. I think that these interests alone justify the program even if there were no impact on economic growth. The impact of population growth on economic growth is debatable. But almost no one argues that family planning hurts economic growth, and it is rare, indeed, to hear it argued that very rapid population growth contributes to economic growth.

In any case, I think the above observations about Asia and Africa make family planning a common sense bet for economic growth. I know that the computers do not give a clear answer, but, as I travel around the world and feel and see Lagos, Mexico City, and Dhaka, I am willing to go with the bet.

Support for Family Planning

In fiscal year 1985, AID spent $290 million (2.5% of our total economic assistance budget) on international family planning assistance. This is up from the $190 million which was spent in 1981. This Administration has always asked Congress for as much or more for family planning as we did the year before. There should be no doubt as to our commitment to this effort. I believe that this is money well spent. Even with such a small portion of our total budget, we have provided millions of families with the ability to achieve their own family goals.

Now let me turn to the issue of abortion. This Administration has been consistent in its opposition to abortion as a method of family planning and its strong support for the availability of voluntary family planning services. AID's goal has been to administer fairly and with common sense this two-prong policy. We have been in the political crossfire. Neither pro-life groups nor family planning groups fully trusted the other, and AID has been caught in the middle. Nevertheless, it is my view that we have faithfully carried out both policies in the best way possible. We have applied our antiabortion and pro-family planning positions to the particular circumstances of our program. You can count on our continuing to pursue our two-prong policy. I sincerely invite pro-life groups to carefully review how effective we have been in opposing abortion. I also ask that pro-family planning groups note that the Reagan Administration has always asked Congress for as much or more money for family planning as we have asked the year before. This is a program which has not been cut by the Administration, and that truly is saying something in these times of budgetary stringency.

Conclusion

I have not discussed the political stability of friendly countries and the impact that population growth rates may have on such countries. Obviously, all of our friends have not been models of sound economic policies, and the adjustment process may be costly to them and us.

In closing, I want to reiterate the important impact which voluntary family planning services have upon developing countries. For the family, the ability to determine freely and responsibly the number and spacing of one's own children is basic. For a mother, the ability to space or limit her pregnancies may mean the difference between illness and health, between life and death. For children to be reasonably spaced may mean the chance of adequate nutrition or even the chance to survive at all. For the family, fewer, well-spaced pregnancies may mean the chance for educational opportunities for all children. For parents, it may mean control over their own decisions. It may also mean the avoidance of the tragic abortion which is often the last resort of desperate parents. For a father and mother coping with poverty and the disintegration of traditional support systems, it may mean a lessening of strains on the family structure. For these reasons alone, international family planning programs should be supported.

Finally, we believe that experiences in Asia and Africa have something to say about family planning and economic growth. Accordingly, we see family planning and economic policies as mutually supportive components of economic growth.

---

[1]Kathy A. London, et al. "Fertility and Family Planning Surveys: An Update," in *Population Reports*, Series M, No. 8, Sept-Oct, 1985.

[2]Lincoln C. Chen, et al. "Estimating and Partitioning the Mortality Impact of Several Modern Medical Technologies on Basic Health Services," in *IUSSP International Population Conference Proceedings*, Manila, Vol. 2, 1985.

[3]Deborah Maine and Regina McNamara. *Birth Spacing and Child Survival*, Columbia University, 1985.

[4]James Trussel and Anne Pebley. "The Potential Impact of Changes in Fertility on Infant, Child and Maternal Mortality," in *Studies in Family Planning*, Vol. 15, No. 6 Part 1, Nov-Dec, 1984.

[5]Ward Rinehart. "Healthier Mothers and Children Through Family Planning," in *Population Reports*, Series J, No. 27, May-June, 1984.

[6]Laurie S. Liskin. "Complications of Abortion in Developing Countries," in *Population Reports*, Series F, No. 7, July 1980.

[7]Dorothy Nortman, et al. "A Cost-benefit Analysis of the Family Planning Program of the Mexican Social Security Administration," paper presented at the IUSSP, International Population Conference, 1985.

[8]Deborah Maine. *Family Planning: Its Impact on the Health of Women and Children*, Columbia University, 1981. ■

Soviet Influence on Afghan Youth

The following paper was prepared by Paul Trottier, intelligence research specialist for South Asia of the Bureau of Intelligence and Research.

A major impediment to Soviet influence over Afghan youth is the inability of the Soviets and the Democratic Republic of Afghanistan (DRA) to govern more than a fraction of the country. Despite control of Kabul, the capital and largest city, the overwhelming majority of the population lives outside the government's control. Even in areas under Soviet and regime authority, Soviet/Afghan regime influence appears to be minimal.

The Soviets have adopted a long-term approach to pacifying Afghanistan, with the goal of making it a pro-Soviet state. Educating and influencing Afghan youth are important elements of this approach. The Soviets pursue this policy by reducing illiteracy, disseminating propaganda, and attempting to gain widespread acceptance for Marxist ideology, the Kabul regime, and Soviet hegemony. At the very least, they hope to develop a small pro-Soviet cadre that ultimately can succeed to the leadership of the DRA.

The Soviets thus far have made little progress—primarily because most Afghans reject any form of outside domination and hold religious beliefs that view communism as evil. However, a small cadre of pro-Soviet youth may have emerged in Kabul, particularly among those recruited into KHAD (the secret police). This cadre is a useful Soviet foothold and, if expanded, could become an important factor in the long-term effort to transform Afghanistan. But only if the Soviets consolidate control over much more of the country can they hope to gain widespread support among Afghan youth for Marxist ideology and the Kabul regime.

Background

The Soviet Union has attempted to exercise influence over Afghanistan by intimidating and indoctrinating the Afghan people and by gradually molding Afghan economic, political, and social life along Soviet lines. Measures designed to promote these aims have included land reform, government control of agriculture, eradication of illiteracy, revision of the school curriculum to reflect Marxist objectives, and imposition of a Soviet-style judicial system.

© SOVFOTO

Afghan children departing from Kabul Airport for study in the Soviet Union.

Because of widespread opposition to their policies in Afghanistan, the Soviets do not rely entirely on military pressure. Changes that the Afghans might consider antagonistic to their religion and way of life—such as land reform and the introduction of non-Islamic education, government, and legal systems—are now carried out gradually. The current regime, led by Babrak Karmal and dominated by his Parcham faction of the People's Democratic Party of Afghanistan (PDPA), has tried to appear pragmatic, Islamic, and consistent with Afghan tradition. This approach, heavily influenced and probably directed by the Soviets, differs greatly from that of Hafizullah Amin, the Marxist ruler deposed in 1979. Amin's radical "reforms" served as a major spur to the insurgency.

Soviet methods in Afghanistan resemble those used to overcome the *basmachi* rebellions that lasted from 1917 until the 1930s in what today is Soviet Central Asia. (Soviet Central Asia and parts of Afghanistan both contain Tajik, Turkmen, and Uzbek ethnic groups.) In Central Asia, Moscow fought against many small guerrilla groups who perceived a Soviet threat to their traditional lifestyles. Poorly organized and plagued by internecine fighting, the Central Asian resistance gradually collapsed. The Soviets apparently hope that divide-and-rule tactics, the gradual introduction of Soviet institutions, and a proclaimed tolerance for Islam eventually will produce a similar result with the Afghan resistance (self-described as *mujahidin* or "holy warriors"), referred to in the Soviet press as *basmachi* ("bandits").

Education of Afghans in the Soviet Union

Education and training programs instituted for Afghans in the U.S.S.R. during the mid-1950s involved only a few hundred students and varied considerably in size and purpose. Since the communist takeover, the number of students annually educated in the U.S.S.R. has grown to the thousands.

The Soviets probably have several reasons for educating Afghans in the U.S.S.R. First, it allows for greater ideological influence. Second, the Soviets may believe that, with gradual familiarity and exposure to a higher standard of living, the students will begin to like the Soviet way of life. However, there is little evidence to indicate that the Soviets

are any more successful at indoctrinating Afghan youth than they have been with those from other countries.

Number of Afghans Studying in the U.S.S.R.

According to the best available estimates, at least 25,000 Afghans have been sent to the U.S.S.R. since the mid-1950s for formal, postsecondary technical or academic training. The actual number may be double these minimum figures, still a relatively small number considering the total population is estimated at nearly 15 million.

From the late 1950s through most of the 1970s, full-time education for Afghans in the U.S.S.R. generally was limited to military training. By 1978, about 700 Afghans were enrolled in postsecondary academic studies in the U.S.S.R. Under the communists, this number probably increased to more than 4,000 in 1979 and may exceed 15,000 today. With the possible exception of Vietnam, there are now more students from Afghanistan in the U.S.S.R. than from any other country.

In addition, about 2,000 military trainees and thousands of younger Afghans are sent to the U.S.S.R. annually. In the past, most of the children remained only for short periods of time in the summer. In late 1984, however, the DRA announced plans to send several thousand children to the U.S.S.R. for extended periods of training and indoctrination. They were to remain in the Soviet Union for 10 years or longer; however, intense family resistance may eventually force the DRA to shorten the stay.

Location of Training

According to Kabul press reports in January 1985, Afghan students were enrolled in 66 educational institutions at 24 different locations. Most students reportedly are in Moscow, Tashkent, Kiev, Baku, and a number of other cities, primarily in the Asian republics. Military training occurs at Soviet military camps and bases. Some students are sent to other Warsaw Pact countries.

Content of Training/Schooling

Training in the U.S.S.R. varies greatly depending on the student's age and purpose of the instruction. Elementary and secondary pupils learn essentially what Soviet students do. College-age youths study in many fields, including medicine, engineering, and law. Still others may receive specialized counterinsurgency training.

Mujahidin leader Abdul Haq claimed in 1984 that over the previous 6 months his men had captured about 20 child soldiers between 8 and 15 years of age who had been trained in the Soviet Union. Such training probably occurs on a limited basis for the purpose of infiltrating resistance groups.

Students Returning to Afghanistan

Although Afghan students return from the Soviet Union with technical, operational, or administrative skills, they differ in terms of ideological commitment to the U.S.S.R.

Many Afghans appear to be antagonistic toward the Soviets because of the great cultural differences between the two countries. Many perceive the Soviets to be immoral and godless. Most Afghans are shocked by the sexual equality promoted by the Soviet media and the widespread consumption of alcohol in the Soviet Union.

Some students reportedly resent the Soviet Union because of the hostility Soviet citizens display toward them, even in areas of ethnic affinity in Soviet Central Asia. This hostility may be due to prejudice, particularly in non-Muslim areas of the U.S.S.R., or to a feeling that the students somehow were responsible for the death and injury of Soviet soldiers in Afghanistan.

Returnees usually are not assigned to positions in Afghanistan that would help spread communist influence. They are evidently reluctant to go to the countryside and smaller cities where the Soviets lack control and where assassinations of regime workers are commonplace. Instead, most graduating students live in Kabul, where some work for the Interior Ministry or KHAD. Some choose to remain unemployed in Kabul rather than accept an assignment outside the capital.

Changes in Afghanistan Under Marxist Rule

Police and Military Service

KHAD, an acronym for State Information Services, is the Afghan secret police. Its activities are closely monitored and probably directed by the Soviet KGB.

The Soviets have enjoyed some success in developing a youth cadre within KHAD. Identified by their distinctive modern dress, these young opportunists have become widely unpopular because they are perceived as young toughs carrying out Moscow's orders. Once affiliated with KHAD, these youths are considered suspect by the *mujahidin* and consequently cannot defect as can other Afghans, including those from the military.

Admission of males to postsecondary schools inside Afghanistan is contingent upon service with the military (currently 3 years), enrollment at the DRA military or police academies (currently 3 years), party work, or membership in KHAD. These entrance requirements are sometimes waived for those who study in the U.S.S.R. or other bloc countries or who have family connections to the party. But it is unheard of for a male to receive a diploma for secondary or university studies unless he completes military service, belongs to the PDPA or KHAD, or is related to someone with party connections.

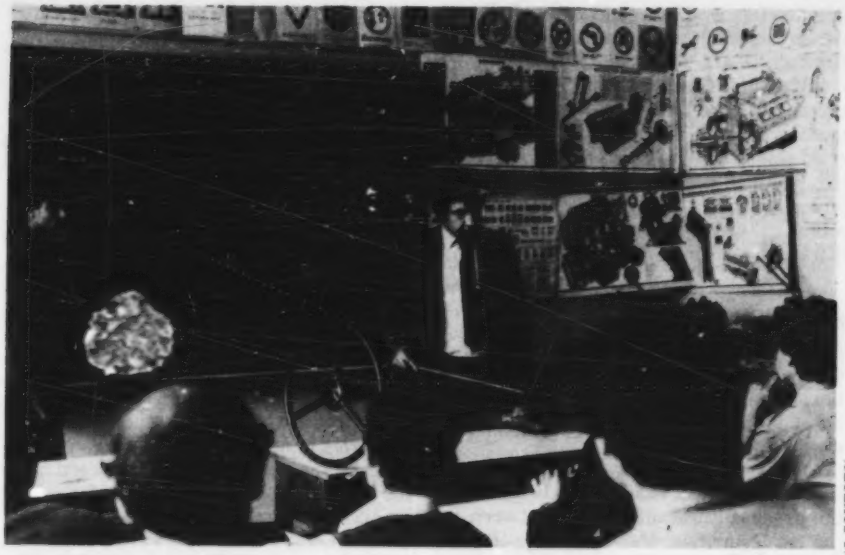
Military Training

Prior to the communist takeover in 1978, the Soviets had trained several thousand Afghan military officers and provided military assistance. Since then, the Soviets have substantially deepened their commitment.

In keeping with the Soviet emphasis on indoctrination, every Afghan soldier must attend weekly political education sessions. Initial Soviet military training reportedly focuses on military-patriotic themes to prepare the students morally, politically, and psychologically for the "defense of the Fatherland." The Karmal regime and Soviet advisers have copied these themes and incorporated them into Afghan training programs. However, many troops are illiterate, and others are not interested in political education.

Religion

Because of severe domestic opposition to Amin's attempts to eliminate Islamic pedagogy, the Karmal regime uses a twofold approach in the relatively small number of schools under Soviet control. In public schools the study of communist ideology is promoted at the expense of Islam. Some Islamic teaching is permitted so long as it excludes negative references to the state, the party, or socialist ideology, but scientific socialism and dialectical materialism classes have largely replaced Islamic studies. Class time devoted to Islam has been reduced.



(© SOVFOTO)

Class taught in Russian at the Soviet-built Kabul Polytechnic Institute.

Although mosque schools continue to teach Islam much as before, the Soviets monitor and censor antigovernment activities.

Despite the regime's attempts to portray itself as a defender of Islam, trumpeting such moves as mosque renovation and the creation of a Ministry of Islamic Affairs, most Afghans consider the DRA to be anti-Islamic. Although the open denunciation of Islam that existed under Amin's rule is avoided, courses in ideology often contain implied criticism.

Day Care

The Soviets recently have focused on influencing very young Afghans, starting with preschool or nursery-age children, although efforts to date have not been well-organized or sustained.

Karmal's wife is president of the *Watan* nurseries (state-run orphanages), which the DRA claims house 4,000–6,000 children. The actual number may be only a few hundred. According to the *Kabul New Times*, these nurseries exist in the cities of Kabul, Qandahar, Jalalabad, Herat, Mazar-e-Sharif, Sheberghan, Lashkar-Gah, and Farah. The regime states that they educate and care for children whose parents have died in the Afghan war, particularly orphans of party members or military personnel. Many children sent to the U.S.S.R. for extended training have come from the *Watan* nursery system.

Formal Education

Conditions. Afghanistan's educational system has never been extensive. The system met the needs of only a fraction of the people before the communist takeover in 1978. More than 90% of the Afghan population was illiterate, and less than 20% of Afghan youth had access to schools. More than 80% of those enrolled attended primary schools that lacked adequately trained teachers and such basic materials as pencils and paper. Because much of Afghanistan's population lives in rural areas that have been only marginally associated with the government in Kabul, the few village schools were operated by local mullahs who did little more than teach young boys recitations from the Koran and other religious lessons. Few girls received any instruction.

Before the communist takeover, secondary schools accounted for barely 4% of the total school enrollment. Of those fortunate enough to graduate, only 1% gained university admission. Nevertheless, Afghanistan had improved its schools. The number of schools rapidly increased during the decade prior to the April 1978 communist revolution, and a team from Columbia University was helping to implement a new curriculum.

Since the communist takeover, however, 30% of Afghan teachers reportedly have fled the country or have been executed or imprisoned. The immediate need for teachers has diminished largely because of the destruction or abandonment of most schools. The number of elementary and secondary schools probably has dropped more than 95%.

In addition to the Soviet-aided Polytechnic Institute, Afghanistan has two universities: Kabul University and Nangarhar University (in Jalalabad). Since the Soviet invasion, military conscription, emigration, imprisonment, political purges, and the resistance movement have cut sharply into the ranks of male students and teachers at Kabul University. Student enrollment reportedly has dropped by more than half.

Student Body. Before 1980, the vast majority of the students were men, as is common in Muslim countries. Today, most students are women because many eligible men have fled the country, joined the resistance, or been conscripted. Almost all of the few remaining male students are in the military, KHAD, or the People's Democratic Party of Afghanistan.

Although a higher percentage of students in secondary and higher education today are women, the total number of females in school may well be less than before the communist takeover—mainly because of the reduced number of schools. For example, about 30 women (all nursing students) and apparently no men were enrolled at Nangarhar University in the fall of 1983, down from an enrollment of about 400 before the communist takeover.

Curriculum. Shortly after the April Revolution in 1978, the communist regime instituted a "new educational system." Afghan officials, in cooperation with Soviet advisers, developed a curriculum designed to promote Marxist-Leninist ideology and the Soviet way of life.

After Soviet advisers were installed in the Ministry of Education, the Ministry reduced the term of primary and secondary schooling from 12 to 10 years, bringing it into conformity with the Soviet educational system. Moveover, educational authorities altered almost one-third of the curriculum to reflect the new pro-Soviet and communist orientation. In primary and secondary schools, about 8 hours of the 30-hour school week are spent on courses developed or modified since the communist takeover. These courses usually consist of 3 hours of scientific socialism, 3 hours of dialectical materialism, and 2 hours of the modern history of Afghanistan. Russian is now mandatory; English, French,

German, and other Western languages generally have been phased out.

All cultural and technical cooperation with Western nations—including substantial educational programs conducted by the United States, France, and West Germany—was terminated in early 1985.

The history curriculum, as taught in government schools, describes the Soviet invasion as military assistance that helped save the 1978 revolution and guarantee the country's social, economic, and political progress. The PDPA and the Karmal regime are glorified, and Afghan history is depicted as a struggle against imperialism. Islamic studies have been reduced from about 6 hours to 1 hour per week.

Courses now taught in all college departments include "Principles of Marxism-Leninism," "Political Economy," "Dialectical and Historical Materialism," and "History of the Party."

Textbooks and Materials. Soviet officials have revised Afghan textbooks to reflect pro-Soviet and pro-communist attitudes. Since 1978, Afghan school and university textbooks have been printed in the Soviet Union or in Afghanistan under the direction of Soviet technical and editorial advisers. Most are now published in Tashkent or Baku. Some are slightly modified versions of Soviet texts, with praise for Karmal replacing praise of Lenin.

Afghan bookstores, which supply schools and other organizations, feature Soviet books. Emphasis appears to be placed on children's books, with inexpensive, well-printed, colorful works such as "Tales About Lenin" in abundant supply.

Staff. Soviet teachers, instructors, and advisers play key roles in Afghan education. Throughout the Afghan Government—including the Ministry of Education to which Moscow assigned advisers in 1978—Soviets approve all important policies and help design and implement new curricula. For example, a Soviet Uzbek is said to head the recently created Uzbek Department in the Afghan Ministry of Education.

The Soviets reportedly control the teacher training programs and seminars, including one funded by the UN Development Program (UNDP). The UNDP's teacher training project, which will end in 1986, finances eight Soviet teacher-trainers in Kabul and is coordinated by a Soviet citizens.

Although the Soviets may try to use UNICEF programs to improve the DRA's image, UNICEF has sought to minimize this. It has done so by concentrating on child survival activities (especially oral rehydration therapy and immunization) and by limiting its educational activities to equipping and training personnel for kindergartens, day care centers, and mainly the first two grades of a small number of primary schools. UNICEF has carefully designed the content of health education and other primary education courses so as to be apolitical. Finally, in line with a UN General Assembly resolution, UNICEF has for several years limited its activities strictly to Kabul.

Although the 1978 UNICEF Executive Board approved a program budget of $19.7 million for the period 1978–82, the activities actually realized fell far short of targets following the Soviet invasion and the funds still have not been spent. UNICEF reported to the 1985 Executive Board that with its present reduced target levels it will be able to operate through 1986 and perhaps 1987 on the basis of its original 1978 authorization.

The United States and other Western donor nations have argued successfully for restricting the size of the UNICEF and UNDP programs largely because the Soviets seek to use them to further their influence in education.

The regime has initiated ideological training programs to correct what Karmal has called the serious deficiencies in the training of teachers for social sciences and military-patriotic instruction. In 1981, the regime established a teacher training institute within the Ministry of Education to better implement the new Soviet-inspired educational program. Some Afghan teachers are, however, trained in Tashkent—the capital of Soviet Uzbekistan.

Teachers are required to attend special seminars on how to encourage youth to build a new society and enhance their political knowledge. Teacher manuals specify detailed classroom plans that leave little room for individual initiative. Although in practice schools vary in terms of class content, these training courses promote extreme uniformity: on a given day at a given hour in all schools, all teachers in a given grade are expected to do exactly the same thing, with the course prescribed in detail.

Many Soviets were needed to supplement the pool of Afghan teachers and intellectuals, whose ranks had been decimated by emigration and purges during the first years of the communist government. As many as one-third, or several hundred, current teachers and administrators may be Soviet or bloc nationals; most of the rest are poorly qualified Afghan party members. Many Afghans probably are reluctant to teach, especially in rural areas where regime control is limited.

Most Soviet teachers are Russians. Soviet Central Asians, especially Tajiks (who speak a dialect of Dari, the traditional language of educated Afghans) and Uzbeks, also are useful teacher sources.

(© SOVFOTO)

Soviet instructor with Afghan students at mining and oil technical school in Mazar-e-Sharif.

(© Soviet source)

School children in Kabul.

Soviet influence is most pervasive in higher education, especially at Kabul University. Perhaps four-fifths of the faculty at Kabul University in 1979 have been replaced by Soviet and regime supporters. Since 1981, the regime has permitted engineering students to enroll only at Kabul Polytechnic Institute, which was built and supplied by the Soviets. By 1985 the regime had closed Kabul University's School of Engineering, which had been constructed with U.S. aid, supplied with U.S. textbooks and materials, and taught by U.S.-trained faculty.

Soviets also teach and advise at technical and professional schools. An Afghan-Soviet agreement, signed in mid-1985, specified that 90 Soviet teachers will be sent to Afghanistan to organize training at 10 technical colleges to be built with Soviet aid.

Soviet advisers and professors dominate Afghan pedagogical conferences. Of 66 papers presented at a conference of the Kabul State Medical Institute in Kabul in 1985, for example, 48 had one or more Soviet authors, usually listed with Afghan co-authors. At the first two scientific and methodological conferences held at the Kabul Pedagogical Academy in 1980 and 1981, 57 of 88 papers presented were written by Soviet specialists attached to the Academy, Kabul University, and the Central Committee's Academy of Sciences.

New Educational Programs and Schools. The Karmal regime has initiated educational programs targeting Afghan youth in day-care centers, nurseries, and kindergartens, primarily in Kabul, many of them built since the communist takeover.

Although the regime has made 5 years of primary education compulsory, many parents choose not to enroll their children. In most parts of the country the regime has little power to force parents to send their children to school. Even in Kabul, probably fewer than half of the eligible students are enrolled.

The Soviets helped construct several technical schools, including the automotive technical school in Kabul, and the mining and oil technical school in Mazar-e-Sharif, spending more than 3 million rubles equipping these facilities between 1978 and 1985.

In 1980, the Soviets established the State Institute of Medicine in Kabul, amalgamating the medical school at the University. The Institute works closely with the Tajik State Medical Institute in the U.S.S.R., which provides refresher courses and postgraduate training, lecturers, textbooks, and materials.

Literacy Program

The literacy campaign launched by the Marxist regime in April 1978 has achieved little. Although the DRA claims that 515,000 pupils attended literacy courses in 1980, 550,000 in 1981, and 632,500 in 1982, and that more than 1 million people had become literate under the aegis of the People's Democratic Party of Afghanistan, there is no evidence of a major increase in the literacy rate, which probably remains below 10%. The courses consist mainly of propaganda and slogans.

The actual number of students enrolled also is much less than the DRA claims. The total number may be little more than 2,000, the majority of them women and elderly civil servants. Improvement in their ability to read and write has been limited.

Widespread illiteracy severely restricts Soviet/DRA efforts to indoctrinate the Afghan people via the printed word. The regime now relies more on radio and television for indoctrination.

Language

In areas under their military control, the Soviets have been substituting Russian for Western languages. Prior to the Soviet invasion, books written in English, French, or German were commonplace in bookstores throughout Kabul; today most available literature was published in the Soviet Union in Russian and Dari or another Afghan language. In April 1982 Russian was made a required subject in all primary and secondary schools; English, French, and German classes generally have been phased out.

To a limited extent, the Soviets have pursued a policy of linguistic fragmentation and encouragement of cultural isolation among the various Afghan ethnic groups in order to increase Soviet/DRA control. Moscow also promoted ethnic divisiveness among the Central Asian *basmachi* in the 1920s. The U.S.S.R. has been unable to implement this policy as vigorously in Afghanistan because of Soviet/DRA inability to control more than a fraction of the country and perhaps because of the adverse effect the policy would have on the PDPA, which is factionalized partly along ethnic lines.

In areas under their control, the Soviets have created separate cultural institutions for ethnic minorities. Language centers have been started for Baluch and Turcoman groups. Cultural departments have been established at Kabul University for the Pushtuns, Hazaras, Uzbeks, Baluch, and Turcomans.

Newspapers published in regional languages were introduced after the 1978 communist takeover. Examples include *Yulduz* (The Star) in Uzbek, *Kurach* (Combat) in Turcoman, and *Tong* (Dawn) in Baluchi, all begun around 1980. Fewer copies of these newspapers are published today, possibly because the Soviets realize that only a small number of Afghans are literate.

The National Fatherland Front

The National Fatherland Front is a regime-sponsored organization whose educational programs promote party goals and Marxist-Leninist themes. The front encompasses the Democratic Youth Organization of Afghanistan (DYOA), the Democratic Women's Organization of Afghanistan (DWOA), trade unions, and associations for writers, artists, and other groups. The regime attempts to gain acceptance from children in the first to sixth grades by organizing school clubs, pageants, and rallies that promote the party and communism. For children aged 10–15, the Pioneers' Organization of Afghanistan was created in 1980 under the auspices of the DYOA.

The DRA actively recruits men 15 years and older for the DYOA, but its efforts have been largely ineffectual. The DYOA reportedly recruits for local militias and then channels the recruits into indoctrination programs. It also attempts to reinforce discipline and propagate communist ideology in the Afghan military. These efforts, too, have been unsuccessful, as evidenced by poor discipline and widespread disloyalty in, and defections from, the Afghan military.

Mass Media

Soviet and Afghan radio and television broadcasts contain propaganda aimed at Afghan youth. Most Afghans evidently listen primarily to radio music and ignore or distrust the propaganda messages that are interspersed with the entertainment. For news, many listen to the BBC, *Radio Pakistan*, or Voice of America, which the Soviets have tried unsuccessfully to jam.

Status of Women

The Karmal regime prides itself on a policy of educating women and promoting equality with men, claiming to improve the status that women had prior to 1978.

In regime-held areas, women do enroll in literacy courses and can receive education and work in all the major professions. Although some women are sent to the Soviet Union for academic training, the large majority of those sent are men.

Under President Mohammad Daoud (1973–78), women advanced to high positions in the government, including cabinet seats. The smaller number of women in such positions today may be at least partly explained by the security risks to anyone serving in highly visible and/or important government positions. However, more women now work in the government or participate in politics (via party membership) at the middle and lower levels. Women also receive relatively higher salaries now than they did before the communist takeover. Female participation in the military is limited to non-combat-related duties.

Mujahidin Efforts To Counter Soviet/DRA Influences

The Afghan resistance has begun educational instruction in areas beyond Soviet control in order to lessen the disruption of the war on education. The resistance operates a number of small schools in the countryside. These schools promote the Islamic faith and Afghan independence while opposing communist ideology and Soviet occupation. Mosque schools located throughout the country also reinforce Islamic belief and practice.

The alliance of seven Afghan resistance parties in Peshawar is planning large-scale education projects for Afghans both within Afghanistan and Pakistan. Final plans will likely include developing a central educational staff, supporting primary and secondary education where possible, providing educational assistance to freedom fighters and others whose education has been interrupted, and strengthening scholarship opportunities in Pakistan and other countries.

Prospects

Thus far, among the few Afghan youth who have completed study in Soviet/DRA-sponsored schools, whether in Afghanistan or in the Soviet Union, there is no evidence of widespread support for communist ideology and control. Most appear ambivalent toward communism. Many parents have refused to allow their children to be indoctrinated, particularly if they believe the children may be isolated from the family or taught anti-Islamic ideas.

Over the long term, the Soviets may be able to develop a small, loyal cadre of supporters, provided the political and military situation remains roughly as it is today. This cadre probably will include the offspring of DRA regime leaders, those who benefit financially and politically from the current regime, orphans educated in the U.S.S.R., and young opportunists recruited into KHAD. Alone, they will be insufficient to maintain the regime or broaden its support.

The majority of Afghan youth are unlikely to adhere to Soviet ideology or support the Karmal regime in the foreseeable future because of traditional Afghan rejection of any outside domination and religious beliefs that shun Soviet culture and ideology. Should the Soviets gain control over most of the country and begin a systematic indoctrination of the population, they could gain more converts. To gain widespread support, however, would require more than a generation of concerted effort.■

UN General Assembly Adopts Resolution on Terrorism

**RESOLUTION 40/61,
DEC. 9, 1985[1]**

Measures to prevent international terrorism which endangers or takes innocent human lives or jeopardizes fundamental freedoms and study of the underlying causes of those forms of terrorism and acts of violence which lie in misery, frustration, grievance and despair and which cause some people to sacrifice human lives including their own, in an attempt to effect radical changes

The General Assembly,

Recalling its resolutions 3034 (XXVII) of 18 December 1972, 31/102 of 15 December 1976, 32/147 of 16 December 1977, 34/145 of 17 December 1979, 36/109 of 10 December 1981 and 38/130 of 19 December 1983,

Recalling also the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations, the Declaration on the Strengthening of International Security, the Definition of Aggression and relevant instruments on international humanitarian law applicable in armed conflict,

Further recalling the existing international conventions relating to various aspects of the problem of international terrorism, *inter alia*, the Convention of Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, concluded at New York on 14 December 1973 and the International Convention against the Taking of Hostages, concluded at New York on 17 December 1979,

Deeply concerned about the world-wide escalation of acts of terrorism in all its forms, which endanger or take innocent human lives, jeopardize fundamental freedoms and seriously impair the dignity of human beings,

Taking note of the deep concern and condemnation of all acts of international terrorism expressed by the Security Council and the Secretary-General,

Convinced of the importance of expanding and improving international co-operation among States, on a bilateral and multilateral basis, which will contribute to the elimination of acts of international terrorism and their underlying causes and to the prevention and elimination of this criminal scourge,

Reaffirming the principle of self-determination of peoples as enshrined in the Charter of the United Nations,

Reaffirming also the inalienable right to self-determination and independence of all peoples under colonial and racist regimes and other forms of alien domination, and upholding the legitimacy of their struggle, in particular the struggle of national liberation movements, in accordance with the purposes and principles of the Charter and of the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations,

Mindful of the necessity of maintaining and safeguarding the basic rights of the individual in accordance with the relevant international human rights instruments and generally accepted international standards,

Convinced of the importance of the observance by States of their obligations under the relevant international conventions to ensure that appropriate law enforcement measures are taken in connection with the offences addressed in those conventions,

Expressing its concern that in recent years terrorism has taken on forms that have an increasingly deleterious effect on international relations, which may jeopardize the very territorial integrity and security of States,

Taking note of the report of the Secretary-General (A/40/445 and Add.1-2),

1. *Unequivocally condemns*, as criminal, all acts, methods and practices of terrorism wherever and by whomever committed, including those which jeopardize friendly relations among States and their security;

2. *Deeply deplores* the loss of innocent human lives which results from such acts of terrorism;

3. *Further deplores* the pernicious impact of acts of international terrorism on relations of co-operation among States, including co-operation for development;

4. *Appeals* to all States that have not yet done so to consider becoming party to the existing international conventions relating to various aspects of international terrorism;

5. *Invites* all States to take all appropriate measures at the national level with a view to the speedy and final elimination of the problem of international terrorism, such as the harmonization of domestic legislation with existing international conventions, the fulfilment of assumed international obligations, and the prevention of the preparation and organization in their respective territories of acts directed against other States;

6. *Calls upon* all States to fulfil their obligations under international law to refrain from organizing, instigating, assisting or participating in terrorist acts in other States, or acquiescing in activities within their territory directed towards the commission of such acts;

7. *Urges* all States not to allow any circumstances to obstruct the application of appropriate law enforcement measures provided for in the relevant conventions to which they are party to persons who commit acts of international terrorism covered by those conventions;

8. *Further urges* all States to co-operate with one another more closely, especially through the exchange of relevant information concerning the prevention and combating of terrorism, apprehension and prosecution or extradition of the perpetrators of such acts, the conclusion of special treaties and/or the incorporation into appropriate bilateral treaties of special clauses, in particular regarding the extradition or prosecution of terrorists;

9. *Urges* all States, unilaterally and in co-operation with other States, as well as relevant United Nations organs, to contribute to the progressive elimination of the causes underlying international terrorism and to pay special attention to all situations, including, *inter alia*, colonialism, racism and situations involving mass and flagrant violations of human rights and fundamental freedoms and those involving alien occupation, that may give rise to international terrorism and may endanger international peace and security;

10. *Calls upon* all States to observe and implement the recommendations of the *Ad Hoc* Committee on International Terrorism contained in its report to the General Assembly at its thirty-fourth session;

11. *Calls upon* all States to take all appropriate measures as recommended by the International Civil Aviation Organization and as set forth in relevent international conventions to prevent terrorist attacks against civil aviation transport and other forms of public transport;

12. *Encourages* the International Civil Aviation Organization to continue its efforts aimed at promoting universal acceptance of and strict compliance with the international air security conventions;

13. *Requests* the International Maritime Organization to study the problem of terrorism aboard or against ships with a view to making recommendations on appropriate measures;

14. *Requests* the Secretary-General to follow up, as appropriate, the implementation of the present resolution and to submit a report to the General Assembly at its forty-second session;

15. *Decides* to include the item in the provisional agenda of its forty-second session.

[1]Adopted without a roll-call vote. ■

UN Security Council Adopts Resolution on Hostage-Taking

SECURITY COUNCIL RESOLUTION 579, DEC. 18, 1985[1]

The Security Council,

Deeply disturbed at the prevalence of incidents of hostage-taking and abduction, several of which are of protracted duration and have included loss of life,

Considering that the taking of hostages and abductions are offenses of grave concern to the international community, having severe adverse consequences for the rights of the victims and for the promotion of friendly relations and co-operation among States,

Recalling the statement of 9 October 1985 by the President of the Security Council resolutely condemning all acts of terrorism, including hostage-taking (S/17554),

Recalling also resolution 40/61 of 9 December 1985 of the General Assembly,

Bearing in mind the International Convention against the Taking of Hostages adopted on 17 December 1979, the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons Including Diplomatic Agents adopted on 14 December 1973, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation adopted on 23 September 1971, the Convention for the Suppression of Unlawful Seizure of Aircraft adopted on 16 December 1970, and other relevant conventions,

1. *Condemns unequivocally* all acts of hostage-taking and abduction;

2. *Calls for* the immediate safe release of all hostages and abducted persons wherever and by whomever they are being held;

3. *Affirms* the obligation of all States in whose territory hostages or abducted persons are held urgently to take all appropriate measures to secure their safe release and to prevent the commission of acts of hostage-taking and abduction in the future;

4. *Appeals* to all States that have not yet done so to consider the possibility of becoming parties to the International Convention against the Taking of Hostages adopted on 17 December 1979, the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons Including Diplomatic Agents adopted on 14 December 1973, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation adopted on 23 September 1971, the Convention for the Suppression of Unlawful Seizure of Aircraft adopted on 16 December 1970, and other relevant conventions;

5. *Urges* the further development of international co-operation among States in devising and adopting effective measures which are in accordance with the rules of international law to facilitate the prevention, prosecution and punishment of all acts of hostage-taking and abduction as manifestations of international terrorism.

AMBASSADOR WALTERS' STATEMENT, SECURITY COUNCIL, DEC. 18, 1985[2]

We are extremely pleased that the Security Council has unanimously gone on record in condemning all acts of hostage-taking. This is a historic step, almost without precedent in the entire 40 years of the United Nations. This resolution reflects positively on the UN organization; it is an act in which all member states can take pride. It is a fitting climax to this important 40th anniversary year of the United Nations.

By condemning unequivocally all acts of hostage-taking, the Security Council has clearly stated the world community's abhorrence of such criminal acts. We can only hope that all states, all parties, that have any influence over groups now holding hostages will take to heart today's clear and unanimous message and work for the immediate and safe release of all hostages, wherever and by whomever held.

We also hope that this Security Council resolution bodes well for improved cooperation between and among states, an essential condition for combating terrorism. Only by concerted worldwide action can we hope to put an end to the repugnant practice of hostage-taking. It is clear from the resolution that no "cause," no "excuses," can justify such threats to human rights and human lives.

My government fully supports the Security Council's call for all states to consider, promptly and favorably, becoming parties to the International Convention Against the Taking of Hostages and other related international conventions. The United States will continue its efforts to have the world community adopt additional effective measures to protect the innocent lives of all people. As recent history has so sadly proven, international terrorism knows no boundaries.

Today's resolution reinforces the October 9 Security Council statement on terrorism and the December 9 General Assembly resolution condemning all acts of terrorism. Together, these texts place the entire United Nations firmly on record against all terrorist crimes. While we cannot expect the lunatic fringe to desist from such acts, we do expect all law-abiding states to take all practicable measures to prevent terrorism and to prosecute and punish all terrorists, wherever they are, in the spirit of these clear statements by the United Nations.

The United States is proud of its leadership role in today's action by the Security Council. It could not have been done without the broad support of all Security Council members which represent every sector of the globe. I thank my colleagues on the Council for the essential role they played with us in accomplishing this historic act. And let me pay special tribute to Congressman Dante Fascell, Chairman of the House Foreign Affairs Committee, and Congressman Daniel Mica, Chairman of the Subcommittee on International Operations and member of the U.S. delegation to the 40th General Assembly, for their strong initiatives in the U.S. Congress and in meetings here at UN headquarters toward this end. We look forward to concrete actions by all states to put into effect the resolution adopted today.

DEPARTMENT STATEMENT, DEC. 18, 1985[3]

We are pleased that the UN Security Council today unanimously passed a resolution condemning all acts of hostage-taking. This is a historic step.

This resolution on terrorism is an important call for the immediate and safe release of all hostages and abducted persons. It is an important reinforcement of the December 9 UN General Assembly resolution condemning terrorism as criminal acts and the October

9 Security Council statement on terrorism. Together we believe these UN resolutions are an important demonstration of the changing climate regarding terrorism, a message to terrorists that the world increasingly regards hostage-taking and other forms of terrorism as criminal acts which should not be supported.

Today's resolution, which the United States initiated, also underscores the international unity of views that the hostages should be released and an expression of support for the families as well as the hostages themselves whomever they may be. We continue to work toward the release of all hostages, particularly the Americans. The proposal for this Security Council resolution, in part, developed from suggestions and discussions with certain hostage families. The Administration will continue to give the matter of hostages highest priority.

---

[1]Adopted unanimously.

[2]Vernon A. Walters is U.S. Permanent Representative to the United Nations; text from USUN press release 203.

[3]Read to news correspondents by State Department deputy spokesman Charles Redman. ■

Situation in Nicaragua

by Vernon A. Walters

Statement made in a UN General Assembly plenary session on November 22, 1985. Ambassador Walters is U.S. Permanent Representative to the United Nations.[1]

The United States is vitally interested in peace and stability in Central America. Central American countries are our neighbors. Central America is a critical testing ground for whether the future will belong to the advocates of peaceful change and democracy or to revolutionary violence and totalitarianism.

Earlier this year, the people of El Salvador held elections for the fourth time in only 3 years. Just 3 weeks ago, Guatemala voted in free and fair elections to determine which among 14 competing political parties should govern that nation. The process will be completed in a runoff election next month. This Sunday the people of Honduras will exercise this same right of political self-determination. And early next year, the oldest democracy in Latin America—Costa Rica—will demonstrate its continuing commitment to democratic ideals and practices.

In contrast Nicaragua on October 15 officially suspended the most basic civil liberties, including freedom of expression, freedom of the press, the right of assembly, the right to trial, freedom from arbitrary imprisonment, the right to organize labor unions and to strike and the right to *habeas corpus*. The subsequent reinstatement of the rights to trial and to *habeas corpus* did not alter the thrust of this action. Speaking before this Assembly, and in a November 11 statement in Managua as well, President Ortega sought to blame the imposition of that emergency upon my government because we provide humanitarian aid to the Nicaraguan democratic resistance. Few found this explanation convincing. These include the more than 120,000 Nicaraguans who have fled this regime to a safer place abroad.

This unhappy juxtaposition of trends tells much of the story of what has happened since this body last met to consider the situation in Central America. On the one hand, we see a continuing process of transition to and consolidation of democratic government in El Salvador, Honduras, and Guatemala as well as a proud democratic tradition in Costa Rica. On the other hand, we are witnessing a continuing process of transition to and consolidation of totalitarian government in Nicaragua.

From the beginning, the Sandinistas wanted "a complete break" from the concept of Western democracy. They sought to stage elections to appeal to the Western democracies, to appear correlative and akin to democratic systems in countries whose original support for the revolution was waning. Yet the Sandinistas prevented the large majority of their opposition from actively participating in those elections. This was presaged on August 25, 1981, when Comandante Humberto Ortega, the Minister of Defense, said, "Marxism-Leninism is the scientific doctrine that guides our revolution." Marxism-Leninism does not envisage power/sharing with any other group.

The root source of conflict in Nicaragua is the political repression of this would-be totalitarian regime, which desires to contaminate its neighbors. As Sandinista repression has grown and become institutionalized with the aid of totalitarian advisers, popular opposition of every kind has increased. That is what the conflict in Nicaragua is about. No amount of Sandinista talk about so-called counterrevolutionaries can obscure it.

And yet hopes for peace die hard. The surest hope of peace in situations of conflict is to be found in dialogue. Dialogue means talks between governments and the groups that oppose them to establish conditions in which citizens determine their form of government in an atmosphere free of coercion. This approach can work. The history of the last 5 years in the Western Hemisphere demonstrates that free elections are the only means by which those in power can achieve the moral authority and legitimacy to justify their rule. We are encouraged that more than 90% of Latin America now lives and prospers under a democratic system of government.

The Sandinista Government of Nicaragua, however, approaches democratic national reconciliation with a most curious perspective, as though it were an outside conspiracy to undermine peace in the region. As Nicaraguan Foreign Minister D'Escoto told the press here in New York last month, "The subject of reconciliation is a new element of obstruction introduced by the Reagan Administration...." And according to Nicaragua's Vice President Sergio Ramirez, "We will never hold a dialogue with the counterrevolutionaries because not even Contadora has proposed it."

We have news for the Government of Nicaragua. National reconciliation through dialogue and elections is a fundamental principle of the Contadora process and has been from the start. It was explicitly accepted by all five Central American states, including Nicaragua, in the September 1983 Document of Objectives. All three drafts of a Contadora agreement, including the draft which Nicaragua said it would accept—as long as no changes were made—contain a section entitled: "Commitments With Regard to National Reconciliation." These commitments oblige states experiencing insurgencies to create mechanisms for dialogue with opposition groups. These drafts also provide that the commitments of the parties "are of a legal nature and are, therefore, binding." Let us recall that on June 23, 1979, the Organization of American States (OAS) unanimously removed diplomatic recognition from the

Somoza regime and conferred it on the Sandinistas and genuine democrats. This diplomatic recognition was conditioned on the implementation of democracy. The Sandinistas accepted this condition.

The Government of Nicaragua does not oppose national reconciliation in other countries. A year ago last month, Daniel Ortega publicly stated: "Another evidence [of the peoples' desire for peace] is the dialogue taking place in El Salvador. This dialogue was proposed many years ago by the Salvadoran revolutionaries and has been supported by the Nicaraguan Government." However, when the Sandinistas are asked to accept dialogue in their own country, they reject it as a foreign conspiracy.

Efforts Toward Dialogue

Let us recall that both the civil opposition and the democratic resistance have made concrete offers. Last February 22, when Nicaragua was proclaiming its intention to hold a national dialogue, the civil opposition set forth the conditions under which such a national dialogue should be conducted. These included the lifting of the state of emergency, freedom of expression, a general amnesty and pardon for political crimes, restoration of constitutional guarantees and the right of *habeas corpus*, guarantees of the safety of members of the resistance movement who participate in the dialogue, and the implementation of these measures under the supervision of guarantor governments. Faced with this specific proposal, the Sandinistas' enthusiasm for national dialogue quickly waned. They said no more about it for months.

On March 1st, representatives of the Nicaraguan resistance proposed that the Catholic Church in Nicaragua mediate a national dialogue. This proposal contemplated a cease-fire. Although the resistance had been unable to participate in the elections of November 1984, this proposal accepted Daniel Ortega as President until such time as the Nicaraguan people decided to confirm or deny his authority through a plebiscite.

The other major element of the proposal was to confer authority on the Nicaraguan Episcopal Conference to establish a definitive agenda for talks. This would be done through mutual agreement among the parties concerned. On March 22, the Nicaraguan Episcopal Conference reiterated its previously expressed support for a national dialogue and declared its willingness to act as mediator. The Sandinistas immediately rejected this offer. No counteroffer was made. They have repeatedly rejected dialogue since then.

On April 4th, my own government undertook an initiative to keep the possibility of dialogue alive. A key feature was the offer to refrain from providing military assistance to the democratic resistance if the Sandinistas accepted the March 1st offer. Over the course of the summer and fall, the United States further sought to encourage national reconciliation by relating our willingness to resume bilateral talks with the Sandinistas if and when they undertook an internal dialogue.

On October 29th in Washington, U.S. Ambassador at Large and special envoy to Latin America Harry Shlaudeman again reiterated to Nicaraguan Ambassador to the United States Carlos Tunnermann that we would resume bilateral talks if the Sandinistas accepted the March 1 offer of the Nicaraguan resistance. Incidentally, that offer, which was signed in San Jose, Costa Rica, does not contain as a precondition the dissolution of the National Assembly, as the Sandinistas had suggested. Ambassador Shlaudeman made clear that progress in the internal dialogue would lead to progress on bilateral issues. Ambassador Tunnermann responded on October 31st that the March offer was totally unacceptable.

U.S. Efforts

We often hear in this forum criticism that military solutions are being sought for social, economic, and political problems. The record shows, however, that the United States has consistently backed social, economic, and political reforms in Central America. For example, our economic aid to the region for 1985 was $976 million. In contrast, security assistance was only $212 million. In other words, the United States spends four times as much on economic and social assistance to the Central American region as it does on military assistance.

Secretary Shultz has said that our strategy proceeds from an analysis that recognizes, in fact emphasizes, that there are legitimate social, economic, and political grievances in many parts of the region. Our conclusion is that we face two related challenges: to help alleviate longstanding political, economic, and social problems and to help counter a communist strategy which seeks to aggravate and exploit these problems and so seize power by force of arms.

President Reagan has said [April 27, 1983]: "In response to decades of inequity and indifference, we will support democracy, reform, and human freedom .... In response to the challenge of world recession and, in the case of El Salvador, to the unrelenting campaign of economic sabotage by the guerrillas, we will support economic development .... In response to the military challenge from Cuba and Nicaragua—to their deliberate use of force to spread tyranny—we will support the security of the region's threatened nations .... We will support dialogue and negotiations—both among the countries of the region and within each country."

Let me underscore President Reagan's point. While the United States is actively promoting the economic development of Central America by its assistance and policies, other forces are attempting to destroy the economic base essential for development and progress. For example, on July 8, 1985, the *International Herald Tribune* reported that the senior military commander of the Salvadoran guerrillas, Mr. Joaquin Villalobos "outlined what he said was the new guerrilla strategy of a war of attrition ... a campaign of sabotage, assassination and ambushes, backed by the increased use of mines and booby traps. The strategy, Mr. Villalobos said, is to ... bleed the economy to the point of collapse ...."

Often overlooked in the debate over U.S. policy toward Nicaragua is one fundamentally important fact. The Sandinistas began to intervene in El Salvador, Honduras, and Costa Rica within a year of seizing power in July 1979 and they have actively continued that aggression ever since. At the same time, Nicaragua tries to sustain its carefully fostered image as an innocent and aggrieved victim of unprovoked aggression, by denying that it has ever engaged in armed subversion within neighboring countries. The facts, however, show Nicaragua's solemn denials to be untrue.

By the same token, the Sandinistas charge that the defensive reactions of the United States, including support for the democratic resistance, constitute aggression against Nicaragua. This charge, of course, stands the facts on their head. It is Nicaragua, and not the United States and its friends, that committed the aggression leading directly to the reactions about which the Sandinistas now complain.

We often hear that the East-West conflict has produced the Central American crisis. But let us face facts: The ac-

tions of the Sandinistas bear the responsibility for the crisis.

The Sandinistas have supported insurgent forces tied to Cuba and the Soviet Union. The Sandinistas are today host to some 8,000 Soviet-bloc and Cuban personnel, including about 3,500 military and security personnel. The Sandinistas, with Soviet and Cuban support, have built the most powerful military forces in the region.

The Soviets and their allies have been shipping weapons to Nicaragua since the early days of the Sandinista government. We estimate that Soviet-bloc arms shipments to the Sandinista government have totaled more than $500 million. These shipments have included some 340 tanks and armored vehicles, 70 long-range howitzers and rocket launchers, and 30 helicopters, including a half dozen fast, heavily armed attack helicopters. This flow continues. Even now an increase in arms shipments to the Nicaraguan Government is apparently underway.

The first Soviet-made armor arrived in Nicaragua in 1981, shortly after the 200,000-man militia buildup was announced but about a year before the development of significant internal Sandinista opposition. The mainstays of this armored force are some 110 Soviet-made T-55 medium tanks. None of Nicaragua's neighbors has tanks with the T-55's firepower. The Sandinistas also have received in the past year alone nearly 30 PT-76 light tanks. The river-crossing capabilities of these tanks vastly enhance their usefulness.

Is it merely coincidental that new arms shipments are increasing just as the Sandinista government launches its latest campaign to intimidate its citizens and crush all opposition? You don't have to be a sophisticated political observer to realize that the presence of tanks tends to inhibit popular dissent. Why are those tanks there? They represent the peculiar contribution to humanity by the totalitarian political regimes of the world.

The Contadora Process

I hope the General Assembly will support the continuation of the Contadora process for a peaceful settlement of the regional crisis. The Contadora mediation effort, in our view, offers the best hope to achieve peace in Central America. We will continue to give it our full support. As President Reagan has said, we wish to bring about "the simultaneous implementation of all Contadora objectives with effective verification."

The Contadora process has encountered serious obstacles in the last year. Why? First, Nicaragua's violation of the right of asylum earlier this year created a dispute with Costa Rica that prevented meetings from being held. In June, just as the Contadora meeting convened, Nicaragua's insistence on a radical change in agenda caused negotiations to be suspended for 4 months. Concern within the Latin American community that this action had put Contadora in jeopardy led to the creation in July of a support group formed by Argentina, Brazil, Peru, and Uruguay. My government welcomed the formation of that group and believes it has been and can continue to be a helpful influence.

In September, in response to proposals put forward jointly by Costa Rica, Honduras, and El Salvador, the countries participating in the Contadora process agreed to reconvene negotiations in an effort to reach final agreement. Less than a week after talks resumed, however, the Sandinista government suspended civil liberties. It had been agreed in September that incidents in the region would neither condition participation in nor be subjects of discussion within Contadora. The democratic Central American states, true to their pledge, have not raised Nicaragua's suspension of civil liberties in Contadora councils. Yet can anyone pretend that the suspension of civil liberties in Nicaragua is not an obstacle to a Contadora agreement? When President Ortega says, as he did on November 11, that Nicaragua accepts draft treaty language on national reconciliation but rejects dialogue with the democratic resistance, how can we conclude that the Sandinistas are serious in their approach to the negotiations?

The Sandinistas have demanded that the internal insurgency in Nicaragua must be ended as a precondition to a Contadora agreement. Their allegation is that they cannot accept the obligations of such an agreement when they face so-called outside aggression. They ignore the reality that any Contadora treaty would entail no more than an agreement to negotiate arms and troop reduction. Their demand is thus exposed as a subterfuge obscuring the Sandinista's refusal to take the one step that might lead to an end to the insurgency. That step is, of course, to participate in internal dialogue.

My government has made clear repeatedly, in public and in private, that we will abide by any agreement the Central Americans reach. In light of this position, the Sandinista demand that agreement with the United States must precede a Contadora agreement can only be seen as an effort to thwart the Contadora process and waste nearly 3 years of effort. The Sandinista demand is an attempt to portray the complex issue of peace in Central America as merely a dispute with the United States. In reality, what is occurring in Central America is a conflict between the Sandinistas and their neighbors as well as repression by the Sandinistas of their fellow Nicaraguans.

On a somewhat more optimistic note, I should like to record my government's satisfaction that in Luxembourg on November 12 the European Economic Community and the Central American states concluded an economic assistance agreement. My government has long favored increased economic assistance to the Central American region. We ourselves are providing additional funds to Central American regional institutions, such as the Central American Bank for Economic Integration. I should also like to note that, with respect to Nicaragua, every proposal that the United States has made during the last 4 years has included a strong economic component. Most recently, the President's initiative on regional conflicts, presented to this body October 24, contemplates substantial economic assistance once progress is made toward resolution of internal conflicts in Nicaragua.

I should also like to note our satisfaction at the political communique issued in Luxembourg. That communique, in which Nicaragua joined, endorsed the Contadora process and expressed hope for a speedy and successful conclusion of negotiations. It called for full respect for civil liberties, for national reconciliation, and for democratic pluralist political and social systems. The resolution this body will seek to adopt should do no less. Let us hope that this commitment will be fulfilled.

At the conclusion of this debate on Central America, I hope that the General Assembly will support the continuation of the Contadora process. Once again, we remain firm in our conviction that the Contadora process represents both the proper forum and the best hope to achieve peace in Central America.

---

[1]USUN press release 168. ■

Situation in Cambodia

Statement by Ambassador Vernon A. Walters, U.S. Permanent Representative to the United Nations, in a UN General Assembly plenary session on November 5, 1985, and the text of the General Assembly resolution adopted that day.

AMBASSADOR WALTERS' STATEMENT, NOV. 5, 1985[1]

In the month just ended, the United Nations marked its 40th anniversary. This year has also marked the 40th anniversary of the end of the Second World War. Out of the carnage of global war came the lesson, painfully learned, that one nation's aggression against another, even the smallest, undermines the security of each and every one of us. In establishing the United Nations, the world sought to apply that lesson to prevent future aggression by ensuring the sovereignty, independence, and territorial integrity of every nation. It is a lesson which we must never forget.

The language of the UN Charter states:

> We the peoples of the United Nations determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind. . . .

The Socialist Republic of Vietnam joined the United Nations in 1977. In so doing, Vietnam accepted that declaration and the obligation not to use force or the threat of force against the territorial integrity or political independence of any state. The great powers may depend on their own strength to ensure their security, but for the majority of nations, the shared obligations to oppose aggression enshrined in the Charter of the United Nations represent an important element in their national security. Those ideals and obligations represent the world's conscience, our hope for a world free from aggression and the danger of war. They also stand to remind us of the horrors of war they are meant to prevent.

I fear that our memories grow dimmer, and the lessons so painfully learned 40 years ago are in danger of being lost. Vietnam's leaders paused only a year after subscribing to the Charter of this organization before invading their neighbor, Cambodia. Vietnam has now installed in Phnom Penh a puppet regime of its own creation. In so doing, Vietnam has isolated itself from the peaceful aspirations of the great majority of the world community.

Today, the Cambodian people face the prospect of cultural genocide and the extinction of their national identity at the hands of their more powerful neighbor. In their weakness and despair, they look to the world community and the United Nations. His Royal Highness Samdech Norodom Sihanouk, in his address in this chamber 1 month ago, referred to the United Nations as "the last recourse in the ocean of suffering and humiliation on which [the Khmer people] have been tossed for so many years."

Six times in 6 years, this General Assembly has given voice to that conscience, calling on Vietnam to withdraw its illegal expeditionary force and to restore to the Khmer people their right to seek their own destiny under a freely chosen government without outside interference. The overwhelming margins which have supported the General Assembly's call for withdrawal of foreign forces reflect the concern of the great majority of the world's nations at the continuing tragedy in Cambodia. In the face of this, Vietnam, aided and abetted by the U.S.S.R., continues its illegal occupation of Cambodia and flouts the will of the international community. It is more essential than ever that the international community continues to speak out forcefully on the issue of Cambodia, as we are preparing to do in considering the resolution before us.

Inside Cambodia today, the oppression of the Khmer people goes on unchecked. The rule of Vietnamese "advisers" has suppressed Cambodian self-determination. All major decisions are made by these proconsuls, and any Cambodian official who voices disagreement with such decisions risks imprisonment. Vietnam proclaims that a "special relationship" exists among the three countries formerly joined as French Indochina. Khmer people have been imprisoned for denying this special relationship or "Indochinese solidarity." Vietnamese language and history are now taught in Cambodian schools. A former official of Vietnam's client regime reported that a Cambodian history text has not been authorized by the Vietnamese because it does not reflect the new "solidarity."

The regime installed in Phnom Penh by Hanoi clearly does not represent the Cambodian people, and Hanoi's pretensions that it does so have been repeatedly rejected by the people of Cambodia and by its neighbors. The UN General Assembly has so decisively rejected the claim of Vietnam's client to the Cambodian seat that in recent years even Vietnam has not seen fit to mount an active challenge. The Phnom Penh regime is maintained in power solely by the force of 10 Vietnamese divisions, and its "independence" is nothing more than a thin veil for Vietnamese colonization and exploitation.

Not satisfied with controlling the government in Cambodia, Vietnam now seeks to remake the country in its own image. To further this process, hundreds of thousands of Vietnamese nationals have been allowed to settle in Cambodia, taking over rich farmland and dominating fishing in Cambodia's great lake, the Tonle Sap. The Khmer people are expected to feed these newcomers and to assist them in the colonization of Cambodia. Despite the strained economic conditions in Cambodia, rice and fish are being exported to Vietnam or requisitioned to feed Hanoi's army of occupation. Vietnam has also conscripted scores of thousands of Cambodian civilians for forced labor on military projects in remote areas near the Thai-Cambodian border. These civilians are used to clear mine fields and construct bases and defensive works for Vietnamese forces. Many have reportedly been killed or maimed by fighting and mines. Thousands more have contracted severe forms of malaria which, as a result, have now spread to areas of Cambodia which were previously relatively malaria-free.

The Lawyers Committee for Human Rights has reported that "human rights violations have been widespread and flagrant, [including] arbitrary arrest, brutal torture, and indefinite detention under degrading conditions, at times resulting in death." The report goes on to note that torture is frequently carried out or supervised by Vietnamese "advisers." Hundreds of Cambodians are imprisoned without formal charges or a trial on the suspicion that they support the resistance. They, like growing numbers of Cambodians, oppose Vietnam's continued presence in their country.

Vietnam's growing oppression of the Cambodian people has further strengthened the appeal of the nationalist organizations led by His Royal Highness Prince Norodom Sihanouk and former Prime Minister Son Sann. Vietnam has claimed that it remains in Cambodia to

prevent the return of the Khmer Rouge. This claim masks the true intent of Hanoi, which is to present the world with the false choice of supporting its puppet regime or the Khmer Rouge, while ignoring the democratic forces seeking to allow the Cambodian people to rule themselves.

The growing strength of the anti-Vietnamese resistance forces and the support given them by the Cambodian people demonstrate the unwillingness of the Khmer people to accept a regime established on the bayonets of a foreign army. The United States welcomes the presence in this debate of Prince Sihanouk and Son Sann. They and the organizations they lead are the true embodiment of Khmer nationalism and of the hopes of Cambodians for a future which is dominated neither by the Khmer Rouge nor the Vietnamese.

Hanoi must by now realize that the world will not accept its aggression against Cambodia any more than the Khmer people will accept Vietnamese colonization. Vietnam seeks to persuade the world that it genuinely wants a peaceful settlement in Cambodia and that progress has been made toward such a solution. The United States and the rest of the world would like to believe that Vietnam's professions of peaceful intentions are true. Past history, however, refutes in the most damning way the credibility of Vietnam's professions of peaceful intentions.

Genuine Vietnamese willingness to negotiate a settlement in Cambodia would be a welcome development, above all, for the Cambodian people. In August Hanoi announced that its forces would withdraw from Cambodia by 1990, perhaps earlier if there is a political settlement. But this announcement represents not Vietnam's recognition of the need for a settlement, but a Vietnamese calculation that its army can impose a military solution on Cambodia within 5 years. Hanoi's version of a political settlement remains one which legitimizes its client regime and secures that regime against the threat from the Cambodian resistance and the Cambodian people.

Such Vietnamese "peace offensives," however, are nothing new to this body. One year ago, the Foreign Minister of the Socialist Republic of Vietnam addressed the General Assembly on behalf of his government. In his remarks, he claimed to perceive a growing consensus for a political solution in Cambodia and a recognition by others of Vietnam's peaceful intentions. He dismissed the resistance forces as insignificant and called for a political settlement based on elections and "peacekeeping activities." No sooner had the Foreign Minister returned to Hanoi than the Vietnamese Army in Cambodia began the most intense offensive since its original invasion 7 years ago. Two divisions were transferred from Vietnam to assist in the offensive. Civilian camps and military bases alike were indiscriminately shelled by Vietnamese forces, then overrun by infantry assaults backed by tanks.

As a result of these attacks, 225,000 Khmer civilians were forced to abandon what few possessions they had and flee across the border. Assistance to them remains an international responsibility. The United States will continue its support for this program and for the Secretary General's Special Representative for Humanitarian Assistance to the Kampuchean People, Dr. Tatsuro Kunugi. The staffs of the UN High Commissioner for Refugees (UNHCR) and other specialized UN agencies, the International Committee of the Red Cross (ICRC), and the various voluntary organizations deserve our respect and continued support for their untiring work in providing emergency food and medical care to the displaced Cambodian people, often under dangerous conditions caused by Vietnamese attacks. The United States also extends its appreciation to the Royal Thai Government for its aid to the Khmer people, particularly during the fighting.

It is, however, not enough for the international community simply to care for the victims of Hanoi's aggression against the Khmer people. The international community must continue its efforts to find a solution to the problem of Cambodia and restore to the Cambodian people control over their destiny. In 1981 the UN-sponsored International Conference in Kampuchea outlined the four essential elements of any settlement:

- A cease-fire and withdrawal of all foreign forces in the shortest time possible under the supervision and verification of a UN peacekeeping force/observer group;
- Arrangements to ensure that armed factions will not be able to prevent or disrupt the holding of free elections and will respect the results of the free elections;
- Appropriate measures for the maintenance of law and order until the establishment of a new government; and
- The holding of free elections under UN supervision.

Those remain the principles on which a durable solution must be based. The members of the Association of South East Asian Nations (ASEAN) are to be highly commended for their continuing efforts to achieve such a solution. Since 1981 the ASEAN countries have repeatly made proposals designed to move toward a settlement which would respect Vietnam's legitimate security concerns. The most important of these was their "appeal for Kampuchean independence" in 1983. Unfortunately, Hanoi has not responded to these reasonable proposals. At their July 1985 ministerial, the ASEAN Foreign Ministers called for indirect talks between the coalition of Khmer resistance forces led by Prince Sihanouk and a Vietnamese delegation which could include representatives of the Heng Samrin faction. Such talks would be directed toward the outline of a settlement based on four elements: withdrawal of foreign forces; national reconciliation; UN supervision and control; and UN-supervised elections. The United States endorses this proposal by the ASEAN countries which, like the many reasonable proposals put forth by ASEAN in the past 6 years, seeks to achieve a settlement which preserves Vietnam's legitimate security interests. If Hanoi is in the slightest degree serious about a political settlement, then it should accept ASEAN's proposal. That proposal stands as a test of the credibility of Vietnam's intentions in Cambodia. The United States also welcomes the constructive efforts of the Secretary General to bring about a solution and notes his trip to the region this past January.

The United States firmly believes that the parties to the conflict in Cambodia—Vietnam and the Khmer people—must come together to seek a solution. President Reagan, in his address to the General Assembly October 24, included Cambodia among the regional conflicts where the United States is prepared to play an active role in achieving a settlement. ASEAN has proposed a valuable framework for negotiations among the warring parties. Once these negotiations have made progress, and a dialogue among those directly involved in Cambodia has begun, the United States would discuss with the U.S.S.R. ways we can contribute to that progress. The United States would also be prepared to respond with

its traditional generosity to the reconstruction of Cambodia's economy. The United States hopes that the Soviet Union will use its influence to move Vietnam toward a political settlement in Cambodia.

Sooner or later, even Vietnam's leaders must come to the realization that a political solution in Cambodia is the only way of the dead-end confrontation into which they have led their country. War in Cambodia, confrontation with China, isolation from the rest of Southeast Asia and its vibrant economies have cost the Vietnamese people dearly and deprived them of the fruits of peace. Trapped in poverty and oppression, thousands continue to risk their lives to flee in small boats. Countless thousands are imprisoned under the pretense of reeducation. Vietnam has turned to the Soviet Union to support the costs of its military adventures and the world's third largest standing army. Massive Soviet aid meets Hanoi's military needs but cannot meet the needs of the Vietnamese people. Moscow has traded on its aid to increase the Soviet military presence in Vietnam, underlining the falsehood of Vietnam's claim to be a nonaligned nation.

In time, the determined resistance of the Cambodian people will convince Hanoi's leaders that they cannot subjugate the Khmer people. We hope that realization will lead to a settlement of the Cambodia problem acceptable to the Cambodian people. Such a settlement would also end Vietnam's international isolation, restore Vietnam's freedom of action, and permit Vietnam to turn to the task of building its own disastrous economy and loosening its stranglehold on its own people.

No Vietnamese generation has known peace in 40 years. The country has installed itself in war. Surely, it is time for peace.

The United States looks forward to that day and, in the meanwhile, offers its full support to the efforts of the Secretary General and his representatives, to the ASEAN countries, and, above all, to the people of Cambodia in their struggle.

Why has the resolution on Cambodia presented by the ASEAN states passed by an overwhelming majority every year since it was first proposed in 1979? Because our action here sends a signal to the people of Cambodia—a signal that the international community has not forgotten their cause, their nationhood. In the face of the travails, the hardships, the atrocities the Cambodian people have endured, this is the least that we can do on their behalf.

GENERAL ASSEMBLY RESOLUTION 40/7, NOV. 5, 1985[2]

The General Assembly,

Recalling its resolution 34/22 of 14 November 1979, 35/6 of 22 October 1980, 36/5 of 21 October 1981, 37/6 of 28 October 1982, 38/3 of 27 October 1983 and 39/5 of 30 October 1984,

Recalling further the Declaration on Kampuchea and resolution 1 (I) adopted by the International Conference on Kampuchea, which offer the negotiating framework for a comprehensive political settlement of the Kampuchean problem,

Taking note of the report of the Secretary-General on the implementation of General Assembly resolution 39/5,

Deploring that foreign armed intervention and occupation continue and that foreign forces have not been withdrawn from Kampuchea, thus causing continuing hostilities in that country and seriously threatening international peace and security,

Noting the continued and effective struggle waged against foreign occupation by the Coalition with Samdech Norodom Sihanouk as President of Democratic Kampuchea,

Taking note of Economic and Social Council decision 1985/155 of 30 May 1985 on the right of peoples to self-determination and its application to people under colonial or alien domination or foreign occupation,

Greatly disturbed that the continued fighting and instability in Kampuchea have forced an additional large number of Kampucheans to flee to the Thai-Kampuchean border in search of food and safety,

Recognizing that the assistance extended by the international community has continued to reduce the food shortages and health problems of the Kampuchean people,

Emphasizing that it is the inalienable right of the Kampuchean people who have sought refuge in neighbouring countries to return safely to their homeland,

Emphasizing further that no effective solution to the humanitarian problems can be achieved without a comprehensive political settlement of the Kampuchean conflict,

Seriously concerned about reported demographic changes being imposed in Kampuchea by foreign occupation forces,

Convinced that, to bring about lasting peace in South-East Asia and reduce the threat to international peace and security, there is an urgent need for the international community to find a comprehensive political solution to the Kampuchean problem that will provide for the withdrawal of all foreign forces and ensure respect for the sovereignty, independence, territorial integrity and neutral and non-aligned status of Kampuchea, as well as the right of the Kampuchean people to self-determination free from outside interference,

Reiterating its conviction that, after the comprehensive political settlement of the Kampuchean question through peaceful means, the countries of the South-East Asian region can pursue efforts to establish a zone of peace, freedom and neutrality in South-East Asia so as to lessen international tensions and to achieve lasting peace in the region,

Reaffirming the need for all states to adhere strictly to the principles of the Charter of the United Nations, which call for respect for the national independence, sovereignty and territorial integrity of all States, non-intervention and non-interference in the internal affairs of States, non-recourse to the threat or use of force and peaceful settlement of disputes,

1. *Reaffirms* its resolutions 34/22, 35/6, 36/5, 37/6, 38/3 and 39/5 and calls for their full implementation;

2. *Reiterates its conviction* that the withdrawal of all foreign forces from Kampuchea, the restoration and preservation of its independence, sovereignty and territorial integrity, the right of the Kampuchean people to determine their own destiny and the commitment by all States to non-interference and non-intervention in the internal affairs of Kampuchea are the principal components of any just and lasting resolution of the Kampuchean problem;

3. *Takes note with appreciation* of the report of the *Ad Hoc* Committee of the International Conference on Kampuchea and requests that the Committee continue its work, pending the reconvening of the Conference;

4. *Authorizes* the *Ad Hoc* Committee to convene when necessary and to carry out the tasks entrusted to it in its mandate;

5. *Reaffirms* its decision to reconvene the Conference at an appropriate time, in accordance with Conference resolution 1 (I);

6. *Renews its appeal* to all States of South-East Asia and others concerned to attend future sessions of the Conference;

7. *Requests* the Conference to report to the General Assembly on its future sessions;

8. *Requests* the Secretary-General to continue to consult with and assist the Conference and the *Ad Hoc* Committee and to provide them on a regular basis with the necessary facilities to carry out their functions;

9. *Expresses its appreciation once again* to the Secretary-General for taking appropriate steps in following the situation closely and requests him to continue to do so and to exercise his good offices in order to contribute to a comprehensive political settlement;

10. *Expresses its deep appreciation once again* to donor countries, the United Nations and its agencies and other national and international humanitarian organizations that have rendered relief assistance to the Kampuchean people, and appeals to them to continue to provide emergency assistance to those Kampucheans who are still in need, especially along the Thai-Kampuchean border and in the holding centres in Thailand;

11. *Reiterates its deep appreciation* to the Secretary-General for his efforts in coordinating humanitarian relief assistance and in monitoring its distribution, and requests him to intensify such efforts as are necessary;

12. *Urges* the countries of South-East Asia, once a comprehensive political solution to the Kampuchean conflict is achieved, to exert renewed efforts to establish a zone of peace, freedom and neutrality in South-East Asia;

13. *Reiterates the hope* that, following a comprehensive political solution, an intergovernmental committee will be established to consider a programme of assistance to Kampuchea for the reconstruction of its economy and for the economic and social development of all States in the region;

14. *Requests* the Secretary-General to report to the General Assembly at its forty-first session on the implementation of the present resolution;

15. *Decides* to include in the provisional agenda of its forty-first session the item entitled "The situation in Kampuchea."

---

[1]USUN press release 136.

[2]Adopted by a vote of 114 for (U.S.) and 21 against, with 16 abstentions. ■

UN Adopts Resolution to Ban Chemical Weapons

Following are a statement by Ambassador Donald S. Lowitz, U.S. representative to the Conference on Disarmament, in Committee I on November 7, 1985, and the text of UN General Assembly adopted on December 12.

AMBASSADOR LOWITZ'S STATEMENT, NOV. 7, 1985[1]

In the opening statement of the U.S. delegation on October 25, the urgent questions of the use and spread of chemical weapons were briefly addressed. Today I want to return to these important issues and to introduce a draft resolution under agenda item 63, "Chemical and bacteriological (biological) weapons." This resolution calls for important actions to solve these problems permanently. It was submitted on November 6 under the sponsorship of Australia, Belgium, Canada, Colombia, Costa Rica, Denmark, Ecuador, Federal Republic of Germany, France, Greece, Italy, Japan, Kenya, the Netherlands, New Zealand, Norway, Portugal, Sierra Leone, Sweden, Thailand, the United Kingdom, and the United States and is numbered A/C.1/40/L.31.

Last year the General Assembly voted by a large majority to condemn any and all use of chemical weapons and any other actions in contravention of existing relevant international accords. It is disturbing that since that time at least one new case of the employment of these weapons, in violation of the Geneva protocol of 1925, has been confirmed. It is important, therefore, that this body again place on record its convictions both that the task of putting a stop to the use of chemical weapons is urgent and that strict observance of existing international instruments and obligations in this field is required.

It is disquieting, indeed, that chemical weapons capabilities are spreading to the arsenals of additional states, for this means that the existing international barriers to the use of chemical and biological weapons are in danger of being further eroded. It means that the likelihood of the use of chemical weapons in situations of conflict is increasing. And it may make the task of concluding a comprehensive ban on chemical weapons more complicated and difficult. As Secretary of State Shultz stated in his remarks before the U.S. National Academy of Sciences on March 6: "The sad fact is that a half century of widely accepted international restraint on the use or development of chemical weapons is in danger of breaking down."

The number of states possessing chemical weapons has grown from about five in 1963 to 15 or more today. And other states are also seeking to acquire chemical weapons. This disturbing trend is clearly an urgent matter for the entire international community. The United States welcomes the expressions of concern on the part of other states about the spread of chemical weapons. The General Assembly should join in recording its concern over this unfortunate development.

The resolution which we have introduced would, moreover, record the continuing and strong support of the General Assembly for efforts to strengthen existing agreements respecting biological and chemical weapons.

We hope that this resolution will attract even broader support than was the case last year, not the least because there is today a wider appreciation of the dangerous trends I have cited and of the necessity, therefore, of accelerating the pace of work in the Conference on Disarmament. The United States strongly supports the negotiations in the CD to conclude a comprehensive ban on chemical weapons. It believes that a comprehensive, effective, and verifiable ban on chemical weapons is the best way to put an end—once and for all—to the threat of the further use and spread of these weapons.

The Geneva protocol and the Biological and Toxin Weapons Convention are of great importance, but we know from bitter experience that they have not been sufficient to remove the threat to international stability that is posed by chemical weapons. They have not completely eliminated the threat of more terror—terror like that experienced by the million gas casualties in the First World War.

The specter of chemical weapons use continues to haunt states in both developed and developing regions; it continues to menace people, both military and civilian. Unlike nuclear weapons, which require sophisticated manufacturing operations and delivery systems, chemical weapons are relatively cheap and easy to acquire and, therefore, pose a special threat to developing countries. It is, indeed, in such countries that chemical weapons have been used.

We should do all in our power to reverse these present dangerous trends and to promote the swiftest possible progress toward more effective international restraints. The force of our common opinion voiced in this forum can make an impact on these efforts. Let us make that impact as strong as possible.

UN GENERAL ASSEMBLY RESOLUTION 40/92C, DEC. 12, 1985[2]

The General Assembly,

Reaffirming the urgent necessity of strict observance by all States of the principles and objectives of the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare, signed at Geneva on 17 June 1925, and of the adherence by all States to the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, signed in London, Moscow and Washington, on 10 April 1972,

Noting with concern reports that chemical weapons have been used, as well as indications of their emergence in an increasing number of national arsenals,

Expressing concern over the increasing risk that chemical weapons may be resorted to again,

Noting international efforts to strengthen relevant international prohibitions, including efforts to develop appropriate fact-finding mechanisms,

Recalling its resolution 39/65A of 12 December 1984 on chemical and bacteriological (biological) weapons,

Rededicating its efforts to protect mankind from chemical and biological warfare,

1. *Reaffirms* the need for strict observance of existing international obligations regarding prohibitions on chemical and biological weapons and condemns all actions that contravene those obligations;

2. *Welcomes* the ongoing efforts to ensure the most effective prohibitions possible on chemical and biological weapons;

3. *Urges* the Conference on Disarmament to accelerate its negotiations on a multilateral convention on the complete and effective prohibition of the development, production and stockpiling of chemical weapons and on their destruction;

4. *Calls upon* all States, pending the conclusion of such a comprehensive ban, to cooperate in efforts to prevent the use of chemical weapons.

[1]USUN press release 139.

[2]Adopted by a vote of 112 (U.S.) to 16, with 22 abstentions. ■

IMO and Maritime Security

by Richard D. Kauzlarich

Statement before the Subcommittee on Merchant Marine of the House Merchant Marine and Fisheries Committee on October 22, 1985. Mr. Kauzlarich is Deputy Assistant Secretary for International Organization Affairs.[1]

It is a pleasure to appear before you today on this important item. I am accompanied by Michael G. Kozak, Deputy Legal Adviser, and Parker Borg, Principal Deputy Director of the Office for Counter-Terrorism and Emergency Planning. We welcome the opportunity to be here and comment on the status of international maritime security. These hearings are particularly timely in view of the brutal murder of an American citizen, Mr. Leon Klinghoffer, by terrorists, while being held hostage aboard the Italian cruise ship *Achille Lauro* earlier this month.

The *Achille Lauro* incident was part of an alarming pattern of increasing terrorism directed against innocent victims held hostage by extremist groups. There is a high degree of international concern over such terrorism, and hostage-taking in particular. At the time of the *Achille Lauro* incident the UN Security Council unanimously condemned, "... this unjustifiable and criminal hijacking as well as other acts of terrorism, including hostage-taking." The Secretary General of the United Nations, Perez de Cuellar, has spoken out repeatedly against hijacking and hostage-taking and publicly expressed his revulsion on learning of the murder of Mr. Klinghoffer.

There is a growing chorus of international condemnation of these terrorist actions.

- The Seventh UN Congress on the Prevention of Crime and the Treatment of Offenders, meeting in Milan, Italy, August 26–September 6, adopted a strongly worded resolution calling on all states to strengthen antiterrorist cooperation. This resolution was cosponsored by the United States and obtained broad support.
- The World Tourism Organization, meeting in Sofia, Bulgaria, September 17–26, expressed its deep concern over the number of violent attacks perpetrated this year upon innocent travelers and the travel industry, and urged member states to take additional steps to ensure the safety of international travel and the security of all kinds of travelers. The United States played a key role in achieving consensus adoption of this resolution.
- The 40th session of the UN General Assembly, now in session, is considering a detailed and comprehensive resolution condemning international terrorism. We are hopeful the General Assembly will pass a solid text underscoring the international community's condemnation of terrorism and calling for specific action.

Resolutions and expressions of sentiment, of course, are not in themselves an answer to the problem of terrorism. They are nonetheless significant as indications of the changing international climate and the growing alarm in the international community over terrorism and hostage-taking. They can be important elements in pressing national governments to implement national and international legal commitments to punish such criminal acts.

The Prevention and Punishment of Terrorist Acts

The prevention and punishment of acts on international terrorism is one of our highest priorities. We have long recognized, however, that an effective response to terrorism requires, in the final analysis, cooperation on an international scale. In this respect, the United States has historically taken the lead in calling upon the world community to devise effective mechanisms for coping with terrorism and bringing its perpetrators to justice.

Speaking generally, these mechanisms fall into two categories: those directed toward the apprehension and punishment of terrorists, and those directed toward measures designed to prevent terrorists from acting. Into the first category would fall multilateral instruments such as:

- The 1963 Tokyo Convention on Offenses and Certain Other Acts Committed on Board Aircraft,
- The 1970 Hague Convention for the Suppression of Unlawful Seizure of Aircraft (Hijacking),
- The 1971 Montreal Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation,
- The 1973 Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons Including Diplomatic Agents, and
- The 1979 Convention Against the Taking of Hostages.

At the heart of these conventions is the requirement that a state party either submit for prosecution under its own legal system or extradite individuals alleged to have committed offenses falling within their scope. The applicability of one or more of these conventions depends on the facts surrounding a particular act or acts of terrorism. Their effectiveness in turn depends on securing adherence to them by as many states as possible, and observance of their obligations by those states that have become party. The United States has continued to act vigorously on both fronts.

While there is no such convention directed at maritime terrorism *per se*, existing international law provides a substantial basis for responding to instances of maritime terrorism. Piracy as

an international crime, for example, has historical precedents of ancient origin. The importance of customary international law on the subject was reinforced by the inclusion of specific language concerning piracy in the 1958 Convention on the High Seas and recently reaffirmed in the 1982 Law of the Sea Convention. We believe that this existing body of law provides substantial authority to take action against vessel hijackings that occur on the high seas, and to try and punish those responsible. And, as noted above, maritime incidents that may not clearly fall within the internationally accepted definition of "piracy" may nevertheless fall within some other category of proscribed acts, such as hostage-taking. For example, the *Achille Lauro* incident was one to which the 1979 hostage convention is directly relevant.

Let me now turn to the prevention side. There is nothing in the maritime area that compares to what exists for international civil aviation. This in part reflects the fact that terrorist acts at sea, such as the *Achille Lauro* incident, are relatively infrequent and world attention has been focused almost exclusively on aviation security. There is no maritime counterpart to the ICAO [International Civil Aviation Organization] standards and recommended practices on airport and aircraft security. We are exploring whether such standards and recommended practices are feasible for ports and ships, but it is important to remember that maritime security raises complex problems that are significantly different from those surrounding aviation security. Indeed, it is difficult to suggest standards until we have determined what currently is being done, and what must be done both domestically and internationally, to secure both ports and ships.

The IMO Function

The International Maritime Organization (IMO) is almost the maritime counterpart to ICAO, but the IMO lacks the regulatory function inherent to ICAO. The IMO was established as a specialized agency of the United Nations in 1958. The organization, which is located in London, has nearly universal membership, with 127 full members and one associate member. Its main objective is to facilitate cooperation among governments on technical matters affecting international shipping, in order to achieve the highest practicable standards of maritime safety and efficiency of navigation. The organization has a special responsibility for safety at sea, and for the protection of the marine environment through prevention of pollution of the sea caused by ships and other craft. The IMO also deals with legal matters connected with international shipping, with the facilitation of international maritime traffic, and is responsible for providing technical assistance in maritime matters to developing countries. The IMO assembly, which consists of the full membership, meets every 2 years to approve broad policy for the organization and decide on the work program and budget. A 32-member council, of which the United States is a member, acts for the organization between assembly sessions.

Presently, the IMO convention does not provide a basis for the IMO to establish binding standards and recommended practices. Article 1(a) of the IMO convention states that the IMO should "provide machinery for cooperation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade; to encourage the general adoption of the highest practicable standards in matters concerning maritime safety, efficiency of navigation and the prevention of control of marine pollution from ships; and to deal with legal matters related to the purposes set out in this Article." Article 2 states that "the functions of the organization shall be consultative and advisory." The IMO has not hitherto considered questions of port security or access to ships while at port to fall within the purview of the convention. Yet, the IMO has dealt with, and continues to deal with, acts of piracy and armed robbery against ships at sea. In 1983 the IMO assembly adopted resolution A.545(13), entitled Measures to Prevent Acts of Piracy and Armed Robbery Against Ships. In June 1985, the council adopted a decision calling on all appropriate parties to take steps to improve rescue-at-sea procedures. The IMO is working with governments, other concerned international organizations, and shipping interests at the present time to implement these actions by the assembly and council and to strengthen antipiracy and rescue-at-sea programs.

Security at Sea

The question of security within territorial waters and while at port has thus far been treated as a matter of national, not international, regulation. We are now surveying existing regulations and practices worldwide to counter terrorism at sea. We are also gathering information on whether other governments are considering changing their procedures in light of the *Achille Lauro* incident and their attitudes toward existing international arrangements. Responses to our preliminary inquiry suggest that there is interest worldwide in improving security measures for passenger vessels, and that most countries consider their domestic authority sufficient to deal with terrorism in their own ports and territorial waters. We have no indication at this time that other governments advocate the creation of multilateral mechanisms in addition to those already in force. I should note, however, that for the United States to exercise effective leadership in maritime security, we have to make certain that our own port security sets international standards, as does our airport security.

Nevertheless, the Department is exploring the question of what international initiatives may be appropriate, either in a multilateral or bilateral context. We will use the opportunity of the IMO assembly, which meets November 11-22, to discuss international measures with individuals from the IMO secretariat and member states. We also want to discuss possible initiatives with the maritime industry, port operators and other U.S. Government agencies. In other words, we have considerable work before us to decide what more we can do to blunt the distressing new spread of international terrorism.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Ecuador's President

(White House photo by Pete Souza)

President Leon Febres-Cordero Ribadeneyra of the Republic of Ecuador made a state visit to the United States January 12–18, 1986. While in Washington, D.C., January 12–16, he met with President Reagan and other government officials.

Following are remarks made by President Reagan and President Febres-Cordero at the arrival ceremony on January 14.[1]

President Reagan

It gives me great pleasure to welcome you as friends of the United States and as friends of human freedom.

Ecuador's return to elected government in 1979 was one of the first waves of a rising tide of liberty witnessed throughout the hemisphere. President Febres-Cordero, we have watched with admiration as you and your government have strived to come to grips with the serious threats to Ecuador's economic, political, and social well-being. You are an articulate champion of free enterprise and those democratic ideals that are close to the hearts of the American people.

All those who love liberty are impressed with your courage and responsibility in attacking not just the symptoms but the underlying causes of misery, poverty, and unemployment. By protecting your country's good name and creditworthiness, by avoiding simplistic solutions and quick fixes, by unleashing the economy, building forces of the marketplace, you are leading your country to a better tomorrow.

Your uncompromising faith in political freedom is consistent with your support of economic freedom. We applaud your efforts to bolster the democratic institutions of your country. We also applaud your moves to encourage private sector growth and invigorate your economy. The United States stands by your side, and we will continue to do all we can to help.

When I say the United States stands with you, that is especially true when it comes to your determination to defeat the twin menace of international terrorism and narcotics trafficking. You've put yourself on the line against these vile and insidious forces. Your courage and integrity and that of your people have not gone unnoticed here. Drug traffickers and terrorists are the enemies of all decent people, and the United States is proud to be your ally in this brave struggle.

In a speech to your countrymen, you advised your citizens to "stand up when it is a matter of defending honor and freedom." That is exactly what Ecuador, under your leadership, has been doing. Few countries in the hemisphere have made the tough public stand against dictatorship, left and right, as has Ecuador. As you have pointed out on several occasions, democracy and the protection of human rights is the surest way to peace as well as freedom. It is no mere coincidence that those few nations controlled by oppressive communist regimes can be tied to so much of the turmoil and bloodshed that is plaguing this hemisphere. It should surprise no one that the rifles used to take over a court building and murder judges in a democratic nation can be traced to a country controlled by those who don't believe in freedom, human rights, or democracy. Democracies can no longer afford to ignore this unfortunate fact of life.

Your voice, Mr. President, is doing much to alert the freedom-loving people of this hemisphere to this continuing danger. The path of democracy, peace, and free enterprise is often difficult; but with courage, moderation, and wholehearted commitment, you're leading your people down that path. In doing so, you are not only building a stronger Ecuador, but you're contributing to a more peaceful and secure hemisphere. The dream of freedom and opportunity is the property of no one country. It is the birthright of every American, and that means every person from the North Slope of Alaska to the tip of Tierra del Fuego. We are all Americans.

And today we are proud to welcome you, President Febres-Cordero, as the leader of free people, as a man with a deep and abiding conviction, and as a statesman we respect and admire.

President Febres-Cordero

It is a great satisfaction to be received on this state visit by you, Mr. President, and by your wife. It is always a pleasure for a President of Ecuador to visit the United States. The long tradition of friendship between our peoples and the identification with the same democratic principles makes the return of an Ecuadorian chief of state to this great country not only enjoyable but also stimulating.

The fact that the United States of America and the rest of our continent share the same historic goals is not a recent phenomenon. It began with simultaneous battles to obtain political independence, and it continues today with the present defense of democracy, of liberty, and of individual rights—a defense which has meant a long series of shared efforts.

During moments of particular anguish in international relations, from that era of a struggle to claim the value and use of the American wealth from commercial monopolies until the tremendous confrontation of the Second World War, our peoples have been united, and our governments have enjoyed very strong cooperation. This historical path becomes especially important when a government in the United States headed by you coincides with an Ecuadorian Government headed by me, both working toward common goals: to vigorously restore to our peoples the pride of belonging to their respective countries; to revitalize economies that have suffered setbacks; to return to the individual and groups the right to carry out initiatives without the need for bureaucratic interference, with the understanding that the state exists to serve the individual, not to be served by the individual.

The cooperation between our peoples and governments, and international cooperation in general, are indispensable to confront the problems the world is experiencing. The goal of that remarkable man of our times, His Holiness John Paul II, of making 1986 the year of peace requires us to adopt important attitudes. Peace must come from the fact that between human beings there exists the willingness to cooperate and that hope grows within every human being. Peace must be based on the concept of justice, law, and harmony. Peace, unfortunately, nowadays has great enemies. The savagery of terrorism, which in its evil, neither respects nor distinguishes among people, places, or circumstances. Its ally, drug trafficking, corrupts and destroys physical and moral integrity. Governments, which consider that man is at the center of creation and that man is the main act of history, should cooperate to combat these crimes against humanity.

Peace has also another enemy: the agents of war, the ideological motivators of aggression, which contribute to the unjustifiable arms buildup. It will only be possible to have true and enduring peace in our world when, through the willingness of all men, a disarmament process may start in the world.

My country is a country with a pacific tradition. Neither violence nor the abuses of power that affect certain parts of the world have ever taken root in our land. We practice a democratic system which we seek to expand and to perfect, since we believe that it allows for the best social organization. It is only by prevalence of democratic regimes that stem from the sovereign will of our people that our continent and the whole world will be able to enjoy a true and enduring peace.

We are careful of service of the standards of human rights generated by national and international laws. There is no conflict, we believe, between respecting those rights and exercising a serene but determined authority. To use power to guarantee to the 9 million Ecuadorians who have the right to work, to be educated, to live fully is an imperative which coincides perfectly with the fight against lawlessness. Above all that lawlessness, which in its cruelest form—terrorism—undermines society with the greatest savagery and cruelty. In no way does it deny criminals the protection provided to them by the law, but neither does it allow them to go unpunished for their crimes.

Ecuador has met its international obligations in an effort which has been widely recognized by the international press and the world financial community. We have successfully rescheduled our foreign debt. We have regained our prestige as a serious country, which we have gained after many years of fruitful and responsible economic relationships with all countries of the world. We have been able to recover our economy, as all indicators clearly show. We have achieved this through a reasonable application of sound economic policies: letting the market play its fair role and allowing for the free initiative to flourish. We have promoted harmony between labor and capital within the observance of law and order. We have not at any time neglected—and it keeps being our main concern—these social policies. Those are the final objectives of our action. It is undoubtedly the well-being of our people what we are looking for with all our energies. Social welfare, within the framework of justice is the most appropriate soil for peace to flourish. Without peace and the well-being of all our peoples, the stability of this whole hemisphere is a danger.

In order to achieve social well-being, we require the solidarity and cooperation from those who are capable of working together with us, from those who have the capacity to assist us. We have to demonstrate to the world that there is no need of despotism, that there is no need of collectivism, to mitigate our people's sufferings. We wish to prove that with liberty and free initiatives it is indeed possible to reach standards of living which are adequate to the human being.

I am sure that this visit, which originated from your generous hospitality and that of the people of your country, will bring our two nations closer in strengthening their common ideals, and at the same time it gives my wife and me the opportunity to reaffirm our sincere friendship for you and your esteemed wife.

---

[1]Held at the South Portico of the White House, where President Febres-Cordero was accorded a formal welcome with full military honors (text from Weekly Compilation of Presidential Documents of Jan. 20, 1986). ■

Secretary Meets With United Nicaraguan Opposition Leaders

(Department of State photo by Robert Kaiser)

From left to right: Arturo Cruz, Alphonso Robelo, Secretary Shultz, Adolfo Calero, and Assistant Secretary Abrams.

SECRETARY'S STATEMENT, JAN. 28, 1986[1]

I met this afternoon with Arturo Cruz, Adolfo Calero, and Alfonso Robelo who were kind enough to formally present me with a copy of the United Nicaraguan Opposition's (UNO) statement of principles and objectives released in Caracas January 22.

This document is of major significance to all of us who are concerned with progress toward democracy in Central America. It represents a program for democratic reform in Nicaragua, the only one of the five countries in Central America whose people do not enjoy the benefit of a government freely chosen in fair elections.

In contrast to the democratically elected administration of President Duarte in El Salvador and the recently inaugurated civilian governments of President Cerezo in Guatemala and of President Azcona in Honduras, and in further contrast to the free elections which will take place this weekend in the long established democracy of Costa Rica, Nicaragua continues under a severely repressive communist regime with no legitimate claim to a popular mandate.

The democratic forces represented by the United Nicaraguan Opposition offer hope that Nicaragua too will join the strong movement in the region toward democracy. We are delighted to see the publication of this detailed statement setting forth the kind of government the United Nicaraguan Opposition aspires to see implemented in Nicaragua. It emphasizes the rule of law and healthy respect for human rights. In short, it is a program very much in keeping with the democratic trend in the rest of the region, a trend which the Government of the United States strongly supports.

[1]Made available to news correspondents by Department spokesman Bernard Kalb. ■

An End to Tyranny in Latin America

by Elliott Abrams

Address before the Americas Society in New York City on December 9, 1985. Mr. Abrams is Assistant Secretary for Inter-American Affairs.

Yesterday the people of Guatemala chose a president in open and competitive elections, the first democratically elected leader in almost a generation. What is the significance of that event? For Guatemalans the answer is obvious: for the *campesino*, the craftsman, the school teacher and the landowner, the labor leader and the businessman, and, after years of bloodshed, the Indian communities, it means a voice; it means hope for the expansion and protection of liberty; it means progress toward a better way of life.

But the importance of that election goes beyond the borders of Guatemala. It is part of something much larger. This hemisphere is in the midst of an astonishing transformation. For most of the 1960s and 1970s, tyranny ruled in many countries. Today, people throughout Latin America are demanding an end to arbitrary and illegitimate government. They are seeking control of their own destinies—and they are winning almost everywhere. Six years ago, less than one-third of the population of Latin America and the Caribbean lived in democratic societies. Today, over 90% have either attained or are on the road to self-government. Guatemala has now joined Argentina, Uruguay, Brazil, Peru, El Salvador, Honduras, and others who have once again chosen a democratic course.

What we are witnessing is the building and strengthening of a genuine democratic community in the Western Hemisphere. No longer are elections in this part of the world rare or isolated events. Elections are now part of a broad movement toward democracy, a movement that is strengthened and reinforced each time a new election is held. When the people of Guatemala, or Honduras, or Brazil go to the polls, they advance the cause of freedom not only in their own country but throughout the hemisphere. Peoples everywhere in the Americas understand that the fate of their freedom is closely tied to the fate of freedom elsewhere in the region; and that the survival and success of their democratic government rests on cooperation and mutual support among democratic leaders and peoples everywhere.

We in the United States must also recognize and understand this new reality in Latin America, for it is transforming our relations with other nations in this hemisphere.

It is clear that we who live in this hemisphere face a series of problems affecting, directly or indirectly, all of us: economic disarray and large debt burdens; the increasingly powerful and lethal alliance of terrorists and narcotics smugglers; the vestiges of rightwing authoritarianism; and communist subversion supported by the Soviet Union, Cuba, and Nicaragua.

All of these can undermine what we have achieved in this hemisphere, unless the United States joins with its democratic neighbors in common battle and provides the support and leadership that are required.

The U.S. Role

But what exactly should our role be? What must the United States do to strengthen this emerging democratic community and also defend our vital interests and our ideals?

A week ago, I met with foreign ministers from throughout Latin America at the OAS [Organization of American States] General Assembly in Cartagena. Two themes dominated those discussions. One was the desire of Latin governments to find "Latin American" solutions to the economic, political, and security problems they face. The other theme was the keen desire of Latin governments for the active participation of the United States on issues from economic assistance to narcotics control to counterterrorism to the prevention of communist expansion. You will note the paradox. I certainly did, and I came away from these meetings with a clearer sense of the difficulties of leadership and the inevitable tension between sovereignty and interdependence.

The truth is, the foreign ministers were right on both counts. The solutions to most of the problems that confront the nations of Latin America *do* ultimately lie with the peoples and the governments of those nations, not with the United States. Sustained economic growth, for instance, will not take hold in Latin America through any action by the United States. Only domestic economic policies that encourage savings and investment, productivity, and entrepreneurship can have any lasting effect. The same is true on other pressing issues. Only eradication and interdiction at the source can secure victory against the drug dealers. Only strong and effective counterterrorism policies by local governments can reduce the threat to innocent lives. Only the will to resist by the people themselves can ultimately prevent the spread of totalitarianism.

Yet few would deny—especially in Latin America and the Caribbean—that the United States has an essential role to play on all these issues. So let us ask again, what is that American role? What should our relationship be toward this newly forming democratic community?

Today, as I have said, the challenge to the United States is to provide leadership within a community of sovereign, democratic nations that need our help on many fundamental issues but do not wish, any more than we do, that our community should operate according to American dictates.

Consider the pattern of relations that has developed between the United States and the democratic community of Western Europe over the past four decades. The nations that comprise the Atlantic alliance are no less diverse than Latin America—in size, in culture, in both economic and military strength. And as you well know, disagreements among the allies abound on all important issues.

Yet the United States *is* a leader in the Atlantic community. The nations of Western Europe depend on us for deterrence against the Soviet Union. But we have not tried to use sheer power to enforce compliance with our wishes. When we disagree, we work hard to persuade others, and sometimes we fail. In the end, despite all the diversity and disagreement, no one disputes the reality and the necessity of close ties among our democratic nations.

Our relationship with our European allies has withstood many tests in its four decades of existence, and it is enormously supple. It is not the creation of any one party or leader, nor does any one crisis among the members undo it. For the alliance embodies the allegiance of all the peoples in it to ideals which do not change over time.

U.S. relations with Latin America and the Caribbean have a very different history. This cannot be because of a lack of economic interdependence, nor is it out of a lack of common cultural background. Are we so close to the

Norwegians, so different from the Venezuelans or the Jamaicans?

I would submit that our relations with Latin America and the Caribbean have been, in a sense, underdeveloped in comparison to those with Western Europe largely because the nations in our hemisphere have so often lived under colonial or tyrannical domination. For, in fact, close and lasting relations with a nondemocratic government are not, and cannot be, easy for us. The better the relations we have with such a government, the more we risk poor relations with a resentful people governed by men they did not choose. The closer we approach cooperation with the military, the more we may antagonize the civil society. The more we seek their cooperation on international issues, the more that support can taint the very purposes we seek to serve.

In truth, our ability to cooperate with the nations of this hemisphere is transformed by this wave of democratization. We can seek the closest possible ties, and offer the closest possible support, because we are dealing with governments that represent the people. We cannot be accused of favoritism, or militarism, or domination if we deal with elected presidents or prime ministers with the legitimacy to decide, for their part, what relationship with us their people wish.

Legitimate, sovereign, democratic governments provide an opportunity—not only to build new levels of friendship and cooperation but more: they allow us to explore issues on which there can be American leadership without American domination. A people living under colonial or tyrannical rule can often see close ties between its government and ours as inimical to its long-term desire to be free and can easily view an American leadership role with special resentment, as a form of domination based on sheer power. A free people can choose when they wish to see us take a lead, and when they wish us to refrain. Dominance based on power is not leadership, and it simply will not work in a democratic community.

The Debt Problem

What can relations look like in an era where democracy permits close cooperation? Let us take first the example of the debt problem.

My discussions at the OAS General Assembly in Cartagena revealed no diminution of concern about this issue; what has changed is that it is no longer a source of confrontation. It is no longer Latin American and Caribbean nations against us, but rather all of us thinking and planning together to address this critical issue.

This change is the product, of course, of the Baker plan [Program for Sustained Growth] in which we presented our thoughts about the complementary roles we must all play in coping with debt problems. But what produced the Baker plan? In no small part, the urgings of Latin American democratic leaders that they needed our help, lest democracy itself be threatened by economic decline.

Over the past year the leaders of democratic governments have told us that austerity was becoming increasingly difficult to bear. They spoke on behalf of their people, and so the legitimacy of their pleas was beyond question. Also beyond question was our responsibility to take a central role in approaching debt questions.

If the United States is for the survival of democracy, then we must also be especially concerned about economic growth in democratic countries. It is ironic that the revitalization of democracy in much of Latin America today was hastened by the inability of nondemocratic governments to deal with growing poverty and falling standards of living brought on largely by the international recession of the early 1980s.

If the new democracies are to survive, they must meet these problems head on. And we must help them. Poverty erodes the spirit and destroys the people's faith in their government. Over time, economic stagnation and decline can undermine even the most legitimate democratic systems if they fail to find an answer. It is thus directly in our interests to work with Latin American governments to build a more prosperous future for all our peoples.

And that is the effort we are now leading as we work to put the Baker plan into practice to cope with the problems of debt and the need for growth in the countries of this hemisphere.

Narcoterrorism

This blend of leadership and regional cooperation has taken hold in other areas, as well.

We are seeing increasing solidarity in the fight against terrorists and international narcotics traffickers. The key countries in Latin America and the Caribbean recognize the enormous threat posed by the *narcotraficantes*, not only to the health and well-being of their peoples, and ours, but also the health of their democracies. The deadly alliance of drug dealers and terrorist groups such as the M-19 in Colombia has become painfully clear. It's quite a racket. The terrorists provide protection to the drug dealers, and the drug dealers give the terrorists a share of the profits. Drugs, arms, and dollars are the currency in which they do their lethal trading.

These outlaws must be stopped, and democratic leaders like Colombia's President Betancur have shown their firm determination to do what is necessary to stop them.

Assistant Secretary for Inter-American Affairs

Elliott Abrams was born in New York City on January 24, 1948. His degrees include a B.A. from Harvard College (1969), an M.Sc.Econ. in International Relations from the London School of Economics (1970), and a J.S. from Harvard Law School (1973).

Mr. Abrams is an attorney who has practiced in New York and Washington, D.C. He spent 4 years working for the U.S. Senate: as Assistant Counsel to the Senate Permanent Subcommittee on Investigations (1975), Special Counsel to Senator Henry M. Jackson (1975-76), Special Counsel to Senator Daniel P. Moynihan (1977), and Chief of Staff for Senator Moynihan (January 1978–May 1979).

Mr. Abrams is the author of numerous essays and book reviews which have appeared in *Commentary*, *The Public Interest*, *The American Spectator*, *Policy Review*, and other journals.

Mr. Abrams has served in the State Department since 1981. He was Assistant Secretary for International Organization Affairs (January–December 1981) and Assistant Secretary for Human Rights and Humanitarian Affairs (December 1981–July 1985). Mr. Abrams was sworn in as Assistant Secretary for Inter-American Affairs on July 17, 1985. ■

But U.S. assistance and leadership in the war against narcotics and terrorism are also absolutely essential. We have resources that the countries of Latin America and the Caribbean lack. We provide training and equipment to antinarcotics units. We share information and methods. We provide funds to support narcotics crop eradication and to enhance the capacity to prevent and deter terrorist attacks.

Latin governments don't want us to do their job for them, but they do want to do the job, and they need our help. With regional cooperation and U.S. leadership, we will make great strides—because the overarching goal for all of us is the same. Assistance, training, and political and diplomatic support are more easily provided, and accepted, when the larger cause is the defense of democracy.

Communist Subversion and Aggression

If the need for U.S. involvement in the hemisphere is clear on such issues as narcoterrorism and debt, it should be equally clear on the issue of communist subversion and aggression. The threat to democracy in our hemisphere comes not only from economic and social problems, not only from military rule, and not only from drugs; it also comes from guerrilla war and terrorism spurred by Cuba and the Soviet Union, and now Nicaragua as well.

- For more than 5 years, the Cubans and the Sandinistas have been supplying weapons to guerrillas and terrorists in El Salvador, Honduras, and Costa Rica.
- For 5 years, the pace of arms shipments to Nicaragua from the Soviet Union and the Eastern bloc has been growing.
- Two months ago, M-19 terrorists, armed in part with weapons provided by the Sandinistas, attacked the Palace of Justice in Bogota, and intelligence sources reveal a broader pattern of support by the Sandinistas for terrorists in the hemisphere. Indeed, Managua is now an international gathering place for terrorists from all around the globe.
- Libya has begun to show its face in the Caribbean, yet another source of support for violent, antidemocratic groups.
- Last week, while OAS foreign ministers were meeting in Cartagena, while Secretary Shultz was meeting with the Contadora group, and while the peoples of Guatemala and Honduras were preparing for elections, a Soviet helicopter gunship was shot down by the democratic resistance fighters in Nicaragua. That helicopter, as you know, was flown by a Cuban pilot and copilot. This was just one of many instances where Cubans armed with Soviet-supplied weaponry have had a hand in fighting alongside Sandinista soldiers.

If Cuban troops can go into combat—for example, piloting Soviet helicopter gunships—in Nicaragua, why not in El Salvador, or in South America, or in a future struggle on a Caribbean island?

When Cuban favorites proved unable to cope with local resistance groups in Africa, the Cubans went in to help run the army and keep a Marxist regime in power. So it is in Nicaragua. Where next?

This threat and this reality are coming to be understood in Latin America and in the Caribbean. While Sandinista suppression is now widely known and despised, the Cuban role in Nicaragua and the Nicaraguan role in supporting terrorism throughout the hemisphere are not yet widely recognized. But the facts are there, and they are being learned.

Of course, this crisis presents us all with a novel challenge. Many Latins see U.S. intervention as the historic enemy of democracy in Latin America and see any U.S. security role—even that of support for the freedom fighters in Nicaragua—as such an intervention. But more and more Latin leaders also appreciate that Sandinista behavior today is simply unacceptable and threatens the new democratic surge in the hemisphere.

The democracies of Latin America—those in Central America, in the Contadora group, and the Lima group supporting Contadora—have a special responsibility. We seek to work with them to find a regional solution to the conflict. Nicaragua's opposition to a Contadora treaty will not dissuade us, nor will the new suspension of Contadora for several months. We will use this time to increase our consultations with the Latin American democracies, and we will increase our diplomatic activities in the search for peace.

For, in the first instance, Latin American democrats should protect Latin American democracy. They must be more concerned with their own future than with suspicions about our past. But, at such a moment, it is no act of hemispheric solidarity to desert the forces of freedom in Nicaragua. On the contrary, if we truly believe in the spread of democracy in the hemisphere, we cannot make Nicaragua an exception any more than we should—or have—made El Salvador or Guatemala or Chile an exception.

When the Soviets intervene in this hemisphere and arm the Sandinistas with sophisticated new war materiel, and tanks, and gunships, and when the Cubans and Bulgarians and East Germans and the rest of the usual Soviet team take over, can it be a mark of respect for Latin democracy to look the other way?

Just as our democratic allies in Europe know that Soviet and Soviet-sponsored aggression and subversion are massive challenges that require not only their reaction but our assistance, so I believe this conclusion will spread in Latin America, as it spread in the eastern Caribbean.

Meanwhile, the world's strongest democracy must be prepared to use its strength to support democracy where it already exists and where it is struggling to take root. No one else can assume that responsibility, and no one else is going to stand up for U.S. interests unless we ourselves are willing, able, and determined to do so. The fact is, other countries in the hemisphere want to support democracy in Nicaragua. But what they want to know first is whether the United States can stay the course.

It is up to us to keep the pressure on the Sandinistas by supporting the democratic resistance, by providing the assistance the freedom fighters need to defend themselves against Soviet weapons and Cuban troops

What should give us a sense of optimism in facing this challenge is precisely the degree to which the Sandinistas not only bring in foreign elements to this hemisphere but, in today's Latin America, *are* a foreign element. For today's Latin America and Caribbean are the world's center of democratic growth. We face enormous problems in all the areas I have noted today, but we have enormous assets with which to confront them. The material resources are extraordinary—the skills, the wealth, the experience, the technology.

But more striking still is our newest strength—the solidarity of democratic leaders and nations and the determination to protect our freedom and that of our neighbors.

We in the New World have a common past and many shared interests. Now we have in democracy a stronger tie than ever before. Let us hope we can nurture it, as it nurtures us. ■

U.S. Support for Transition to Democracy in Chile

by Elliott Abrams

Prepared statement before the Subcommittee on International Development Institutions and Finance of the House Banking, Finance, and Urban Affairs Committee on December 5, 1985. Mr. Abrams is Assistant Secretary for Inter-American Affairs.[1]

It is a pleasure and a privilege for me to appear before you today in response to your invitation to discuss U.S. policy toward Chile as it applies to U.S. votes in international financial institutions regarding loans to Chile.

Before turning to your specific interests, I would like to say a little about the policy framework in which we operate when considering these issues for Chile.

U.S. Policy

U.S. Government policy toward Chile is straightforward and unequivocal: We support a transition to democracy. This reflects our strong preference for democratic governments in general and the centrality of democracy and economic development to our policy in Latin America. We believe that the most effective means to pursue many varied interests in Chile—including regional security, curbing narcotics trafficking, promoting trade and cooperation on international issues, and fostering human rights—is to encourage the restoration of democracy. We believe this can happen on terms that are worked out by Chileans themselves, and which are satisfactory to the large majority of Chileans who want a stable democratic society, where human rights are protected.

We would like to see Chile participate very soon in the surge toward democracy which has been sweeping the hemisphere. We also know that we cannot impose on Chileans when and how this will occur. But we can help them to make it happen sooner by implementing a prudent foreign policy which actively pursues all possible ways of encouraging dialogue and moderation, which at the same time avoids actions on our part that exacerbate tensions in Chile.

While the vast majority of Chileans want to return to democratic government, there is considerable difference of opinion within Chile over the timing and procedure concerning a transition to democracy.

Chilean Government leaders say they are committed to a transition to a genuine democracy, and we will continue to press them to carry out their commitment. We consider it reasonable to expect to see tangible evidence of steady movement toward a transition to civilian rule. Such expectations represent neither interference in Chile's affairs, nor a policy of passive acceptance of military rule. A broad consensus in the country must be developed as a necessary foundation on which to build stable democratic institutions.

We have spoken out publicly numerous times in support of these objectives. Earlier this year President Reagan made public his concern over what he termed entrenched military rule in Chile. We have also conveyed our concerns in private conversations with Chilean Government representatives. The Government of Chile knows our views regarding the need for a transition to democracy.

The National Accord

In recent months a development took place with positive implications for Chile's transition. In late August representatives of a diverse group of democratic political parties, encouraged by the Catholic Church and many other leaders, came together to endorse a new, pragmatic set of proposals on a transition to democracy. The result was an agreement known as the National Accord, which has since gained the support of labor unions, professional associations and many prominent Chileans. The Chilean Government has recognized certain positive elements in the accord, but has yet to respond positively to the offer of dialogue implicit in the accord's proposals.

The accord represents a major advance in the process of dialogue and reconciliation that Cardinal Fresno [Juan Francisco Fresno Larrain] and many other Chilean leaders have encouraged. It is also a useful departure point for further progress toward developing a broad-based consensus on a peaceful and orderly transition to democracy in Chile. We have welcomed the accord, have publicly called upon leaders in Chile to respond constructively to this development, and are following the situation closely to see how the government and opposition proceed. We hope that all Chileans concerned about the future of democracy in their country will look past elements of disagreement and build on the positive elements they see in the accord.

I have emphasized our support for democracy because this is central to the decisions we make on specific issues concerning Chile. Other important elements include our general concern for eliminating human rights abuses wherever they occur, and our desire to support sound economic policies which promote economic growth, take into account market realities, and encourage responsible management of debt. Precisely because full respect for human rights is not apparent in Chile, efforts to encourage a transition to democracy take on greater importance. We believe the best guarantee that human rights will be carefully protected is provided by the establishment of representative and responsive democratic institutions.

Lifting the State of Siege

The human rights situation in Chile still causes serious concern, although certain positive changes have occurred since June, when a state of siege was lifted, leaving in effect less severe restrictions on constitutional protections under a state of emergency. The differences are particularly noteworthy in areas of freedom of expression and judicial review of government actions.

Removal of the state of siege limited somewhat the government's powers to enforce prior censorship and has brought significant improvements in the area of freedom of the press. Although the government is still empowered with broad authority to suspend constitutional guarantees under the state of emergency, since June that authority generally has been exercised with restraint. In fact, there is now a relatively open debate in the Chilean media over the National Accord. The President of the opposition Democratic Alliance, Gabriel Valdes, in September expressed his views on the accord in a speech broadcast over a national radio network. Two weeks ago Valdes addressed a protest rally in Santiago which attracted tens of thousands of Chileans demonstrating peacefully in support of democracy in the largest outdoor meeting held in Chile since 1973. It is

noteworthy that the government permitted the purchase of radio and television time to advertise the gathering. However, the government later denied the Democratic Alliance permission to hold a similar demonstration in the southern Chilean city of Puerto Montt. Moreover, restrictions on the media, especially television, continue to hamper fully open dialogue, as does the threat of prosecution should the government find certain published views or political activity objectionable.

Lifting the state of siege also restored judicial review of certain executive actions under the transitory provisions of the 1980 constitution. Furthermore, in recent months Chilean courts have demonstrated some independence and diligence by investigating several important cases of human rights violations potentially involving members of the security forces. As a result of a court investigation into a number of kidnappings and the murder in March of three members of the Chilean Communist Party, a judge ordered the detention of seven *carabineros*, including two colonels. This prosecution provoked a sweeping shakeup in this police organization and the resignation of the *carabinero* commander, also a junta member. Such investigations suggest that over time Chile's judicial system could bring about significant improvements in the human rights situation provided the courts are permitted to operate independently and exercise full authority.

Another positive change was the announcement by Chilean Foreign Minister Jaime del Valle that the Chilean Government intends this year to cooperate fully with United Nations Special Rapporteur for Human Rights in Chile Fernando Volio, the former Costa Rican Foreign Minister. For the first time since the UN established the office of the special rapporteur for Chile in 1979, the Chilean Government has agreed to permit the rapporteur to visit Chile. Government authorities have provided assurances that Volio will be free to conduct this visit as he wishes. In addition, they have indicated that the Chilean Government is prepared to adopt the recommendations contained in Volio's preliminary report. We hope that the government adopts all the recommendations of the special rapporteur and sees to their prompt and full implementation.

Implementation of these recommendations could produce a positive impact on other elements in the human rights situation that cause serious concern. Although judicial review of government actions is greater now than before June, the government retains the ability to act in certain matters without judicial review, and has continued a policy of sending some of its critics and opponents into internal exile by administrative decree. While we welcomed the decision in September of the Chilean Government to allow 500 more Chilean exiles to return, we hope the government will work to resolve the situations of the several thousand Chileans who are still barred from returning. The media has been allowed greater freedom of action but political freedoms and civil liberties are severely limited under the states of exception that remain in force. The government has promulgated one of the political transition laws provided for by the 1980 constitution, regarding an electoral tribunal, but no progress has occurred toward legalizing political parties, passing an electoral law or reestablishment of electoral registers.

Extremist Violence Continues

Violence from many sources continues to plague Chile. Antigovernment terrorism continued even under the state of siege. Court cases such as that affecting the *carabineros* represent an advance but are also evidence of the persistence of abuses by security forces. The frequency of terrorism and other violent acts has made progress on all human rights issues much more difficult.

Incidents of violence have occurred in conjunction with antigovernment protests, in which circumstances are often unclear and responsibility for specific acts difficult to determine. Hundreds of people have been detained, although in most cases only briefly, in connection with political protests this fall. Protests at the beginning of September this year left 10 dead. Five people were killed in November demonstrations called for in part to protest the detention of six labor and neighborhood organization leaders charged with responsibility for the September protests.

Reliable reports of torture and mistreatment of those detained by the authorities continue to be received by human rights organizations. Since June there has been an increase in charges by human rights groups and government opponents of temporary kidnappings, beatings, and torture by unidentified persons. Churches have been bombed or attacked with gunfire, priests and lay workers physically threatened or attacked. Responsibility for these attacks and threats is difficult to place, but some appear to be the work of a rightwing terrorist group called Chilean Anti-Communist Action. Human rights groups charge that Chilean intelligence or security forces are involved. Identification and swift prosecution of those responsible is the most effective answer to such allegations.

During the same period, the Communist Party-linked Manuel Rodriguez Patriotic Front (FPMR) has continued its program of violence, including a car bombing against the consular section of the U.S. Embassy in July, which killed a bystander. The FPMR and other terrorist organizations have carried out and taken credit for hundreds of violent acts over the past year, mainly bombings, which have resulted in the deaths of civilians as well as members of the security forces. Five civilians, a Navy officer, a uniformed policeman, and a plainclothes detective were killed in recent terrorist attacks.

Regardless of source or political orientation, extremist violence can only deepen the divisions within the country and impede an orderly transition process.

IFI Loans to Chile

We take human rights considerations into account in determining how the U.S. votes on loans by international financial institutions (IFIs) to a given country. Our standard practice is to consider each proposed IFI bank loan for Chile or any other country on a case-by-case basis. We then determine the U.S. position on the basis of all relevant factors, including economic, human rights, and statutory criteria. Interagency review mechanisms exist to ensure that both human rights and economic policy considerations are carefully factored in during the decisionmaking process. An interagency working group on human rights and foreign assistance, cochaired by the Human Rights and Humanitarian Affairs Bureau and the Economic and Business Affairs Bureau at the State Department, meets regularly to review all upcoming loans in the IFIs. To consider financial and economic policy factors, the Treasury Department chairs a comparable interagency working group on multilateral assistance.

During the Reagan Administration the United States has generally, but not always, voted in favor of IFI loans to Chile. For example, in December 1983 the U.S. executive director in the Inter-American Development Bank (IDB) op-

posed a loan for mining investment in Chile on the basis that the mining firms could have borne the debt service costs instead of receiving an equity infusion from the government. Last winter and spring we abstained on three loans to Chile following a careful review of all relevant considerations, including the restrictions in effect at that time under the state of siege.

On June 18, after the Chilean Government had lifted the state of siege restrictions, the U.S. executive director at the World Bank voted in favor of a $55 million investment loan for a methanol project in which the U.S. firm Signal Corporation is participating. Since then, again following the careful interagency review I have described, the U.S. executive directors in the IDB and the World Bank have voted in favor of other loans to Chile including a $250 million World Bank structural adjustment loan key to Chile's economic recovery efforts. We will decide future votes also on a case-by-case basis, using the aforementioned review mechanisms and criteria.

Chile's Precarious Economic Situation

IFI loans are important to Chile, where the economic situation remains precarious. Since 1970 Chile has suffered the worst decline in its terms of trade of any country in Latin America. With the worldwide drop in commodity prices, Chile's export earnings have fallen dramatically. In 1984 Chile's export earnings were over $1 billion below where they had been in 1980.

The economy's overwhelming dependence on copper, compounded by one of the region's highest per capita levels of external debt, has not allowed Chile to benefit as much as might be expected from its generally good performance in applying responsible stabilization policies, an area in which Chile has one of the best records in the hemisphere. In 1982 and 1983 the Chilean economy declined by a cumulative 15%. Despite expansion of 6% in 1983, unemployment remains high, at about 14%, with another 9% of the workforce dependent for survival on low-wage government make-work programs.

A $2 billion financial adjustment program negotiated this summer with commercial banks, the IMF [International Monetary Fund] and the World Bank, in conjunction with a restructuring of foreign debt with private banks and some official creditors, may produce a modest growth that could ease some of the pain of necessary economic adjustment. Presently foreign banks are providing final commitments for $785 million in new commercial bank credits in 1985–86, which complement a separate $300 million commercial bank loan partially guaranteed by the World Bank. An IMF agreement which took effect in August provides 750 million special drawing rights, and helps to assure foreign lenders that Chile will continue to follow rational macroeconomic policies to allow orderly servicing of a foreign debt of nearly $19 billion.

The World Bank structural adjustment loan provides another means of monitoring Chilean economic performance over the next few years, further improving the prospects for continued sound economic policy and greater economic improvement. The Chilean Government's free-market oriented policies have helped eliminate some of the traditional rigidities in the Chilean economy and have helped to establish a base for effective implementation of this loan.

In light of the precarious economic situation in Chile and the additional suffering that another downturn would impose on the Chilean people, we believe it is important to continue to support Chilean economic policies that seek continued adjustment in conjunction with growth of the private sector and responsible debt management.

Bringing about changes for the better in Chile's human rights performance is central to our policy toward Chile. Under present circumstances, denying the people of Chile international financial resources would deepen the country's problems, exacerbate social and political tensions, and weaken the process of reconciliation being actively promoted by the Catholic Church and other responsible sectors of Chilean society. We believe that it is important for those favoring Chile's return to democracy to encourage this fragile process of national reconciliation to take root. That will require moderation and flexibility on the part of those concerned, including Chile's friends abroad. Our actions are most helpful to the degree that we support the flexible resolution of the deep-seated differences in Chile, without reinforcing the positions of those who argue that differences are irreconciliable, or without in turn contributing to creation of new divisions.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

January 1986

The following are some of the significant official U.S. foreign policy actions and statements during the month that are not reported elsewhere in this periodical.

January 2–4
A team of U.S. technical experts from the Joint Casualty Resolution Center and the Central Identification Laboratory visits Laos for a preliminary survey of the site where a U.S. Air Force AC–130 crashed during the war in Indochina. Based on results of the survey, the U.S. will present a proposal for a joint excavation of the site to recover the remains of the crewmembers missing from the crash.

January 3–14
Assistant Secretary Crocker visits Egypt (Jan. 3–5) for consultations with Egyptian officials on a broad range of African issues, including the Horn of Africa as well as southern Africa. On January 6, he visits the Sudan as part of continuing exchanges on security and other bilateral issues.

On January 8–9, Assistant Secretary Crocker heads a U.S. delegation meeting in Luanda, Angola, to continue negotiations on southern Africa and the implementation of SC Resolution 435 regarding the independence of Namibia.

On January 12–14, he meets with South African officials in Johannesburg and Capetown to discuss regional issues.

January 6
U.S. and Vietnamese delegations meet in Hanoi to discuss POW/MIA issues. Assistant Secretary of Defense Armitage heads the U.S. delegation, which includes Assistant Secretary Wolfowitz.

January 10
Secretary Shultz meets with Japanese Foreign Minister Abe for discussions on bilateral issues, particularly trade matters.

January 15–24
Deputy Secretary Whitehead travels to Canada (Jan. 15), the U.K. (Jan. 16), Italy (Jan. 17), Turkey (Jan. 18), Greece (Jan. 19–20), the F.R.G. (Jan. 20–21), France (Jan. 22), Belgium (Jan. 23), and the Netherlands (Jan. 23–24) to explain to senior host government officials the threat posed by state-supported international terrorism and steps to take in response to that threat, including U.S. measures against Libya as announced by President Reagan on January 7.

January 19–23
Ambassador Shlaudeman visits Panama, Colombia, Venezuela, Costa Rica, and El Salvador to meet with Contadora group members for discussions regarding ways the U.S. can contribute to their renewed peace initiative put forward on January 12 in Carabelleda, Venezuela.

January 22
President Reagan meets with Japanese Finance Minister Takeshita to discuss U.S.-Japan economic and trade issues.

January 24
Deputy Assistant Secretary Wisner meets with Angolan Minister of Foreign Trade Ismael Gaspar Martins in support of U.S. efforts to achieve negotiated settlements to the region's conflicts.

January 25
U.S.-Japan negotiators sign an "agreed minute" affirming the succession of United Airlines to Pan American's full rights under an aviation agreement, to become effective on February 11, 1986. ■

Current Actions

MULTILATERAL

Agriculture
International plant protection convention. Done at Rome Dec. 6, 1951. Entered into force Apr. 3, 1952; for the U.S. Aug. 18, 1972. TIAS 7465.
Adherence deposited: Algeria, Oct. 1, 1985.

Aviation, Civil
Convention on the international recognition of rights in aircraft. Done at Geneva June 19, 1948. Entered into force Sept. 17, 1953. TIAS 2847.
Accessions deposited: Grenada, Aug. 28, 1985; Uruguay, Aug. 21, 1985.
Ratification deposited: Portugal, Dec. 12, 1985.

Convention on offenses and certain other acts committed on board aircraft. Done at Tokyo Sept. 14, 1963. Entered into force Dec. 4, 1969. TIAS 6768.
Accession deposited: Antigua and Barbuda, July 19, 1985.

Commodities—Common Fund
Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva, June 27, 1980.[1]
Ratifications deposited: Djibouti, Nov. 25, 1985; Yemen (Sanaa), Jan. 14, 1986.

Consular Relations
Vienna convention on consular relations. Entered into force Mar. 19, 1967; for the U.S. Dec. 24, 1969. TIAS 6820.

Optional protocol to the Vienna convention on consular relations concerning the compulsory settlement of disputes. Entered into force Mar. 19, 1967; for the U.S. Dec. 24, 1969. TIAS 6820.
Accessions deposited: Netherlands, Dec. 17, 1985.

Customs
Customs convention on the international transport of goods under cover of TIR carnets, with annexes. Done at Geneva Nov. 14, 1975. Entered into force Mar. 20, 1978; for the U.S. Mar. 18, 1982.
Accession deposited: Jordan, Dec. 24, 1985.

Investment Disputes
Convention on the settlement of investment disputes between states and nationals of other states. Done at Washington Mar. 18, 1965. Entered into force Oct. 14, 1966. TIAS 6090.
Signature and ratification deposited: Ecuador, Jan. 15, 1986.

Jute
International agreement on jute and jute products, 1982, with annexes. Done at Geneva Oct. 1, 1982. Entered into force provisionally Jan. 9, 1984.
Notification of provisional application: Poland, Nov. 20, 1985.

Maritime Matters
International convention on maritime search and rescue, 1979, with annex. Done at Hamburg Apr. 27, 1979. Entered into force June 22, 1985.
Accession deposited: Pakistan, Nov. 11, 1985.
Ratification deposited: Turkey, Nov. 21, 1985.

Narcotic Drugs
Protocol amending the single convention on narcotic drugs, 1961. Done at Geneva Mar. 25, 1972. Entered into force Aug. 8, 1975. TIAS 8118.
Ratification deposited: Venezuela, Dec. 4, 1985.

Nuclear Material—Physical Protection
Convention on the physical protection of nuclear material, with annexes. Done at Vienna Oct. 26, 1979.[1]
Ratification deposited: Brazil, Oct. 17, 1985.

Nuclear Weapons—Nonproliferation
Treaty on the nonproliferation of nuclear weapons. Done at Washington, London, and Moscow July 1, 1968. Entered into force Mar. 5, 1970. TIAS 6839.
Accession deposited: Democratic People's Republic of Korea, Dec. 12, 1985.

Patents—Microorganisms
Budapest treaty on the international recognition of the deposit of microorganisms for the purposes of patent procedure, with regulations. Done at Budapest Apr. 28, 1977. Entered into force Aug. 19, 1980. TIAS 9768.
Ratification deposited: Norway, Oct. 1, 1985.

Postal
General regulations of the Universal Postal Union, with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Done at Rio de Janeiro Oct. 26, 1979. Entered into force July 1, 1981; except for Article 124 of the general regulations which became effective Jan. 1, 1981. TIAS 9972.
Ratifications deposited: New Zealand, Oct. 4, 1985; Saudi Arabia, Aug. 14, 1985.

Prisoner Transfer
Convention on the transfer of sentenced persons. Done at Strasbourg Mar. 21, 1983. Entered into force July 1, 1985.
Ratifications deposited: Canada, May 13, 1985; U.K., Apr. 30, 1985.[2]

Space
Treaty on principles governing the activities of states in the exploration and use of outer space, including the moon and other celestial bodies. Done at Washington, London, and Moscow Jan. 27, 1967. Entered into force Oct. 10, 1967. TIAS 6437.
Accession deposited: Bangladesh, Jan. 17, 1986.

Sugar
International sugar agreement, 1984, with annexes. Done at Geneva July 5, 1984. Entered into force provisionally Jan. 1, 1985; definitively Apr. 4, 1985.[3]
Accession deposited: New Zealand, Dec. 30, 1985.

Telecommunications
International telecommunication convention, with annexes and protocols. Done at Nairobi Nov. 6, 1982. Entered into force Jan. 1, 1984; definitively for the U.S. Jan. 7, 1986.
Senate advice and consent to ratification: Dec. 16, 1985.
Ratification signed by the President: Dec. 26, 1985.
Ratification deposited: Jan. 10, 1986.
Accessions deposited: Albania, Nov. 2, 1984; Bahrain, Jan. 13, 1984; Bolivia, Jan. 30, 1984; Brunei, Nov. 19, 1984; Chad, Dec. 12, 1984; Haiti, Sept. 27, 1984; Honduras, Sept. 11, 1985; Democratic People's Republic of Korea, Jan. 9, 1984; Laos, Aug. 8, 1984; Malta, Apr. 11, 1984; Mauritius, July 24, 1985; Namibia, Jan. 25, 1984; Sao Tome and Principe, Feb. 6, 1984; Sierra Leone, Sept. 2, 1985; South Africa, Nov. 14, 1984; Trinidad and Tobago, Oct. 1, 1984.
Ratifications deposited: Afghanistan, Oct. 26, 1984; Australia, Jan. 12, 1984; Canada, Oct. 11, 1983; China, Aug. 19, 1985; Colombia, Sept. 19, 1985; Czechoslovakia, Mar. 5, 1985; Denmark, Mar. 14, 1985; Egypt, Sept. 16, 1985; El Salvador, Mar. 28, 1985; Ethiopia,

July 3, 1984; France, Oct. 1, 1984; German Democratic Republic, Oct. 12, 1984; Greece, May 15, 1985; Israel, July 19, 1984; Japan, July 12, 1984; Jordan, Mar. 14, 1984; Liechtenstein, Apr. 1, 1985; Luxembourg, Nov. 1, 1984; Malawi, Maldives, Apr. 1, 1985; Mexico, Mar. 15, 1984; Netherlands, Aug. 31, 1984; Niger, Feb. 6, 1984; Papua New Guinea, Jan. 25, 1984; Qatar, May 2, 1985; Senegal, Nov. 13, 1984; Somalia, June 25, 1984; Suriname, Jan. 7, 1985; Swaziland, May 23, 1985; Sweden, Oct. 3, 1985; Switzerland, Apr. 1, 1985; U.K., Nov. 15, 1984; Uruguay, Sept. 24, 1984.
Supersedes the Malaga-Torremolinos convention of Oct. 25, 1973 (TIAS 8572).

Radio regulations, with appendices and final protocol. Done at Geneva Dec. 6, 1979. Entered into force Jan. 1, 1982; definitively for the U.S. Oct. 17, 1983.
Ratification deposited: Colombia, Sept. 19, 1985.

Terrorism
International convention against the taking of hostages. Done at New York Dec. 17, 1979. Entered into force June 3, 1983; for the U.S. Jan. 6, 1985.
Ratification deposited: Canada, Dec. 4, 1985.

Timber
International tropical timber agreement, 1983, with annexes. Done at Geneva Nov. 18, 1983. Entered into force provisionally Apr. 1, 1985; for the U.S. Apr. 26, 1985.
Accession deposited: Papua New Guinea, Nov. 27, 1985.
Ratification deposited: Cameroon, Nov. 19, 1985.

UNIDO
Constitution of the UN Industrial Development Organization, with annexes. Done at Vienna Apr. 8, 1979. Entered into force June 21, 1985.
Accessions deposited: Qatar, Dec. 9, 1985; Saint Christopher-Nevis, Dec. 11, 1985.

Women
Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.[4]
Accessions deposited: Ireland, Dec. 23, 1985; Turkey, Dec. 20, 1985.
Ratification deposited: Ghana, Jan. 2, 1986.

BILATERAL

Australia
Agreement amending and extending the agreement of Oct. 16, 1968 (TIAS 6589), as extended, relating to scientific and technical cooperation. Effected by exchange of notes at Washington Oct. 15, 1985 and Jan. 13, 1986. Entered into force Jan. 13, 1986; effective Oct. 16, 1985.

Bolivia
Agreement supplementing the agreement of Sept. 23, 1955, as supplemented (TIAS 3408, 5548), relating to investment guarantees under Section 413(b)(4) of the Mutual Security Act of 1954, as amended. Effected by exchange of notes at La Paz Dec. 19, 1985. Entered into force Dec. 19, 1985.

Brazil
Agreement concerning trade in certain steel products, with arrangement and related letter. Effected by exchange of letters at Washington Feb. 26, 1985. Entered into force Feb. 26, 1985; effective Oct. 1, 1984.

Canada
Agreement amending the agreement of Mar. 2 and 16, 1984, for cooperation in severe (nuclear) accident research. Signed at Ottawa and Washington Aug. 29 and Nov. 27, 1985. Entered into force Nov. 7, 1985.

China
Agreement relating to reciprocal facilitation of visa issuance. Effected by exchange of notes at Beijing Dec. 2, 1985. Entered into force Jan. 2, 1986.

Colombia
Agreement amending the agreement of July 1 and Aug. 11, 1982, as amended (TIAS 10543) relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Washington Dec. 10, 1985. Entered into force Dec. 10, 1985.

Memorandum of agreement on the exchange of service personnel between the U.S. Navy and Colombian Navy. Signed at Bogota and Washington Mar. 8 and Apr. 30, 1985. Entered into force Apr. 30, 1985.

Costa Rica
Agreement for the sales of agricultural commodities. Signed at San Jose Nov. 29, 1985.
Entered into force: Jan. 2, 1986.

Finland
Protocol extending the memorandum of understanding of Nov. 6, 1980 (TIAS 9932), for cooperation in energy research and development. Signed at Helsinki Jan. 3, 1986. Entered into force Jan. 3, 1986; effective Nov. 6, 1985.

France
Amendment modifying the agreement of July 27, 1961 (TIAS 4867) for cooperation in the operation of atomic weapons systems for mutual defense purposes. Signed at Paris July 22, 1985.
Entered into force: Jan. 13, 1986.

Federal Republic of Germany
Agreement with respect to the transfer of certain works of art seized at the end of World War II, with annex. Effected by exchange of notes at Washington Jan. 28, 1986. Entered into force Jan. 28, 1986.

Greece
General security of military information agreement, with annex on industrial security procedures. Signed at Athens Jan. 7, 1986. Entered into force Jan. 7, 1986.

Agreement relating to financial arrangements for the furnishing of certain supplies and services to naval vessels. Effected by exchange of notes at Athens Jan. 18–19, 1957. Entered into force Apr. 19, 1957. TIAS 3750.
Terminated: May 18, 1984.

Guatemala
Agreement relating to trade in certain cotton textiles, with annexes. Effected by exchange of notes at Guatemala Aug. 23 and Oct. 25, 1985. Entered into force Oct. 25, 1985; effective Jan. 1, 1985.

Guinea
Agreement for the sale of agricultural commodities. Signed at Conakry Jan. 3, 1986. Entered into force Jan. 3, 1986.

Italy
Memorandum of understanding concerning energy research and development cooperation, with table and annex. Signed at Rome Dec. 5, 1985. Entered into force Dec. 5, 1985.

Treaty on mutual assistance in criminal matters, with memorandum of understanding. Signed at Rome Nov. 9, 1982.
Ratifications exchanged: Nov. 13, 1985.
Entered into force: Nov. 13, 1985.[5]

Japan
Technical exchange arrangement in the field of nuclear regulatory matters and nuclear safety research. Signed at Tokyo and Washington Dec. 28 and 31, 1985. Entered into force Dec. 31, 1985.

Agreement extending the joint determination of Oct. 30, 1981, as extended (TIAS 10294), for reprocessing of special nuclear material of U.S. origin. Effected by exchange of notes at Tokyo Dec. 20, 1985. Entered into force Dec. 20, 1985.

Korea
Agreement relating to eligibility for U.S. military assistance and training pursuant to the International Security Assistance and Arms Export Control Act of 1976. Effected by exchange of notes at Seoul Feb. 14 and 25, 1977. Entered into force Feb. 25, 1977.

Malaysia
Agreement amending agreement of July 1 and 11, 1985, as amended, relating to trade in

cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of note at Kuala Lumpur Dec. 12 and 19, 1985; entered into force Dec. 19, 1985.

Mexico
Agreement amending and extending agreement of Feb. 26, 1979, as amended and extended (TIAS 9419, 10324), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Washington Dec. 30–31, 1985. Entered into force Dec. 31, 1985.

Agreement amending the agreement of Mar. 29, 1983, (TIAS 10675) relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Nov. 25 and 29, 1985. Entered into force Nov. 29, 1985.

Agreement amending the agreement of June 2, 1977, (TIAS 8952) relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Nov. 29 and Dec. 2, 1985. Entered into force Dec. 2, 1985.

Mozambique
Agreement concerning the provision of training related to defense articles under the U.S. International Military Education and Training (IMET) program. Effected by exchange of notes at Maputo Nov. 7, 1984, and Apr. 12, 1985. Entered into force Apr. 12, 1985.

OECD
Cooperative arrangement with the Nuclear Energy Agency of OECD in the field of nuclear data and computer programs. Signed at Paris Dec. 16, 1985. Entered into force Dec. 16, 1985.

Poland
Agreement concerning fisheries off the coasts of the U.S., with annexes and agreed minutes. Signed at Washington Aug. 1, 1985. Entered into force: Jan. 1, 1986.

Portugal
Technical agreement in implementation of the defense agreement of Sept. 6, 1951, as amended (TIAS 3087, 3950, 7254, 10050), with annexes and related notes. Signed at Lisbon May 18, 1984.
Entered into force: Dec. 23, 1985.

Agreement concerning trade in certain steel products, with arrangement. Effected by exchange of letters at Washington Nov. 29, 1985. Entered into force Nov. 29, 1985; effective Oct. 1, 1984.

Senegal
Agreement extending the agreement of Jan. 30 and Feb. 5, 1981, as amended and extended (TIAS 10088, 10325), regarding the establishment and operation of a space vehicle tracking and communication facility in connection with the space shuttle. Effected by exchange of notes at Dakar Sept. 26 and Dec. 27, 1985. Entered into force Dec. 27, 1985.

Seychelles
Agreement amending the agreement of June 29, 1976, as amended (TIAS 8385, 10173), relating to the establishment, operation and maintenance of a tracking and telemetry facility on the island of Mahe. Effected by exchange of notes at Victoria Nov. 5, 1985. Entered into force Nov. 21, 1985.

Singapore
Agreement amending the agreement of Aug. 21, 1981, as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Washington Nov. 26 and Dec. 13, 1985. Entered into force Dec. 13, 1985.

Agreement extending agreement of Aug. 21, 1981, as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Singapore Dec. 17 and 23, 1985. Entered into force Dec. 23, 1985.

South Africa
Agreement concerning exports to the U.S. of certain textiles and textile products. Effected by exchange of notes at Washington Nov. 21–22, 1985. Entered into force Nov. 22, 1985; effective Sept. 1, 1985.

Tunisia
Memorandum of understanding for cooperation in the field of military medicine. Signed at Tunis Aug. 14, 1985. Entered into force Aug. 14, 1985.

United Kingdom
Memorandum of understanding concerning the exchange of medical cadets between the Royal Navy and the Uniformed Services University of the Health Sciences. Signed at Washington and London Mar. 25 and Oct. 7, 1985. Entered into force Oct. 7, 1985.

Memorandum of understanding relating to the principles governing cooperation in research and development, production, procurement, and logistic support of defense equipment, with annexes. Signed at London and Washington Dec. 18 and 30, 1985. Entered into force Dec. 30, 1985.

Agreement in the field of decommissioning nuclear facilities, with appendix. Signed at Washington Mar. 1 1985. Entered into force Mar. 1, 1985.

UN (Vienna)
Agreement to permit the exchange of third-party messages between amateur stations of the U.S. and amateur station 4UiVIC of the Vienna International Amateur Radio Club. Effected by exchange of letters at Vienna Nov. 21 and Dec. 3, 1985. Entered into force Jan. 2, 1986.

Uruguay
Agreement amending the agreement of Dec. 30, 1983, and Jan. 23, 1984, concerning exports of certain textile products. Effected by exchange of notes at Washington Nov. 21 and Dec. 13, 1985. Entered into force Dec. 13, 1985.

Venezuela
Agreement amending the agreement of Apr. 10, 1980, (TIAS 10652) on agricultural cooperation. Effected by exchange of notes at Caracas June 25, Nov. 8, and Dec. 11, 1985. Entered into force Dec. 11, 1985.

Agreement governing cooperation in mapping, charting, and geodesy. Signed at Washigton and Caracas June 18 and Nov. 26, 1985. Entered into force Nov. 26, 1985.

Zaire
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Kinshasa Dec. 3, 1985. Entered into force Jan. 9, 1986.

---

[1]Not in force.
[2]With reservations and declarations.
[3]In force provisionally for the U.S.
[4]Not in force for the U.S.
[5]Except for the application of Art. 18, para. 2. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*1	1/8	John Edwin Upston sworn in as Ambassador to Rwanda (biographic data).
*2	1/6	Four vice chairmen appointed to U.S. delegation to the MF Broadcasting Regional Administrative Radio Conference (biographic data).
*3	1/9	Program for the state visit to the United States of Ecuadoran President Leon Febres-Cordero Ribadeneyra, Jan. 12–18.
4	1/9	Shultz: news conference.
5	1/13	Shultz: interview on "Face the Nation," Jan. 12.
6	1/14	Shultz: address before the PEN International Conference, New York City, Jan. 12.
*7	1/15	Shultz: interview on "Worldnet."
8	1/15	Shultz: address before the Low-Intensity Warfare Conference, National Defense University, Ft. McNair.
*9	1/15	Travel advisories (definitions).
*10	1/14	President signs Compact of Free Association [for the Marshall Islands and the Federated States of Micronesia] legislation.
*11	1/16	Shultz: interview on ABC–TV evening news.
*12	1/16	Shultz: interview on CBS–TV morning news.
13	1/16	U.S.-Japan salmon talks and groundfish allocations.
14	1/17	Shultz: interview on "MacNeil-Lehrer News Hour," Jan. 16.
*15	1/22	U.S. ratifies International Telecommunication Convention.
*16	1/25	U.S. and Japan reach agreement on United Airlines.
*17	1/29	Richard H. Solomon appointed Director of the Policy Planning Staff.
18	1/31	Documents on Germany released.

*Not printed in the BULLETIN. ■

USUN

Press releases may be obtained from the Public Affairs Office, U.S. Mission to the United Nations, 799 United Nations Plaza, New York, N.Y. 10017.

No.	Date	Subject
*79	7/1	Borek: remote sensing principles, Committee on the Peaceful Uses of Outer Space, June 28.
*80	7/10	Sorzano: economics, ECOSOC, Geneva, July 8.
*81	7/10	Merry: zone of peace for the Indian Ocean, Ad Hoc Committee on the Indian Ocean, July 9.
82	7/17	Reagan: UN Decade for Women conference, Nairobi, July 16.
*83	7/22	Goodman: transnational corporations, ECOSOC, Geneva, July 16.
*84	7/25	Goodman: economic situation in Africa, ECOSOC, Geneva, July 24.
85	7/25	Walters: South Africa, Security Council.
86	7/26	Clark: South Africa, Security Council.
*87	7/30	Goodman: transnational corporations, ECOSOC, Geneva, July 26.
*88	8/12	Bader: report on petitions, information, and assistance, Decolonization Subcommittee, Aug. 9.
*89	8/14	Reagan: UN Decade for Women conference, Nairobi, July 27.
*90	8/30	Grooms: world information and communications order, Committee on Information, Aug. 29.
*91	9/5	Feldman: UN political agenda, Department of Public Information Conference for Nongovernmental Organizations.
*92	9/11	Dewey: donors' meeting on humanitarian assistance to Kampuchean people.
*93	9/13	Walters: occupied Arab territories, Security Council.
*94	9/16	Immerman: global negotiations, General Assembly.
95	10/17	U.S. delegation to the 40th session of the UN General Assembly.
*96	9/20	Okun: southern Africa, Security Council.
*97	9/20	Walters: southern Africa, Security Council.
98	9/23	Shultz: address to the UN General Assembly.
*99	9/24	Walters: Nicaragua, General Assembly, Sept. 23.
*100	9/25	Reed: host-country responsibilities, Host Country Committee.
101	9/26	Shultz: 40th anniversary commemorative meeting of the Security Council.
*102	10/4	Mica: budget and finance, Committee V.
*103	10/3	Walters: terrorism, Security Council.
*104	10/7	Lodge: effects of atomic radiation, Special Political Committee.
*105	10/4	Walters: Middle East, Security Council.
*106	10/4	Walters: Middle East, Security Council.
*107	10/7	Walters: southern Africa, Security Council.
*108	10/7	Walters: southern Africa, Security Council.
*109	10/10	Lodge: peacekeeping operations, Special Political Committee.
*110	10/10	Solomon: assessments, Committee V.
*111	10/10	Walters: terrorism, Security Council.
*112	10/11	Lodge: peacekeeping operations, Special Political Committee, Oct. 10.
*113	10/11	Byrne: racial discrimination, Committee III.
*114	10/15	Shearouse: conferences, Committee V.
*115	10/15	Herzberg: refugees, Special Political Committee.
*116	10/15	Solomon: self-determination, Committee III.
*117	10/16	Reed: world economy, Committee II.
*118	10/17	Solomon: self-determination, Committee III, Oct. 15.
*119	10/18	Bader: self-determination, Committee IV, Oct. 16.
*120	10/17	Walters: UNIFIL, Security Council.
*121	10/18	Mica: budget, Committee V.
*122	10/21	Reagan: First Ladies' Conference on Drug Abuse.
*123	10/21	U.S. presents gift of a mosaic representation of Norman Rockwell painting "The Golden Rule" to the UN.
*124	10/22	Byrne: social issues, Committee III.

PRESS RELEASES

125	10/24	Reagan: address before the UN General Assembly.
*126	10/25	Okun: general debate, General Assembly.
*127	10/25	Fleming: development and international cooperation, Committee II.
*128	10/25	Initiatives in child survival and universal immunization.
*129	10/25	Immerman: UN and Arab League cooperation, General Assembly.
*130	10/29	Feldman: multinational companies in non-self-governing territories, Committee IV.
*131	10/30	Rosenstock: terrorism, Committee VI.
*132	10/30	Walters: apartheid, General Assembly.
*133	10/31	Davis: apartheid, General Assembly.
*134	10/30	Walters: statement on death of Ambassador John Davis Lodge.
*135	11/1	Okun: IAEA and Israel, General Assembly.
136	11/5	Walters: Kampuchea, General Assembly.
*137	11/6	Feldman: non-self-governing territories, Committee IV.
138	11/5	Reagan: UN Decade for Women conference, Committee III.
139	11/7	Lowitz: chemical weapons, Committee I.
*140	11/7	Reed: trade and development, Committee II.
141	11/7	Reed: economic situation in Africa, General Assembly.
*142	11/8	Risner: IAEA report, General Assembly.
*143	11/8	Rogers: human rights, Committee III.
*144	11/8	Immerman: Israeli practices in the occupied territories, Special Political Committee.
*145	11/10	Walters: Israel, General Assembly.
*146	11/11	Risner: arms control compliance, Committee I.
*147	11/11	Solomon: UNHCR report, Committee III.
*148	11/11	Immerman: UNRWA, General Assembly.
149	11/12	Walters: Afghanistan, General Assembly.
*150	11/12	Feldman: western Sahara, Committee IV.
*151	11/13	Emery: arms control. Committee I, Nov. 12.
*152	11/13	Okun: UNRWA, Special Political Committee.
*153	11/14	Thomas: narcotics, Committee III.
*154	11/14	Reed: development activities, pledging conference.
*155	11/14	Grooms: broadcasting, Special Political Committee.
*156	11/14	Anselem: refugees, Committee III.
*157	11/15	Grooms: information questions, Special Political Committee.
*158	11/15	Byrne: refugees, Ad Hoc Committee on Contributions to the UNHCR.
*159	11/15	Cohen: International Youth Year, IYY Conference.
*160	11/14	Lowitz: U.S.-Soviet relations, Committee I.
*161	11/15	Rizik: assistance to Palestinian refugees, Special Political Committee.
*162	11/15	Okun: Namibia, Security Council.
*163	11/19	Reed: operational activities for development, Committee II.
*164	11/19	Viglienzone: point of procedure, Special Political Committee.
*165	11/21	Rosenstock: maintenance of peace and security, Committee VI.
*166	11/22	Lowell: outer space, Special Political Committee.
*167	11/22	Solomon: UN pension system, Committee V.
168	11/22	Walters: Central America, General Assembly.
*169	11/22	Byrne: elimination of religious intolerance, Committee III.
*170	11/25	Byrne: assistance to Kampuchean people, donors' meeting.
*171	11/25	Rogers: human rights, Committee III.
*172	11/26	Kramer: joint inspection unit, Committee V.
*173	11/27	Okun: Antarctica, Committee I.
*174	11/29	Reed: Libyan delegation, Host Country Committee.
*175	12/2	Okun: decolonization, General Assembly.
*176	12/3	Ferrer: trade embargo against Nicaragua, Committee II.
*177	12/4	Walters: human rights, Committee III.
*178	12/5	Reed: personnel questions, Committee V.
*179	12/6	Loving: international security, Committee I, Dec. 5.
*180	12/5	Rosenstock: host country matters, Committee VI.
*181	12/6	Loving: international security, Committee I.
*182	12/9	Ferrer: trade and development, Committee II, Dec. 5.
*183	12/6	Immerman: canal linking Mediterranean to the Dead Sea, Special Political Committee.
*184	12/6	Viglienzone: outer space, Special Political Committee.
*185	12/6	Okun: Angola, Security Council.
*186	12/6	Byrne: information, Special Political Committee.
*187	12/6	Byrne: human rights in Chile, Committee III.
*188	12/6	Byrne: human rights in El Salvador, Committee III.
*189	12/6	Byrne: human rights in Guatemala, Committee III.
*190	12/9	Reed: proposed program budget for 1986–87, Committee V.
*191	12/9	Walters: remarks at luncheon for Secretary General.
*192	12/10	Risner: law of the sea, General Assembly.
*193	12/10	Walters: Nicaragua, Security Council.
*194	12/11	Byrne: apartheid, General Assembly.
*195	12/12	Okun: question of Palestine, General Assembly.
*196	12/12	Okun: Nicaragua, Security Council.
*197	12/13	Feldman: Namibia, General Assembly.
*198	12/13	Risner: narcotics, General Assembly.
*199	12/16	Okun: Middle East, General Assembly.
*200	12/17	Walters: trade embargo against Nicaragua.
*201	12/17	Reed: debt of developing countries, General Assembly.
*202	12/17	Ferrer: Nicaragua, General Assembly.
203	12/18	Walters: terrorism, Security Council.
*204	12/18	UN 40th General Assembly period review.
*205	12/18	Miller: scale of assessments, Committee V.
*206	12/18	Nygard: proposed program budget for 1986–87, Committee V, Dec. 17.

*Not printed in the BULLETIN. ■

Department of State

Free **single** copies of the following Department of State publications are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

Secretary Shultz

The Writer and Freedom, Poets, Playwrights, Essayists, and Novelists (PEN) International Conference, New York City, Jan. 12, 1986 (Current Policy #782).

Low-Intensity Warfare: The Challenge of Ambiguity, Low-Intensity Warfare Conference, National Defense University, Jan. 15, 1986 (Current Policy #783).

Africa

Southern Africa: U.S. Policy in Brief, Dec. 1985 (Public Information Series).

Arms Control

Geneva Arms Control Talks: Round IV, ACDA Director Adelman, National Press Club, Jan. 14, 1986 (Current Policy #784).

Soviet Noncompliance With Arms Control Agreements, Dec. 1985 (Special Report #136).

Conference on Disarmament in Europe (GIST, Jan. 1986).

East Asia

Resource Book: The Philippines' 1986 Election for President and Vice President, Jan. 1986 (Special Report #137).

U.S.-China Agricultural Relations (GIST, Jan. 1986).

U.S.-Japanese Relations (GIST, Jan. 1986).

Economics

Implementing the Baker Initiative, Ambassador Middendorf, Heritage Foundation, Jan. 10, 1986 (Current Policy #781).

Protecting Prosperity From Protectionism, Under Secretary Wallis, Economic Policy Council of the UNA, Jan. 17, 1986 (Current Policy #785).

North-South Dialogue (GIST, Jan. 1986).

General

Atlas of United States Foreign Relations (2d edition, Dec. 1985).

U.S. Foreign Policy: Opportunity and Risk, National Security Adviser McFarlane, World Affairs Council, Dec. 9, 1985 (Current Policy #779).

Middle East

Libyan Sanctions, President's opening statement at news conference, letter to the Congress and text of Executive order (Jan. 7, 1986), and Executive order (Jan. 8) (Current Policy #780).

Libya Under Qadhafi: A Pattern of Aggression, Jan. 1986 (Special Report #138). ■

Historical Record Publication Schedule

November 12, 1985

MEMORANDUM FOR
THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF COMMERCE
THE SECRETARY OF AGRICULTURE
THE DIRECTOR OF CENTRAL INTELLIGENCE
THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
THE ACTING ARCHIVIST OF THE UNITED STATES
THE PUBLIC PRINTER

SUBJECT: Timely Publication of the *Foreign Relations Series*

The documentary publication *Foreign Relations of the United States* has presented the official record of American diplomacy since the presidency of Abraham Lincoln. This orderly and timely publication of the official diplomatic record is extremely important. The accurate understanding of the history of American diplomacy is necessary not only for our own citizens but also for our allies and adversaries abroad. And, while the continued public disclosure of diplomatic negotiations and undertaking must be balanced carefully against the needs of national security and the expectation of confidentiality in the diplomatic process, the historic record when published should be as complete as possible. The documentary publication series, *Foreign Relations*, is the proper vehicle for systematic official disclosure of the major documentation regarding American foreign policy in its proper historical context.

I therefore direct that the authoritative foreign affairs record be gathered and appropriately published thirty years after the event in a manner fully consistent with other directives on the release and publication of official information. In particular I ask that the Secretary of State take necessary measures to ensure the publication by 1990 of the foreign affairs volumes through 1960. The published record should reflect the activities of those federal agencies with responsibilities for the conduct of relations with foreign governments and international organizations.

To assist in this important task, I ask that each of you direct your agencies and staffs to cooperate with the Department of State in the collection, declassification review, and publication of these volumes. You should assure all proper access to authoritative historical records to appropriately cleared official Department of State historians and that the declassificaton review for publication is accorded the necessary priority to achieve this 30-year publication timeframe.

I ask the Department of State to oversee the convening of periodic meetings of appropriate interagency representatives to review and improve cooperative procedures and plans to meet this 30-year publication timeframe. In addition, I direct that the Department of State make an annual status report on the progress made toward this goal.

RONALD REAGAN ■

Documents on Germany Released

On January 31, 1986, the Department of State released the publication *Documents on Germany, 1944–1985*. It is a revised edition of a standard reference work first published in 1959, and presents an authoritative record of major statements of U.S. policy toward Germany since World War II. The volume provides an overview of the development of the German question and the Berlin issue together with the issue of European security in the post World War II era, and the evolution of relations between the Federal Republic of Germany and the German Democratic Republic.

The record begins with wartime allied planning for the occupation of Germany and division of the defeated enemy state into zones of occupation. The documents then trace the breakdown of four-power cooperation which culminated in the Berlin blockade of 1948–1949. Inability of the Western democracies to reach accord with the Soviet Union on German occupation prompted the United States, the United Kingdom, and France to unify their three zones of occupation and turn increasing responsibility for their own economic and political affairs to democratically elected representatives of the German people in these zones. This process reached its culmination with the issuance of a constitution (Basic Law) and establishment of the Federal Republic of Germany in 1949. The Soviet Union responded by establishing and recognizing a German Democratic Republic in its zone of occupation.

Throughout the 1950s the great powers offered proposals for the reunification of Germany and the conclusion of a German peace treaty. The West insisted on free elections and on the right of a reunified Germany to decide its own international alignments. The East pressed for a neutral Germany and a European security conference. The Western allies continued to reduce their political controls over the Federal Republic of Germany and looked to a rearmed West Germany that could assume its essential role in the defense of Western Europe. Finally, on October 23, 1954, the Western allies formally ended the occupation regime, and simultaneously the Federal Republic signed the protocol for admission to the North Atlantic Treaty Organization. The Soviet bloc responded by creating the Warsaw Pact, which included East Germany among its member states.

In the last 1950s, the center of East-West tensions shifted to conflict over the status of Berlin. Although both East and West continued to offer proposals for the reunification of Germany, no progress was made in resolving the issue. The volume documents the series of crises over Berlin fomented by the Soviet Union between 1958 and 1963 in an effort to force the West to renounce its rights over that city and recognize the German Democratic Republic.

In the mid-1960s, the Federal Republic of Germany began actively to seek to improve its relations with the Soviet Union and its eastern neighbors: Poland, Czechoslovakia, and the German Democratic Republic. West Germany's *Ostpolitik* and parallel negotiations among the four powers led, on September 3, 1971, to the Quadripartite Agreement on Berlin, which effectively ended great power differences over the city and ushered in a new era of negotiations among the states of central Europe. These developments also laid the groundwork for the convening of a European security conference.

During the last 15 years the West German Government and its allies have engaged in a series of undertakings aimed at lessening tensions in central Europe and mitigating the consequences of the continued division of Germany. These include: the signing of the Quadripartite Agreement and the accompanying accords between the two Germanies; the conclusion of a basic treaty between East and West Germany in 1972; the admission of both states to the United Nations in 1973; the establishment of diplomatic relations between West Germany and a number of its former enemies in 1973–1974, and between the United States and the German Democratic Republic in 1974; and the origins of the Conference on Security and Cooperation in Europe in 1975. The documentation underlines the United States' continuing commitment to the security and independence of West Berlin and the close economic, political, and defense ties which exist between the United States and the Federal Republic of Germany. The volume concludes with statements by Presidents Reagan and von Weizsaecker marking the 40th anniversary of the end of World War II.

The revised edition of *Documents on Germany* was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. The volume contains 1,418 pages of documentation. Thirty-two new documents were added to the material presented in the 1971 volume. An additional 140 documents cover the story from 1971 through 1985. Four new maps have been added. Copies of this book, which has been published only in soft cover (Department of State Publication No. 9446; GPO Stock No. 044-000-02062-9), may be purchased for $24.00 from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Checks or money orders should be made payable to the Superintendent of Documents.

Press release 18 of January 31, 1986. ■

INDEX

March 1986
Volume 86, No. 2108

hanistan. Soviet Influence on Afghan outh (Trottier) 46
ns Control
E Negotiations Resume (Reagan) 30
neva Arms Control Talks: Round IV Adelman) 28
BFR Negotiations Resume (Department tatement) 31
uclear and Space Arms Talks Resume (Reagan) 27
oviet Arms Proposal (Reagan, White House statement) 27
N Adopts Resolution to Ban Chemical Weapons (Lowitz, text of resolution) 60
ambodia. Situation in Cambodia (Walters, text of resolution) 57
anada. U.S. Relations With Mexico and Canada (Reagan) 10
hile. U.S. Support for Transition to Democracy in Chile (Abrams) 69
Congress
IMO and Maritime Security (Kauzlarich) 61
Libya Sanctions (Reagan, letters to the Congress, Executive orders, White House statement) 36
Review of Developments in the Middle East (Murphy) 39
U.S. Support for Transition to Democracy in Chile (Abrams) 69
Developing Countries. International Family Planning (McPherson) 43
Economics
An End to Tyranny in Latin America (Abrams) 66
International Family Planning (McPherson) 43
Protecting Prosperity From Protectionism (Wallis) 33
U.S. Support for Transition to Democracy in Chile (Abrams) 69
Ecuador. Visit of Ecuador's President (Febres-Cordero, Reagan) 63
Europe
CDE Negotiations Resume (Reagan) 30
MBFR Negotiations Resume (Department statement) 31
News Conference of January 9 (Shultz) ... 23
Fisheries. U.S.-Japan Salmon Talks 42
Germany. Documents on Germany Released 78
Health. International Family Planning (McPherson) 43
Human Rights
U.S. Support for Transition to Democracy in Chile (Abrams) 69
The Writer and Freedom (Shultz) 18
Japan
U.S.-Japan Joint Report on Sectoral Discussions 32
U.S.-Japan Salmon Talks 42
Libya
Libyan Sanctions (Reagan, letters to the Congress, Executive orders, White House statement) 36
News Conference of January 7 (Reagan, excerpts) 12
News Conference of January 9 (Shultz) ... 23
Review of Developments in the Middle East (Murphy) 39
Secretary's Interview on "Face the Nation" 20
Maritime Affairs. IMO and Maritime Security (Kauzlarich) 61
Mexico
Background on Mexico 3
President's Visit to Mexico 1
U.S. Relations With Mexico and Canada (Reagan) 10
Middle East
News Conference of January 7 (Reagan, excerpts) 12
Review of Developments in the Middle East (Murphy) 39
Military Affairs. Low-Intensity Warfare: The Challenge of Ambiguity (Shultz) 15
Narcotics
An End to Tyranny in Latin America (Abrams) 66
President's Visit to Mexico 1
Nicaragua
Low-Intensity Warfare: The Challenge of Ambiguity (Shultz) 15
Secretary Meets With United Nicaraguan Opposition Leaders (Shultz) 65
Situation in Nicaragua (Walters) 54
Philippines. News Conference of January 9 (Shultz) 23
Population. International Family Planning (McPherson) 43
Presidential Documents
CDE Negotiations Resume 30
Historical Record Publication Schedule (memorandum from the President) 77
Libya Sanctions (Reagan, letters to the Congress, Executive orders, White House statement) 36
News Conference of January 7 (excerpts) . 12
Nuclear and Space Arms Talks Resume ... 27
President's Visit to Mexico 1
Soviet Arms Proposal (White House statement) 27
U.S. Relations With Mexico and Canada .. 10
U.S.-U.S.S.R. New Year's Messages (Gorbachev, Reagan) 10
Visit of Ecuador's President (Febres-Cordero, Reagan) 63
Publications
Department of State 77
Documents on Germany Released 78
Historical Record Publication Schedule (memorandum from the President) 77
Security Assistance. Low-Intensity Warfare: The Challenge of Ambiguity (Shultz) 15
South Africa. News Conference of January 9 (Shultz) 23
Syria
News Conference of January 9 (Shultz) ... 23
Secretary's Interview on "Face the Nation" 20
Terrorism
An End to Tyranny in Latin America (Abrams) 66
IMO and Maritime Security (Kauzlarich) .. 61
Libya Sanctions (Reagan, letters to the Congress, Executive orders, White House statement) 36
Low-Intensity Warfare: The Challenge of Ambiguity (Shultz) 15
News Conference of January 7 (Reagan, excerpts) 12
News Conference of January 9 (Shultz) ... 23
Secretary's Interview on "Face the Nation" 20
UN General Assembly Adopts Resolution on Terrorism (text of resolution) 52
UN Security Council Adopts Resolution on Hostage-Taking (Walters, text of resolution, Department statement) 53
Trade
Libya Sanctions (Reagan, letters to the Congress, Executive orders, White House statement) 36
Protecting Prosperity From Protectionism (Wallis) 33
U.S.-Japan Joint Report on Sectoral Discussions 32
Treaties. Current Actions 72
U.S.S.R.
Geneva Arms Control Talk: Round IV (Adelman) 28
MBFR Negotiations Resume (Department statement) 31
News Conference of January 7 (Reagan, excerpts) 12
News Conference of January 9 (Shultz) ... 23
Nuclear and Space Arms Talks Resume (Reagan) 27
Secretary's Interview on "Face the Nation" 20
Soviet Arms Proposal (Reagan, White House statement) 27
Soviet Influence on Afghan Youth (Trottier) 46
U.S.-U.S.S.R. New Year's Messages (Gorbachev, Reagan) 10
United Nations
IMO and Maritime Security (Kauzlarich) .. 61
Situation in Cambodia (Walters, text of resolution) 57
Situation in Nicaragua (Walters) 54
UN Adopts Resolution to Ban Chemical Weapons (Lowitz, text of resolution) 60
UN General Assembly Adopts Resolution on Terrorism (text of resolution) 52
UN Security Council Adopts Resolution on Hostage-Taking (Walters, text of resolution, Department statement) 53
Vietnam. Situation in Cambodia (Walters, text of resolution) 57
Western Hemisphere. An End to Tyranny in Latin America (Abrams) .. 66

Name Index

Abrams, Elliott 66,69
Adelman, Kenneth L 28
Febres-Cordero Ribadeneyra, Leon 63
Gorbachev, Mikhail S 10
Kauzlarich, Richard D 61
Lowitz, Donald S 60
McPherson, M. Peter 43
Murphy, Richard W 39
Reagan, President 1,10,12,27,30,36,63,77
Shultz, Secretary 15,18,20,23,65
Trottier, Paul 46
Wallis, W. Allen 33
Walters, Vernon A 53,54,57

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

OFFICIAL BUSINESS
Penalty for Private Use $300

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

READEX FICHE

best copy available

86/2109

Department of State bulletin

The Official Monthly Record of United States Foreign Policy/Volume 86/Number 2109

April 1986

LD [redacted] C
U.S. DOCUMENTS
NEWARK PUBLIC LIBRARY

S1.3

Department of State
bulletin

Volume 86 / Number 2109 / April 1986

Cover:

Gold pendant from the Ivory Coast.

Design by Sally Brennan, Publishing Services, Department of State.

(Photo by Musee de l'Homme)

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

BERNARD KALB
Assistant Secretary for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

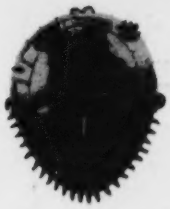
SHARON R. LOTZ
Assistant Editor

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

Department of State BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. The BULLETIN is indexed in the Readers' Guide to Periodical Literature.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402



CONTENTS

MARE PUBLIC LIBRARY

FEATURE

1 Sub-Saharan Africa and the United States—Part 1 (*Philip R. Cook, Jr.*)

MAY 1 2 1986

U. S. GOVT. PUBS.

The President

18 Strengthening American Security
22 Visit to Grenada
25 State of the Union Address
26 America's Agenda for the Future (*Message to the Congress*)
30 News Conference of February 11 (*Excerpts*)

The Vice President

31 Visit to Guatemala and Honduras

The Secretary

32 Nicaragua: Will Democracy Prevail?
40 Foreign Policy Challenges
42 Enhancing Diplomatic Security
45 International Affairs: FY 1987 Budget

Africa

53 Promoting Positive Change in Southern Africa (*Michael H. Armacost*)
59 The U.S. and Angola (*Chester A. Crocker*)

Arms Control

61 U.S. Strategic Force Structures: The Challenge Ahead (*Paul H. Nitze*)
64 U.S. Response to Soviet Arms Proposals (*President Reagan*)
65 The Stockholm Conference and East-West Relations (*Robert L. Barry*)

East Asia

67 Election Developments in the Philippines (*President Reagan, Secretary Shultz, White House Statements*)
69 After the Election in the Philippines (*Paul D. Wolfowitz*)

Economics

71 Commodity Markets and Commodity Agreements (*W. Allen Wallis*)

Europe

75 Test Results of Soviet Chemical Tracking Agents (*Department Statement*)
75 Release of Shcharanskiy From the Soviet Union (*Joint U.S.-F.R.G. Statement*)

Human Rights

76 1985 Human Rights Report (*Richard Schifter*)

Narcotics

77 Narcotics Control in Latin America (*Jon R. Thomas*)
80 Narcotics Control Strategy Report Released

South Asia

81 Indo-U.S. Joint Commission Meets (*Agreed Minutes*)

Western Hemisphere

83 Permanent Dictatorship in Nicaragua? (*Elliot Abrams*)
83 Continuation of Certain Assistance to Haiti Authorized (*Department Announcement*)
84 CBI and the U.S. National Interest (*Elliott Abrams*)
85 Secretary Meets With Contadora Groups
89 Drug Wars: The New Alliance Against Traffickers and Terrorists (*Elliott Abrams*)

End Notes

92 February 1986

Treaties

92 Current Actions

Press Releases

94 Department of State

Index

E

D

(Elliot Elisofon Archives, Museum of African Art)

C

B

(Johnson, World Bank)

Copyright material has been deleted, not available for Microfiche Edition.

A

A Young laborer in Zimbabwe.

B Workmen pour molten aluminum into steel molds in Ghana.

C Tsavo National Park, Kenya.

D Mali village.

E Business district, Abidjan, Ivory Coast.

Sub-Saharan Africa and the United States (Part 1)

Introduction

Sub-Saharan Africa[1] is the ancestral home of millions of Americans and, according to anthropological theory, the cradle of mankind—the birthplace of Homo sapiens. Perhaps the earliest development of settled agriculture began in Africa on the banks of the lower Nile, making possible the great advances in technology and the arts of ancient Egypt.

From at least the first millennium B.C. onward, elements of Egyptian, Phoenician, Greek, Roman, and Arab culture spread southward into Africa through conquest, trade, and the dissemination of Christianity and Islam. Trade in slaves, gold, copper, salt, spices, and many other items flourished both by sea and, following the introduction of camels in about the 3d century A.D., across the Sahara. Evidence of the extent of this trade can be found in the presence of Chinese porcelain and other oriental wares at archaeological sites in Africa.

Access to the cultural exchange of the Mediterranean basin was impeded by the vast expanse of desert, causing the peoples of sub-Saharan Africa to develop cultures distinctly their own. Several great empires with large cultural centers emerged but were later destroyed by war or declined following changes in global trade patterns. Although European traders had frequented the African coast since the late 15th century, knowledge of these empires remained limited until the era of African exploration and colonization in the late 18th and 19th centuries.

By the early 20th century, most of Africa had fallen under colonial domination. In sub-Saharan Africa, only Liberia and Ethiopia remained independent. In the decades after World War II, however, the peoples of Africa increasingly rejected foreign rule and demanded for themselves the fundamental freedoms for which they had fought in support of the Allied powers. By the mid-1960s, most African countries had achieved independence. Only Namibia remained in a colonial status in 1985.

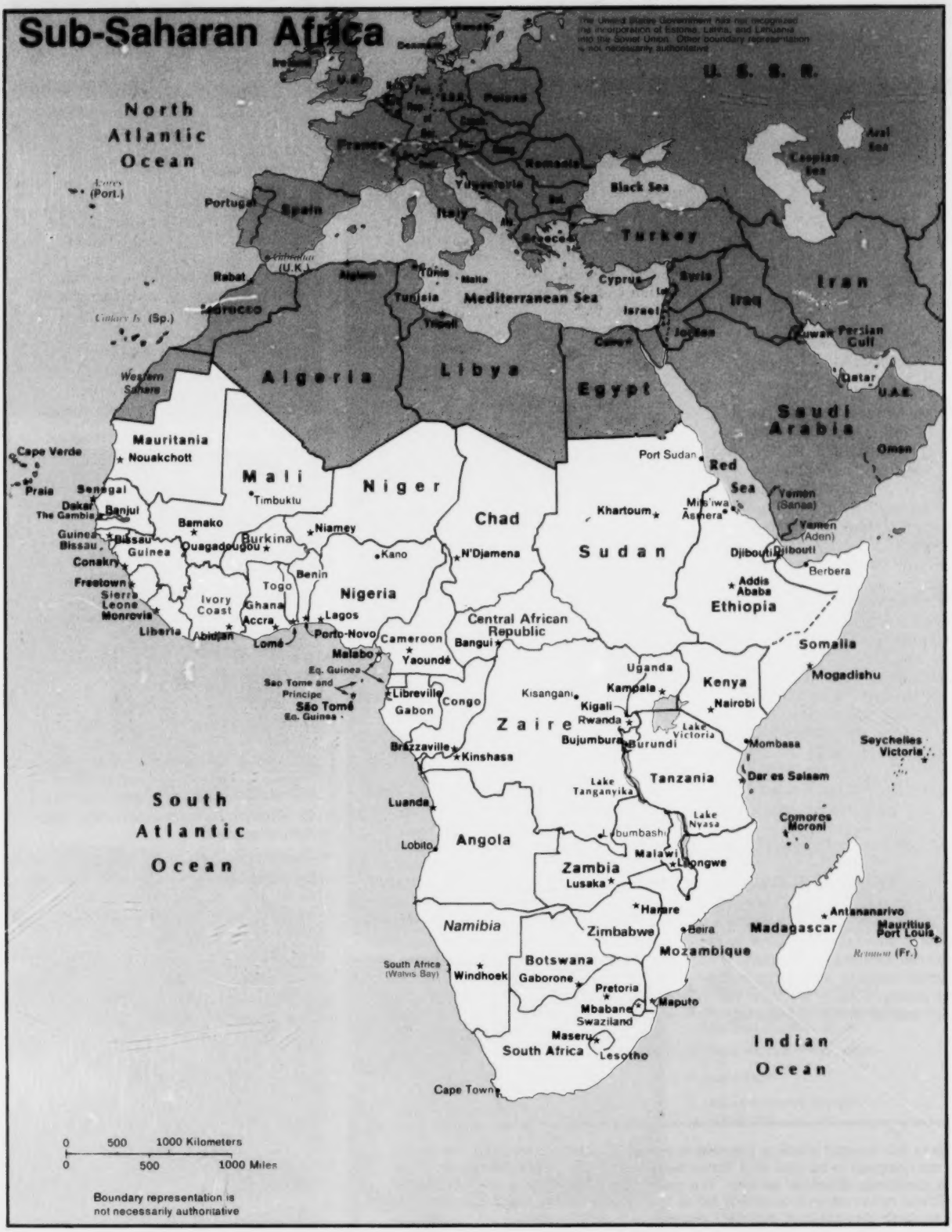
There are now 46 independent countries in sub-Saharan Africa and the nearby islands, and negotiations on Namibia's independence are underway. Together with the countries of North Africa, these states play a significant role in the world community through the Organization of African Unity (OAU). But the process of forging cohesive national identities within boundaries drawn by European powers and among more than 1,000 ethnic groups is difficult; since independence, Africa has experienced considerable political upheaval.

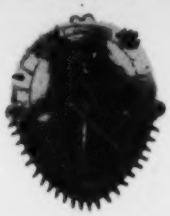
It is important to understand sub-Saharan Africa's potential, strengths, and problems because they present opportunities and challenges that no world power can ignore. For the United States, Africa represents:

- The political force of the world's largest regional bloc;
- A rich source of natural resources;
- The ancestral home of 25 million Americans;
- A growing market for American exports;
- An opportunity to demonstrate, through private enterprise and government-to-government aid, that democratic institutions and individual initiative provide a better solution to the problems of the Third World than do totalitarianism and economic regimentation; and
- Possibilities for our adversaries to exploit regional tensions and foster insecurity through the indiscriminate provision of arms and support for violent solutions to local conflicts.

This Discussion Paper is designed to update information on developments in sub-Saharan Africa and to provide a basis for understanding U.S. policy toward this vital region of the world.

Information in this two-part article is intended to provide background for study and discussion; it is not designed to be read as a formal statement of U.S. policy, except where the material is specifically described as such. The publication summarizes currently available information and raises relevant questions (some of which admittedly may be unanswerable) as an aid to public discussion of important issues in U.S. foreign policy.


Sub-Saharan Africa
The United States Government has not recognized the incorporation of Estonia, Latvia, and Lithuania into the Soviet Union. Other boundary representation is not necessarily authoritative
U. S. S. R.
North Atlantic Ocean
Azores (Port.)
Portugal
Spain
France
Italy
Yugoslavia
Romania
Poland
Greece
Black Sea
Turkey
Aral Sea
Caspian Sea
Iran
Iraq
Syria
Cyprus
Lebanon
Israel
Jordan
Kuwait
Persian Gulf
Qatar
U.A.E.
Saudi Arabia
Oman
Yemen (Sanaa)
Yemen (Aden)
Red Sea
Egypt
Libya
Algeria
Tunisia
Malta
Mediterranean Sea
Rabat
Morocco
Canary Is. (Sp.)
Western Sahara
Mauritania
Nouakchott
Cape Verde
Praia
Senegal
Dakar
Banjul
The Gambia
Guinea-Bissau
Bissau
Guinea
Conakry
Freetown
Sierra Leone
Monrovia
Liberia
Mali
Timbuktu
Bamako
Burkina
Ouagadougou
Niger
Niamey
Kano
Chad
N'Djamena
Sudan
Khartoum
Port Sudan
Mits'iwa
Asmera
Djibouti
Dilbouti
Berbera
Addis Ababa
Ethiopia
Somalia
Mogadishu
Togo
Benin
Ivory Coast
Ghana
Accra
Lagos
Nigeria
Abidjan
Lomé
Porto-Novo
Cameroon
Malabo
Eq. Guinea
Sao Tome and Principe
São Tomé
Eq. Guinea
Central African Republic
Bangui
Yaoundé
Libreville
Gabon
Congo
Brazzaville
Kinshasa
Zaire
Kisangani
Uganda
Kampala
Kenya
Nairobi
Kigali
Rwanda
Bujumbura
Burundi
Lake Victoria
Mombasa
Seychelles
Victoria
Tanzania
Dar es Salaam
Lake Tanganyika
Lake Nyasa
Comores
Moroni
Lubumbashi
Luanda
Lobito
Angola
Malawi
Lilongwe
Zambia
Lusaka
Harare
Zimbabwe
Beira
Mozambique
Madagascar
Antananarivo
Mauritius
Port Louis
Réunion (Fr.)
Namibia
South Africa (Walvis Bay)
Windhoek
Botswana
Gaborone
Pretoria
Maputo
Mbabane
Swaziland
Maseru
Lesotho
South Africa
Cape Town
South Atlantic Ocean
Indian Ocean
0 500 1000 Kilometers
0 500 1000 Miles
Boundary representation is not necessarily authoritative



Regional Profile

Geography

The Continent of Africa covers 11,635,000 square miles—nearly one-fifth of the world's total land surface and equal to the combined area of the United States, Western Europe, and India. The sub-Saharan portion of the continent is 9,312,375 square miles—more than three times the size of the continental United States. The African Continent stretches 5,000 miles from north to south and 4,600 miles from east to west. Its 18,900-mile coastline is washed by the Atlantic and Indian Oceans and the Mediterranean and Red Seas.

In addition to the continent itself, a number of island countries also are included in "Africa." With the exception of the Canary Islands and Reunion, all are identified with sub-Saharan Africa. These include Madagascar, Cape Verde, Comoros, Seychelles, Equatorial Guinea, Sao Tome and Principe, and Mauritius. The islands of Zanzibar and Pemba are part of the United Republic of Tanzania.

Topography

The African Continent consists of a series of level or slightly undulating plateaus that fall away from a central area of high formations to low-lying coastal zones averaging only 20 miles in width. Many of these plateaus lie at altitudes anywhere from 3,000 to 9,000 feet in eastern and southern Africa, while in the north and west most of the land is between 500 and 1,000 feet above sea level.

Massive geologic changes in the plateaus have produced ridges that are among the most conspicuous features of the African landscape: the Great Rift Valley of East Africa, one of the deepest fractures in the earth's crust; Mt. Kilimanjaro (19,565 feet above sea level) and Mt. Kenya (17,058 feet) in East Africa are higher than any peak in the European Alps. These changes also produced Lake Chad in Central Africa; the lakes of East Africa, including Africa's largest, Lake Victoria; and the continent's four major rivers: the Nile (4,000 miles long), the Zaire (3,000 miles), the Niger (2,600 miles), and the Zambezi (1,650 miles).

The continent contains the world's largest desert, the Sahara; regions of heavy rainfall and lush forest vegetation; and, between desert and rain forest, broad savanna grasslands and woodlands. Nearly one-half of Africa's total area is desert, while 40% is partly forested grasslands and 10%, dense forests and thickets.

Climate

Four-fifths of Africa lie in the tropics and have either a tropical or subtropical climate. Temperate climates are found in the north close to the Mediterranean, along the southern and southwestern areas of the Cape of Good Hope, and on the higher parts of the inland plateaus. Air temperatures vary from hot in most parts of the continent to cold in the deserts (at night), on the plateaus, and in the mountains, where some peaks are permanently snowcapped.

Africa is divided into distinct climatic belts. The one bounded by the 5° line on either side of the Equator has a year-long hot-and-rainy climate, with some areas receiving more than 200 inches of rain annually. From 5° - 15° on each side of the Equator, the climate is warm, with heavy rains during part of the year. Deserts predominate in areas 15°–30° from the Equator, and temperatures range from very hot to very cold. Accumulated rainfall in these areas is less than 10 inches annually, and sometimes no measurable rainfall occurs for years. More than 30° from the Equator, mild, rainy winters and warm, dry summers prevail.

Africa's varied climate has affected vegetation, river conditions, and the incidence of disease; it also has influenced settlement patterns. Africans sought out fertile lands, water, and areas suitable for grazing. Europeans settled near the coasts on the cool eastern and southern plateaus and in the temperate regions of northern and southern Africa. Modern cities, often former centers of colonial administration and trade, usually are located in these areas.

History

Anthropological research and excavation in eastern Africa support the theory of the African origin of the human race. Remains of a forerunner of modern Homo sapiens, Australopithecus, and of other creatures with hominoid characteristics, such as Homo erectus and Homo habilis, have been unearthed in various parts of the continent. Some remains may be more than 2.5 million years old. Evidence of the evolution of primitive people throughout the Paleolithic Age (1 million-16,000 years B.C.) has been discovered, including remains of Neanderthal man dating to about 40,000 B.C. Some scholars believe that midway through this age groups of these African peoples migrated to other continents. Traces of humankind's continued development through the Mesolithic, Neolithic, Bronze, and Iron Ages also have been found in several African regions.

Three main physical types evolved in Africa: Negroid, Bushmanoid, and Pygmoid. Of these groups, the Negroid became dominant, learning first to hunt and forage, later to domesticate animals, and finally to plant crops. Between 1000 B.C. and 1000 A.D., a Negroid group (known by the linguistic classification of Niger-Congo and Kordofanian or Nigritic) exerted control over much of southern Africa, with a major subgroup, the Bantu, nearly eliminating the Pygmoid and Bushmanoid people in the process. Caucasoid peoples from the Mediterranean area first migrated to northeast Africa near the end of the Paleolithic period, and subsequent migrations to northeast and northern Africa occurred in the centuries preceding and following Christ. During the 7th to 10th centuries, bedouin Arabs spread Islamic influence across north Africa, while from the 10th to the 18th centuries, other Muslims continued to settle in eastern Africa from the Horn southward to Zimbabwe.

Sophisticated societies developed in early days. The Kush Kingdom (700 B.C.-200 A.D.) formed in the area of present-day Sudan. The Axum Empire, established by 350 A.D., comprised much of modern Ethiopia. For more than 1,000 years, ancient African kingdoms—such as Ghana, Kanem-Bornu, Mali, Songhai, and the Hausa states—developed primarily in the savanna lands. The kingdoms of Kongo and Lunda may have been founded as early as the 14th century, while the city-states of the Guinea Coast—Ife, Benin, Yoruba—date at least to the 15th century. These states were highly organized and engaged in long-distance trade in salt, gold, cattle, horses, and ivory.

In the early 15th century, Portuguese explorers began a gradual buildup of African trade relations with Europe and the Americas, leading eventually to Christian missionary contact with Africa. During the 16th and 17th centuries, the Dutch, British, French, Spanish, and Arabs increased their trade with Africa. During this period, Europeans established trading posts and maritime stations on the Atlantic and Indian Ocean coasts but rarely traveled to the interior of the continent. Slaves became an important commodity, although trade in slaves had existed for centuries. Reliable figures concerning the extent of the slave trade are not available; estimates of the number of people sold into slavery during the 15th-19th centuries range from 10 million to 50 million.

Copyright material has been deleted, not available for Microfiche Edition.

Colonial Era

Missionaries, traders, and adventurers penetrated the heart of the continent in the 19th century. These were the years

of such explorers as Mungo Park, Savorgnan de Brazza, Rene Caille, H.M. Stanley, Sir Richard Burton, and David Livingstone. They were followed, especially after 1880, by government officials engaged in extending colonial domains.

Once the dimensions of Africa's inner geography and resources were known, colonization proceeded rapidly. Although only a small part of the African Continent was under foreign rule before 1880, all but 2 of the present 46 independent countries of sub-Saharan Africa were under European control by 1900. The two exceptions were Liberia, established by freed American slaves in the 1840s, and the ancient Empire of Ethiopia. The remainder of Africa was controlled by France, Great Britain, Portugal, Belgium, Spain, Germany, and Italy. During the next half century, Europeans settled in various areas of the continent, traded, extracted minerals, and established governments reflecting the different policies and institutions of the colonial powers.

Postindependence Period

Many factors helped to create a climate in which most of the European-ruled colonies in Africa eventually became independent. These included the participation of Africans in World Wars I and II; the growth of African nationalist movements; the Atlantic Charter of 1941 proclaiming the right of all peoples to choose the form of government under which they would live; and changing European economic and political concerns with respect to the efficacy and burdens of empire.

The wave of African independence began in 1957. Led by Nkrumah of the Gold Coast (Ghana), Houphouet-Boigny of the Ivory Coast, and Sekou Toure of French Guinea (Guinea), a host of sub-Saharan countries in rapid succession broke ties with their colonial rulers. Occasionally, the changeover was accompanied by violence, as in Zaire, Mozambique, Angola, and Zimbabwe. Since 1957, 42 nations have joined the four previously independent countries of Ethiopia, Liberia, Sudan, and South Africa. South Africa became an independent union with Dominion status within the British Commonwealth in 1910, and Sudan separated from Egypt and the United Kingdom in 1956. Namibia, under de facto South African control, remains the region's only dependent territory; efforts are underway to move from violence to negotiation toward Namibian independence.

Africa's political evolution during the past two decades has been tumultuous, with nearly two-thirds of the countries undergoing nonconstitutional changes in government. Although more than half of the nations are led by military leaders or committees, some have now returned to constitutional civilian rule. Despite political trauma in many countries, examples exist of relative tranquility and stable leadership.

Secession attempts have threatened some nations. Eritrea has been seeking independence since 1962, when Ethiopia assumed direct control and terminated Eritrea's federated status. Shaba (formerly Katanga) unsuccessfully attempted to secede from Zaire (Belgian Congo) when it became independent in 1960, and Biafra from Nigeria in 1967. Cultural and religious differences have led to periodic civil wars in Sudan and Chad. Warfare also has erupted between states. Somalia and Ethiopia have been fighting intermittently over possession of the Ogaden region. Tanzania invaded Uganda in 1979 to oust the barbaric government of Idi Amin and to retaliate for Ugandan attacks on its territory. Libya forcibly annexed a portion of northern Chad in 1980–81 and pushed further south in 1983, halting only after regional and international pressures were applied. Nigeria and Cameroon also have had tense relations over poorly defined borders.

People

Africa's estimated population is more than 400 million, 85% of whom live south of the Sahara. If the current growth rate of about 3% continues, the continent's population may reach 800 million by the year 2000—an increasing concern of many African governments.

Because of the vastness of the continent, population density is less than half that of the United States—about 30 persons per square mile. However, people are dispersed unevenly throughout the region. Large expanses of desert and mountains are virtually uninhabited. On the other hand, good climate, fertile land, navigable rivers, safe ports, and demographic movements have created several areas with a population density as high as 500 persons per square mile. Sub-Saharan Africa's most populated areas are:

- The lands bordering the Gulf of Guinea in West Africa, particularly Nigeria and the southern parts of Ghana, Benin, and Togo;
- The Nile Valley in northern Sudan;
- The East African highlands, particularly the plateaus of Ethiopia, Kenya, eastern Zaire, Rwanda, Burundi, and Tanzania; and
- The eastern and southern coasts and interior High Veld of South Africa.

Most Africans still live in small, rural groups. However, opportunities for a better standard of living have led to increased migration to cities, which are confronted with problems of overcrowding, unemployment, and insufficient municipal services. Among cities with more than 1 million inhabitants are: Kinshasa, Zaire; Lagos and Ibadan, Nigeria; Johannesburg and Cape Town, South Africa; Abidjan, Ivory Coast; Addis Ababa, Ethiopia; and Accra, Ghana.

Tremendous diversity exists among the people of sub-Saharan Africa. This diversity stems from a variety of causes—the infusion of elements from outside the African Continent, migration to new areas in search of better livelihood, rivalries that produced factions and subdivisions, and tendencies to organize into small, close-knit groups for

(Delores Weiss, AID) A

(Delores Weiss, AID) B

(Delores Weiss, AID) D

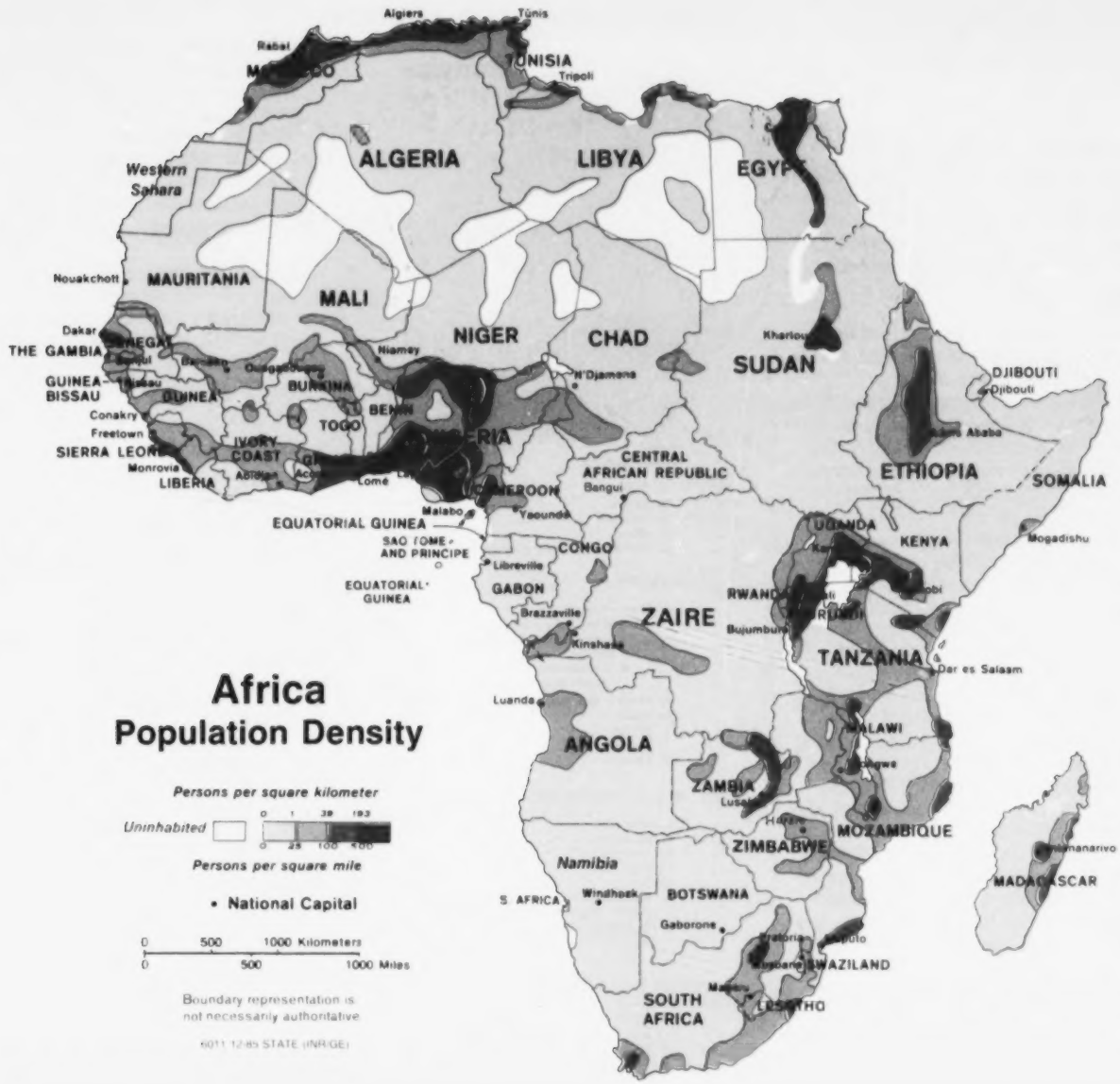
(Ministry of Information, Niger) C

A Somali farmer and businessman check crop grown with seeds imported from U.S.

B Student at the Regional Training Center for Plant Protection, Cameroon.

C Djerma girls in traditional headdress, Niger.

D Liberian training officer and secretary in U.S. AID mission.


Algiers
Tunis
Rabat
TUNISIA
Tripoli
ALGERIA
LIBYA
EGYPT
Western Sahara
Nouakchott
MAURITANIA
MALI
NIGER
CHAD
Khartoum
SUDAN
Dakar
THE GAMBIA
SENEGAL
Niamey
N'Djamena
DJIBOUTI
Djibouti
GUINEA-BISSAU
GUINEA
BURKINA
Conakry
BENIN
TOGO
Freetown
SIERRA LEONE
IVORY COAST
Monrovia
LIBERIA
Abidjan
Lomé
CAMEROON
Yaounde
CENTRAL AFRICAN REPUBLIC
Bangui
ETHIOPIA
SOMALIA
Addis Ababa
Malabo
EQUATORIAL GUINEA
SAO TOME AND PRINCIPE
UGANDA
KENYA
Mogadishu
CONGO
Libreville
EQUATORIAL GUINEA
GABON
Brazzaville
RWANDA
Bujumbura
ZAIRE
Kinshasa
TANZANIA
Dar es Salaam
Luanda
ANGOLA
MALAWI
ZAMBIA
Lusaka
ZIMBABWE
MOZAMBIQUE
Namibia
Windhoek
S. AFRICA
BOTSWANA
Gaborone
Antananarivo
MADAGASCAR
SWAZILAND
SOUTH AFRICA
LESOTHO
Africa
Population Density
Persons per square kilometer
Uninhabited
0 1 39 193
0 25 100 500
Persons per square mile
• National Capital
0 500 1000 Kilometers
0 500 1000 Miles
Boundary representation is not necessarily authoritative
6011 12-85 STATE (INR/GE)

protection and mutual support. Over thousands of years, this process has produced more than 1,000 ethnic divisions.

Languages

The complexity of African society is graphically demonstrated by the number of languages. Of more than 800 languages, fewer than 10 are spoken by more than 1 million people. Most languages are native to groups of less than 100,000.

Of the numerous linguistic authorities, the classifications of Joseph Greenberg represent a contemporary consensus (see Bibliography). His listing of categories and map on this page show the general geographic location of groups.[1] In the brief text that follows, references in parentheses are alternate names used by George Murdock, another eminent scholar.

The largest language family is the Niger-Congo and Kordofanian (Nigritic), of which the Bantu sublanguage group is the most important. Speakers of this family of languages are descendants of the earliest people on the continent and still occupy much of sub-Saharan Africa. The Afroasiatic (Hamitic)—including Semitic-, Berber-, and Cushitic-speaking people—stem from the early Caucasoids and live primarily in north and northeast Africa. The Sudanic can be found in a region stretching along the lower Nile and westward through the area known as the Sahel. The Bushmen and Hottentot peoples of southern Africa speak Khoisan or "click" languages. Some languages, such as Swahili and Hausa, serve as *linguae francae* between widely divergent groups, especially in trade.

Copyright material has been deleted, not available for Microfiche Edition.

Ethnolinguistic Groups

The diversity of ethnic groupings, which reflect original racial strains and often bear names similar to the languages they speak, is illustrated on the map. This map includes a portion of the names of well-known ethnic linguistic or tribal groups. Their inclusion does not necessarily reflect their relative importance, nor is their location on the map definitive.

Scattered throughout the continent are about 5 million people of predominantly European descent, most of them concentrated in southern Africa. There are also nearly 1 million people of Asian (principally Indian or Pakistani) origin in Africa.

Religion

Religion traditionally has played an important role in African culture. There are many indigenous religions, but most recognize a supreme being who created all things, gave the world its order, and infused it with energy. Many African religions attribute conscious life to nature and natural objects, which has led some scholars to use the term "animist" to refer to traditional African religions. Traditional religions, however, have been slowly giving way to Christianity and Islam as life in the African interior becomes less isolated.

Christianity was spread principally by European missionaries after the 16th century. With the advent of independence, the foreign missionary effort gradually has been replaced by African clergy. Today, some 95 million Christians live in Africa.

Islam swept across North Africa in the 7th century and then expanded southward. The Sahelian countries are predominantly Muslim, as are the northwest coastal areas of sub-Saharan Africa. With 125 million adherents, Islam is Africa's largest religion.

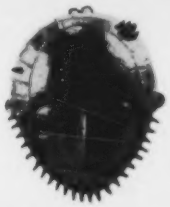
Ethnolinguistic Groups

Groups selected show diversity, not relative importance.

This Kongo (Congo) oath-taking figure represented a power figure whose importance derived from the special qualities that the Bakongo assigned to dogs. When activated by the driving in of a nail, the dog figure was presumed to hunt malevolent spirits in the night. The large number of nails it contains is testimony to the confidence of the Bakongo in its force.

(Musee de l'Homme)

Copyright material has been
deleted, not available for
Microfiche Edition.



Culture

The cultural richness of Africa is shown in four major forms: art, music, dance, and literature. All uniquely interpret traditional African values: religious beliefs; veneration of the deceased; respect for nature; and the importance of childbearing, the family, and the community and its leaders. The arts express reverence for the past, teach social roles and responsibilities, and encourage the assimilation of traditional beliefs.

Thanks to energetic collectors, from early colonial explorers to modern curators and tourists, sculpture is the best known African art form. Most recent sculptures are of wood, but museums maintain collections from Nigeria of terra-cotta Nok statues from the second and third centuries B.C. as well as ancient Benin and Ife bronzes. Other forms of traditional graphic or plastic arts include rock paintings, decorative metalwork, basketry, and jewelry.

Traditional dances reveal much of African lore and legend, philosophy, and belief. They may celebrate past glories and triumphs, mark contemporary events and rites of passage, or make supplication for a good harvest or the security of the community. Folk dances vary markedly throughout the continent, usually involving group efforts with participants massed in circles or lines.

Drums are most often identified with African music. For thousands of years, however, Africans also have played wind, string, and other percussion instruments, obtaining subtle and complex expressions from relatively simple devices. Although much of the music has served as accompaniment for dancing, soloists and ensembles perform on many other occasions. The rhythmic patterns of African music have influenced music outside the continent, most notably American jazz.

A rich oral tradition has existed in Africa for centuries. Experts estimate that more than 250,000 myths, legends, and folk tales flourish in sub-Saharan Africa. Timbuktu had a written tradition before the 16th century. In the 18th century other literary traditions developed in Ethiopia and later in languages reflecting Arabic influence, such as Hausa in West Africa and Swahili in the east. In the past 80 years, published works on this subject have included such landmarks as Blaise Cendrars' *Anthology Negre,* Leopold Senghor's "Necritae" poetry, H.I.E. Dhlomo's *Valley of the Thousand Hills,* Chinua Achebe's *Things Fall Apart,* and Thomas Mofolo's *Chaka.*

Political Processes

Political institutions and processes vary greatly in sub-Saharan Africa. There are federations, constitutional monarchies, military oligarchies and autocracies, republics with democratic parliaments, unicameral and bicameral houses, fully elected and partly appointed legislatures, and single and multiparty systems. Most governments are strongly authoritarian, either single party or military based.

When independence was achieved, the first order of business was to survive, and survival required the building of authority rather than its limitation as in democratic countries. Authority could not be achieved with a multiparty system. Julius Nyerere, former President of Tanzania and one of the original group of African independence leaders, rationalized that the single party system is more democratic, "providing it is identified with the nation as a whole," since "the people can have more opportunity to exercise a real choice than where you have two or more parties, each representing only a section of the community." Party loyalties and discipline, he maintained, limited freedom of expression and of choice. Unfortunately, "democratic" single party systems largely failed to create the authority necessary to govern. As a result, most became, in fact, no-party, authoritarian regimes.

The various forms of government in the subcontinent also reflect the heritage of colonial administrative and political institutions as well as indigenous historical and social backgrounds. Ethiopia's former constitutional monarchy, for example, was deeply rooted in the country's centuries-old royal history. Nigeria's attempt at American-style federalism, on the other hand, represented an effort to maintain unity in one of Africa's largest states by accommodating its ethnic, cultural, and historical differences in a decentralized system. Africa's ethnolinguistic groupings were characterized by strongly developed traditional structures, which often crossed political boundaries superimposed by colonial powers with little or no regard for linguistic or cultural similarities. Despite the impact of modernization in urban areas, traditional ethnic loyalties remain strong and have impeded the development of national consciousness. Opposition often has been based on ethnolinguistic and regional special interests.

African states probably will continue to experience change in governmental form and process as they experiment with ways to organize political power effectively and to devise a durable basis for citizen participation in the political system.

Economy

Africa's natural wealth is vast but unevenly distributed. The continent is a major exporter of minerals—such as diamonds, cobalt, gold, and petroleum—and of agricultural commodities—such as coffee, cocoa, and tea. Some countries—Gabon, Guinea, Liberia, Mauritania, Nigeria, Zaire, Zambia, and South Africa—have large mineral reserves. Yet other countries, such as those in the Sahel region, lack access to the coasts as well as natural resources. These contrasting circumstances have been accentuated by varied colonial and cultural heritages and postindependence theories of economic development.

Despite its natural wealth, Africa as a whole faces an unprecedented economic crisis. Falling per capita food production, severe drought, world recession, mounting debt burdens, and mistaken government policies have seriously affected development pros-

pects. Widespread famine has accompanied the current drought; some 36 countries recently have been affected by abnormal food shortages. Untold thousands of Africans have perished, and an estimated 30 million urgently require food, medical care, and shelter if they are to survive. Even before the drought, more than 20% of Africa's population consumed less than the minimum number of calories needed to sustain good health. Child mortality in sub-Saharan Africa is double the rate of all developing countries.

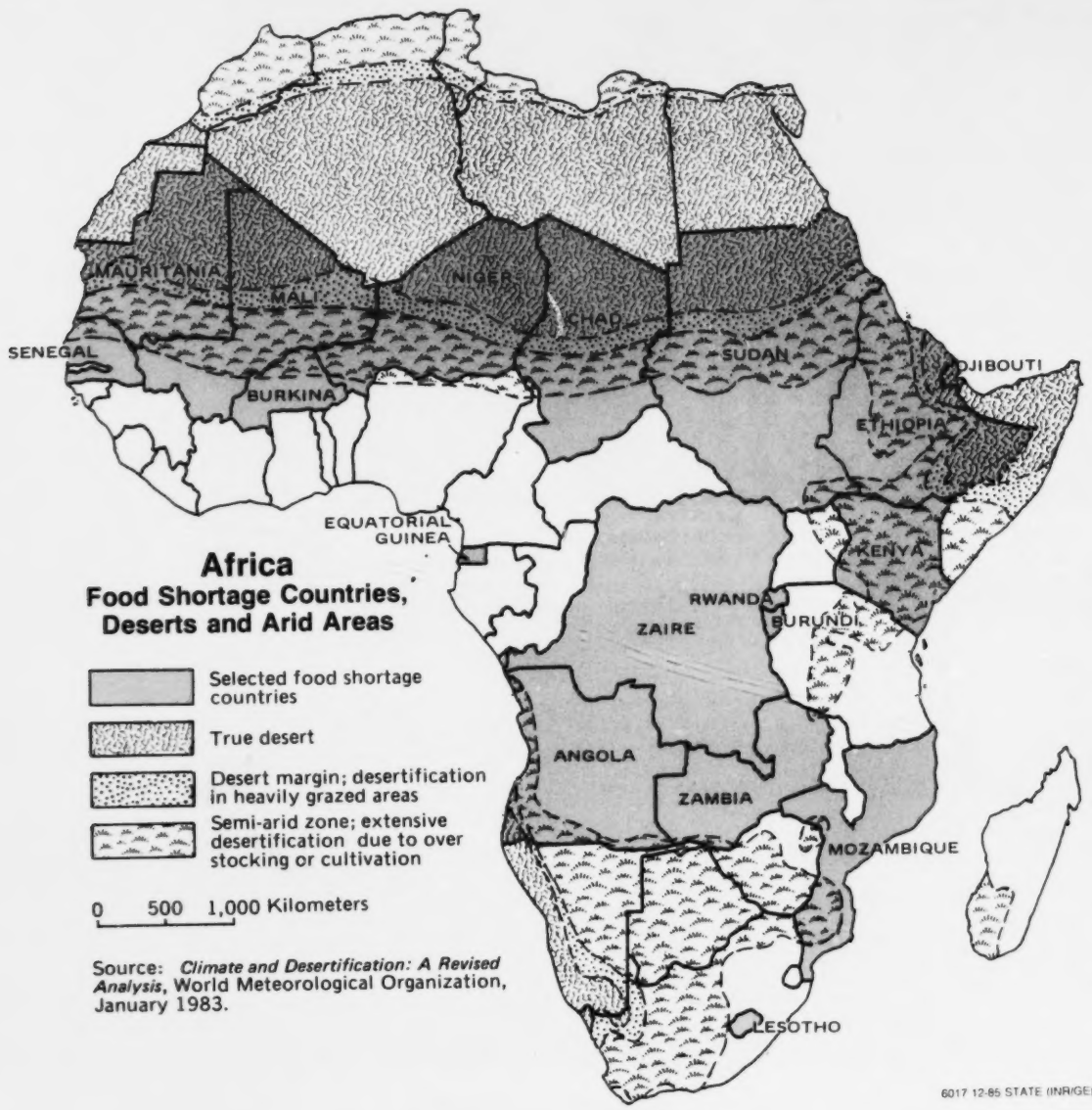
Famine and the Decline in Agricultural Productivity

Although little can be done to eliminate drought, which occurs periodically in Africa, much can be done to avoid famine. Drought has been transformed into famine by high population growth rates and the decline in farm output. Famine, in turn, has been aggravated by mistaken national policies and armed conflict.

Africa is the only region in the world in which per capita food production has fallen during the past two decades. African dependence on outside food sources is growing at an alarming pace, and commercial imports of grain have risen at an annual rate of 9% over the past 20 years. Africa normally imports more than 10 million tons of cereals, excluding current emergency needs; if trends continue, this deficit will increase markedly. Per capita gross domestic product declined by 3%–4% per year from 1981 to 1983—attributable largely to the decline in agriculture, the primary component of most African economies.

Drought victims in Ethiopia.

(United Nations)



Africa has serious agricultural constraints—insufficient rainfall, fragile soils, a variety of microclimates, high soil temperatures, extreme seasonability, and unique insect pests. Farmers have been shortening the fallow periods for their fields, which has led to decreased yields and increased soil erosion. Overuse of forests for firewood and intensive grazing also have contributed to erosion. High population growth rates have stretched most African nations to the production limits of their traditional agricultures.

Nonetheless, Africa does have the potential to produce sufficient food for its increasing population and thereby reduce its vulnerability to future droughts. This potential depends greatly upon the ability of African governments to implement effective national policies that support small farmers and encourage the use of modern technology.

(Hadar, World Bank)

A

(Richard Wolford, AID)

B

A Traditional farming in Nigeria.

B Grain storage in Niger.

C Many Africans, particularly in rural areas, lack access to safe water. In Burkina AID has helped provide improved water systems to replace open wells that are easily contaminated and spread disease.

D African researcher on AID-supported project for dry-land farming in Cameroon.

(Ron Shaw, AID)

D

Debt Problems

During the 1960s, African governments benefited from high commodity prices and generous foreign aid. Government revenue was supplemented by borrowing from private commercial banks. With the onset of world recession in the 1970s, however, the prices of African commodities plummeted while the cost of imports remained high. Drought and declining agricultural productivity led to increasing commercial imports of basic foodstuffs.

As African economies declined, their governments turned increasingly to borrowing. From 1972 to 1982, medium- and long-term debt increased by an annual average rate of 22%. Debt service ratios (the relationship between debt payments due and exports of goods and services) worsened as well, with ratios of from 30% to 80% or more prevailing in some countries. Most African nations now have major debt problems. In the international forums where public and private debts are rescheduled, the majority of 1984 reschedulings were for African countries.

Inefficient Government Policies

Africa's economic problems are closely linked to the inefficient use of its resources. Two decades after independence, African leaders are confronted with difficult choices and overwhelming economic obstacles that would try the patience and administrative capacity of more experienced governments elsewhere in the world. These leaders often discourage farm production by adopting politically expedient tax and pricing policies that have favored politically influential urban populations and have disadvantaged farmers, whose output has declined accordingly. They have created large bureaucracies, ignored the private sector, promoted state-run industries that do not produce or produce only at very high cost, maintained overvalued currencies that discourage exports and lead to balance-of-payments crises, and allowed physical infrastructure to deteriorate.

Increasingly, however, African governments are recognizing errors in past policies, and changes are occurring throughout the continent. In the last several years, attitudes have shifted dramatically on such issues as exchange rates, on measures to rehabilitate infrastructure and export industries, on reducing government regulation and bureaucracy, and on assuring that farmers are rewarded through pricing and marketing reform.

Aid donor countries and international institutions are beginning to realize that some of their practices also have contributed unwittingly to inefficient use of resources. However well intentioned, donors have insisted on imposing their own requirements on recipients that have caused administrative problems and strained the absorptive capacity of African nations—for example, 50 donors have contributed to 188 projects in Malawi, 61 donors to 321 projects in Lesotho, and 69 donors to 614 projects in Zambia. Furthermore, aid donors sometimes have subsidized inefficient state enterprises and supported the creation of elaborate government projects that could not be maintained without continued foreign assistance. Nonetheless, foreign assistance has accomplished much in Africa. Notably, several major diseases have been eradicated, and physical infrastructure has been created to market crops and minerals. Foreign donors also helped to establish the first universities and technical training centers on the continent.

C

(AID)

Multilateral Organizations

United Nations. Sub-Saharan African nations play an important role in international and regional organizations. They regard the United Nations as the major forum for presenting their views and as a useful arena for advancing foreign policy objectives. Because each country, large or small, has one vote in the UN General Assembly, and because all 46 independent sub-Saharan states are UN members, Africa represents nearly one-third of the Assembly's 159 votes. When taking a common stance, African states thus can have significant, sometimes crucial, influence on many issues in the Assembly and other UN bodies. The African members have been particularly concerned about issues involving colonialism, North-South economic issues, dependent peoples, and human rights. Members of the Organization of African Unity (OAU) have been prime movers in General Assembly and Security Council resolutions dealing with southern African problems. Occasionally, however, many have been reluctant to take controversial positions involving other African states, preferring to deal with such issues within the OAU or in other African forums.

Just as African nations participate actively in the General Assembly and Security Council, UN specialized agencies and other organizations have been deeply involved in Africa. Among these are the UN Conference on Trade and Development (UNCTAD); the International Bank for Reconstruction and Development (IBRD); the International Development Association (IDA); the International Finance Corporation (IFC); the International Monetary Fund (IMF); the World Health Organization (WHO); the International Labor Organization (ILO); the UN Children's Fund (UNICEF); the Food and Agriculture Organization (FAO); the UN High Commissioner for Refugees (UNHCR); and the UN Educational, Scientific and Cultural Organization (UNESCO). Many of these bodies participate in the UN Development Program (UNDP), which allocates a major portion of its resources to sub-Saharan Africa.

Organization of African Unity. The Organization of African Unity is the most prominent and encompassing organization on the African Continent. Founded in May 1963, it includes all independent African states except the Republic of South Africa and Morocco. South Africa never belonged to the organization, and Morocco withdrew in 1985 because of the admission of the Saharoui Arab Democratic Republic (Polisario). Headquartered in Addis Ababa, the OAU has both political and economic responsibilities. The organization has no enforcement powers over its members and OAU resolutions are advisory rather than binding, although individual OAU member states historically have been reluctant in other international forums to depart from OAU positions adopted by resolution. An important OAU function is to obtain an African consensus on questions of interest at the United Nations, where the OAU maintains a permanent office.

The preamble of the OAU Charter reaffirms the principles of the United Nations and its Universal Declaration of Human Rights. It also pledges to support the aspirations of the African peoples and to foster African political and economic development. Signatories agree to coordinate and harmonize their general policies in order to promote African progress and unity, to defend the sovereignty and territorial integrity of member states, and to eradicate colonialism from Africa. Signatories agree to adhere to the principles of noninterference in one another's affairs, the peaceful settlement of disputes, the condemnation of political assassination or subversive activity against neighboring states, respect for existing boundaries, the liberation of remaining dependent areas, and nonalignment with respect to non-African blocs.

OAU Members

Algeria, Angola, Benin, Botswana, Burkina, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Djibouti, Egypt, Equatorial Guinea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Western Sahara (Saharoui Arab Democratic Republic), Zaire, Zambia, Zimbabwe.

The work of the OAU is carried on through four principal institutions—the Assembly of Heads of State and Government; the Council of Ministers; the General Secretariat; and the Commission of Mediation, Conciliation, and Arbitration. Specialized and ad hoc commissions deal with a variety of activities of common interest and attempt to instill a spirit of cooperation among member states.

Annual OAU summits endeavor to deal with current crises, often involving African interstate relations. Debates sometimes avoid confrontation on the tough issues and differences that divide nations, but they can be acrimonious. The OAU has attempted to limit external intervention in African problems and to assist in such issues as the use of mercenaries in Zaire, the Biafran rebellion, disputes between Ethiopia and Somalia and between Algeria and Morocco, the transition to independence in Angola, the status of the Western Sahara, self-determination issues in southern Africa, and human rights. In 1981 the OAU established its first joint military force to help keep peace during the civil war in Chad. Nigeria, Senegal, and Zaire contributed troops to the peacekeeping force during its 6 months in Chad.

A 1982 executive decision by the OAU Secretary General to seat the Polisario—a self-styled liberation movement fighting for the independence of the Western Sahara—was strongly opposed by Morocco and many African states. However, because the organization was increasingly paralyzed due to the controversy over this one issue, the Polisario finally was allowed to take its seat at the November 1984 OAU summit. Morocco withdrew from the OAU as a result.

Economic Commission for Africa. The Economic Commission for Africa (ECA), a UN regional body in which all independent African states, except South Africa, are represented, was established in 1958 for the promotion and planning of African economic and social development through cooperative and regional action. The ECA performs extensive research and served as a catalyst in the creation of the African Development Institute and the African Development Bank. It maintains and endeavors to strengthen economic ties with other countries of the world. The headquarters of the ECA Secretariat is in Addis Ababa, Ethiopia.

African Development Bank and Fund. The purpose of the African Development Bank and Fund, headquartered in Abidjan, is to contribute to its members' economic and social development. The Bank and Fund finance investment projects and development programs. After the Bank opened membership to nonregional countries, the United States joined in 1983, becoming the largest nonregional donor, with an annual commitment of $18 million in paid-in capital and $54 million in callable capital. It has increased its contribution to the Fund, the Bank's soft loan window, by $50 - $75 million annually. The United States remains the largest donor, providing 15.4% of the total Fund replenishment.

Lome Convention. The Lome III Convention was signed in Lome, Togo, in December 1984; it continues the special economic relations between the European Economic Community (EEC) and 67 nations of the African, Caribbean and Pacific (ACP) Group of States. The new convention replaces Lome II, which expired in February 1985. Lome I was signed in 1975. The 5-year accord provides ACP countries with trade preferences, industrial cooperation, and $6.3 billion in economic assistance, including the STABEX program, which helps to maintain stable export earnings for certain ACP commodities. Although similar to its predecessor conventions, Lome III adds provisions on private investment, fisheries, cultural coordination, and refugee aid.

ACP Group. The African, Caribbean and Pacific Group of States was convened originally to negotiate the Lome Convention with the EEC. Founded as a permanent organization in July 1975, the ACP Group aims to represent its members' views concerning the Lome Convention. It also tries to develop closer trade, economic, and cultural relations among ACP states and to promote effective interregional cooperation. ACP headquarters is in Brussels.

Economic Community of West African States. The Economic Community of West African States (ECOWAS) has 16 members, including nearly all the Francophone, Anglophone, and Lusophone countries of the West African region from Mauritania to Nigeria. Its objective is to create a common market in which internal trade barriers will be eliminated. The Community promotes free movement of people, services, and capital; harmonization of agricultural policies; joint development of economic and industrial policies; and elimination of disparities in levels of development. Community headquarters is in Lagos, Nigeria.

Inter-African Coffee Organization. The Inter-African Coffee Organization (ICAO) was founded in 1960 and now has 15 members. Its objective is to adopt a unified policy on coffee marketing. The organization facilitates contacts among member countries, coffee buyers, and the International Coffee Organization. It is headquartered in Abidjan, Ivory Coast.

West African Rice Development Association. The West African Rice Development Association (WARDA) has 14 members. Its purpose is to work cooperatively in the research, growing, and marketing of rice. It lobbies for increased quotas on the world market. WARDA's headquarters is located in Monrovia, Liberia.

[1]Although the generic term "Africa" frequently is used throughout this publication, and some data pertain to the entire continent, attention is focused on sub-Saharan Africa and the off-shore island states, which together include the majority of countries and of the continent's population. Within the Department of State, the Bureau of African Affairs is responsible for the conduct of relations with this region. Relations with North Africa are conducted through the Department's Bureau of Near Eastern and South Asian Affairs. ■

Part 2, discussing U.S. relations with sub-Saharan Africa and including data tables and a bibliography, will be published in the May 1986 issue of the *Bulletin*.

Strengthening American Security

President Reagan's televised address to the nation on February 26, 1986.[1]

My fellow Americans, I want to speak to you this evening about my highest duty as President—to preserve peace and defend these United States.

But before I do, let me take a moment to speak about the situation in the Philippines. We've just seen a stirring demonstration of what men and women committed to democratic ideas can achieve. The remarkable people of those 7,000 islands joined together with faith in the same principles on which America was founded—that men and women have the right to freely choose their own destiny. Despite a flawed election, the Filipino people were understood. They carried their message peacefully, and they were heard across their country and across the world.

We salute the remarkable restraint shown by both sides to prevent bloodshed during these last tense days. Our hearts and hands are with President Aquino and her new government as they set out to meet the challenges ahead. Today, the Filipino people celebrate the triumph of democracy, and the world celebrates with them.

One cannot sit in this office reviewing intelligence on the military threat we face, making decisions from arms control to Libya to the Philippines, without having that concern for America's security weigh constantly on your mind. We know that peace is the condition under which mankind was meant to flourish. Yet, peace does not exist of its own will. It depends on us—on our courage to build it and guard it and pass it on to future generations. George Washington's words may seem hard and cold today, but history has proven him right again and again: "To be prepared for war," he said, "is one of the most effective means of preserving peace." Well, to those who think strength provokes conflict, Will Rogers had his own answer. He said of the world heavyweight champion of his day: "I've never seen anyone insult Jack Dempsey."

Rebuilding U.S. Strength

The past 5 years have shown that American strength is once again a sheltering arm for freedom in a dangerous world. Strength is the most persuasive argument we have to convince our adversaries to negotiate seriously and to cease bullying other nations. But tonight the security program that you and I launched to restore America's strength is in jeopardy—threatened by those who would quit before the job is done. Any slackening now would invite the very dangers America must avoid—and could fatally compromise our negotiating position. Our adversaries, the Soviets, we know from painful experience, respect only nations that negotiate from a position of strength. American power is the indispensable element of a peaceful world—it is America's last, best hope of negotiating real reductions in nuclear arms. Just as we are sitting down at the bargaining table with the Soviet Union, let's not throw America's trump card away.

We need to remember where America was 5 years ago. We need to recall the atmosphere of that time—the anxiety that events were out of control, that the West was in decline, that our enemies were on the march. It was not just the Iranian hostage crisis or the Soviet invasion of Afghanistan, but the fear, felt by many of our friends, that America could not, or would not, keep her commitments. Pakistan, the country most threatened by the Afghan invasion, ridiculed the first offer of American aid as "peanuts." Other nations were saying that it was dangerous—deadly dangerous—to be a friend of the United States.

It was not just years of declining defense spending but a crisis in recruitment and retention and the outright cancellation of programs vital to our security. The Pentagon horror stories at the time were about ships that couldn't sail, planes that couldn't fly for lack of spare parts, and army divisions unprepared to fight.

And it was not just a one-sided arms agreement that made it easy for one side to cheat, but a treaty that actually permitted increases in nuclear arsenals. Even supporters of SALT II [strategic arms limitation talks] were demoralized, saying, well, the Soviets just won't agree to anything better. And when President Carter had to abandon the treaty because Senate leaders of his own party wouldn't support it, the United States was left without a national strategy for control of nuclear weapons.

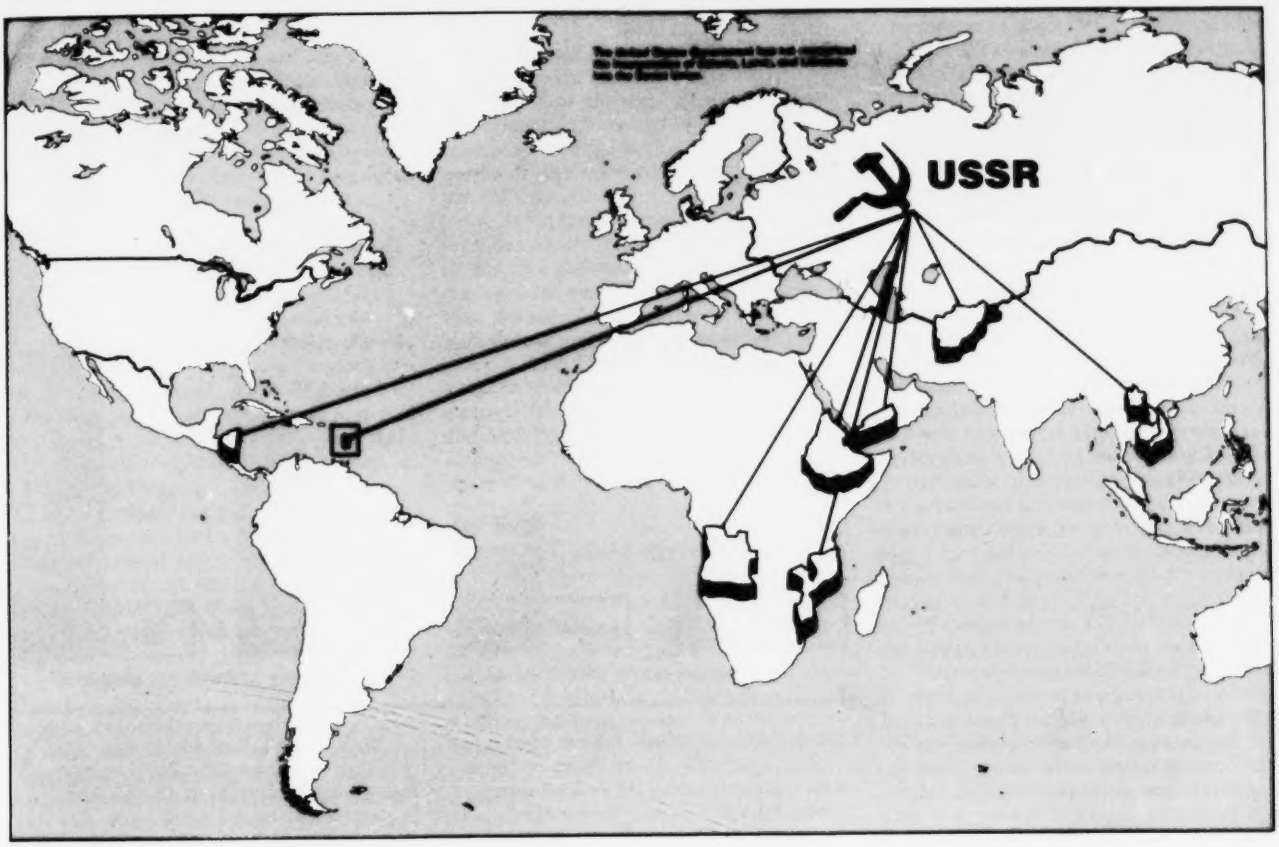
We knew immediate changes had to be made. So here's what we did: we set out to show that the long string of governments falling under communist domination was going to end; and we're doing it.

In the 1970s, one strategic country after another fell under the domination of the Soviet Union. The fall of Laos, Cambodia, and South Vietnam gave the Soviet Union a strategic position on the South China Sea. The invasion of Afghanistan cut nearly in half Soviet flying time to the Persian Gulf. Communist takeovers in South Yemen and Ethiopia put the Soviets astride the Red Sea, entryway to the Suez Canal. Pro-Soviet regimes in Mozambique and Angola strengthened the Soviet position in southern Africa. And finally, Grenada and Nicaragua gave Moscow two new beachheads right on the doorstep of the United States.

In these last 5 years, not one square inch of territory has been lost, and Grenada has been set free.

When we arrived in 1981, guerrillas in El Salvador had launched what they called their "final offensive" to make that nation the second communist state on the mainland of North America. Many people said the situation was hopeless; they refused to help. We didn't agree; we did help. And, today, those guerrillas are in retreat. El Salvador is a democracy, and freedom fighters are challenging communist regimes in Nicaragua, Afghanistan, Angola, Cambodia, and Ethiopia.

We set out to show that the Western alliance could meet its security needs, despite Soviet intimidation. And we're doing it. Many said that to try to counter the Soviet SS-20 missiles would split NATO because Europe no longer believed in defending itself. Well, that was nonsense. Today, Pershing and



cruise missile deployments are on schedule, and our allies support the decision.

We set out to reverse the decline in morale in our Armed Forces. And we're doing it. Pride in our Armed Forces has been restored. More qualified men and women want to join—and remain in—the military. In 1980, about half of our Army's recruits were high school graduates; last year, 91% had high school diplomas.

Our Armed Forces may be smaller in size than in the 1950s, but they're some of the finest young people this country has ever produced. And as long as I'm President, they'll get the quality equipment they need to carry out their mission.

We set out to narrow the growing gaps in our strategic deterrent. And we're beginning to do that. Our modernization program—the MX, the Trident submarine, the B-1 and Stealth bombers—represents the first significant improvement in America's strategic deterrent in 20 years.

Those who speak so often about the so-called arms race ignore a central fact: in the decade before 1981, the Soviets were the only ones racing.

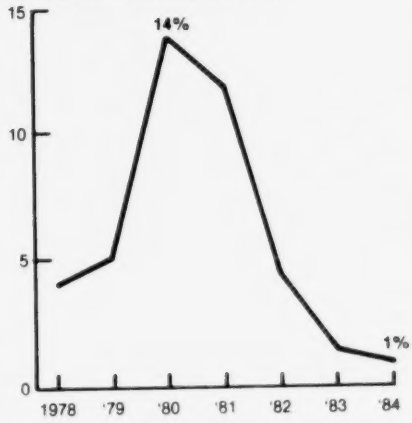
During my 1980 campaign, I called Federal waste and fraud a national scandal. We knew we could never rebuild America's strength without first controlling the exploding cost of defense programs. And we're doing it.

When we took office in 1981, costs had been escalating at an annual rate of 14%. Then we began our reforms. And in the last 2 years, cost increases have fallen to less than 1%.

We've made huge savings. Each F-18 fighter costs nearly $4 million less today than in 1981. One of our air-to-air missiles costs barely half as much.

Getting control of the defense bureaucracy is no small task. Each year the Defense Department signs hundreds of thousands of contracts. So, yes, a horror story will sometimes turn up despite our best efforts. That's why we appointed the first Inspector General in the history of the Defense Department—and virtually every case of fraud or abuse has been uncovered by our Defense Department, our Inspector General. Secretary Weinberger should be praised, not pilloried, for cleaning the skeletons out of the closet. As for those few who have cheated taxpayers or have swindled our Armed Forces with faulty equipment, they are thieves stealing from the arsenal of democracy—and they will be prosecuted to the fullest extent of the law.

Weapons Cost Growth (%)



Finally, we've set out to reduce the danger of nuclear war. Here, too, we're achieving what some said couldn't be done. We've put forth a plan for deep reductions in nuclear systems; we're

pushing forward our highly promising Strategic Defense Initiative (SDI)—a security shield that may one day protect us and our allies from nuclear attack, whether launched by deliberate calculation, freak accident, or the isolated impulse of a madman. Isn't it better to use our talents and technology to build systems that destroy missiles, not people?

Our message has gotten through. The Soviets used to contend that real reductions in nuclear missiles were out of the question. Now, they say they accept the idea. Well, we shall see. Just this week, our negotiators presented a new plan for the elimination of intermediate-range nuclear missiles, and we're pressing the Soviets for cuts in other offensive forces as well. One thing is certain: if the Soviets truly want fair and verifiable agreements that reduce nuclear forces, we will have those agreements.

The Defense Debate

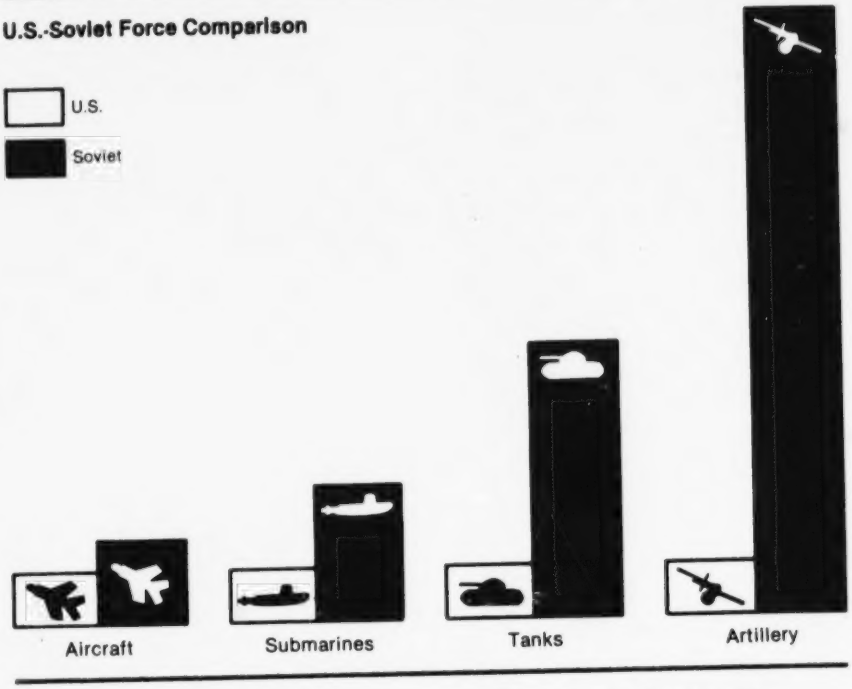
Our defense problems 5 years ago were immense, and drastic action was required. Even my predecessor in this office recognized that and projected sizable increases in defense spending—and I'm proud of what we've done. Now, the biggest increases in defense spending are behind us. And that's why, last summer, I agreed with Congress to freeze defense funding for 1 year, and after that to resume a modest 3% annual growth. Frankly, I hesitated to reach this agreement on a freeze because we still have far too much to do. But I thought that congressional support for steady increases over several years was a step forward.

But this didn't happen. Instead of a freeze, there was a sharp cut—a cut of over 5%. And some are now saying that we need to chop another $20, $30, or even $50 billion out of national defense.

This is reckless, dangerous, and wrong. It's backsliding of the most irresponsible kind, and you need to know about it. You, after all, paid the bill for all we've accomplished these past 5 years. But we still have a way to go. Millions of Americans actually believe that we are now superior to the Soviet Union in military power. Well, I'm sorry, but if our country's going to have a useful debate on national security, we have to get beyond the drumbeat of propaganda and get the facts on the table.

Over the next few months, you'll be hearing this debate. I'd like you to keep in mind the two simple reasons not to cut defense now. One, it's not cheap. Two, it's not safe. If we listen to those who would abandon our defense program, we will not only jeopardize negotiations with the Soviet Union—we may put peace itself at risk.

U.S.-Soviet Force Comparison



I said it wouldn't be cheap to cut. How can cutting not be cheap? Well, simple. We tried that in the 1970s, and the result was waste, enormous waste—hundreds of millions of dollars lost because the cost of each plane and tank and ship went up, often way up. The old shoppers' adage proved true—they are cheaper by the dozen.

Arbitrary cuts only bring phony savings, but there's a more important reason not to abandon our defense program. It's not safe. Almost 25 years ago, when John Kennedy occupied this office during the Cuban missile crisis, he commanded the greatest military power on earth. Today, we Americans must live with a dangerous new reality. Year-in and year-out, at the expense of its own people, the Soviet leadership has been making a relentless effort to gain military superiority over the United States. Between 1970 and 1985 alone, the Soviets invested $500 billion more than the United States in defense—and built nearly three times as many strategic missiles. As a consequence of their enormous weapons investment, major military imbalances still exist between our two countries.

Today, the Soviet Union has deployed over one-and-a-half times as many combat aircraft as the United States, over two-and-a-half times as many submarines, over five times as many tanks, and over 11 times as many artillery pieces.

We have begun to close some of these gaps, but if we're to regain our margins of safety, more must be done. Where the Soviets once relied on numbers alone, they now strive for both quantity and quality. We anticipate that over the next 5 years, they will deploy on the order of 40 nuclear submarines, 500 new ballistic missiles, and 18,000 modern tanks. My 5-year defense budget maintains our commitment to America's rebuilding program. And I'm grateful that Secretary Weinberger is here to fight for that program with all the determination and ability he has shown in the past.

But my budget does not call for matching these Soviet increases. So one question must be asked: can we really afford to do less than what I've proposed?

Today, we spend a third less of our gross national product on defense than under John Kennedy, yet some in Congress talk of even deeper cuts. Barely 6% of our nation's gross national product—that's all we invest to keep America free, secure, and at peace. The Soviets invest more than twice as much.

But now strip away spending on salaries, housing, dependents, and the like and compare. The United States invests on actual weapons and research only 2.6% of our gross national product, while the Soviet Union invests 11% on weapons, more than four times as much. This is the hard, cold reality of our defense deficit.

But it's not just the immense Soviet arsenal that puts us on our guard. The record of Soviet behavior, the long history of Soviet brutality toward those who are weaker, reminds us that the only guarantee of peace and freedom is our military strength and our national will. The peoples of Afghanistan and Poland, of Czechoslovakia and Cuba and so many other captive countries, they understand this.

Some argue that our dialogue with the Soviets means we can treat defense more casually. Nothing could be farther from the truth. It was our seriousness about defense that created the climate in which serious talks could finally begin.

Now that the Soviets are back at the table, we must not undercut our negotiators. Unfortunately, that's exactly what some Members of Congress have done. By banning any U.S. tests of an antisatellite system, Congress not only protected a Soviet monopoly, it unilaterally granted the Soviets a concession they could not win at the bargaining table.

Principles for Defense Program

So, our defense program must rest on these principles.

• First, we must be smart about what we build. We don't have to copy everything the Soviets do. We don't have to compete on Soviet terms. Our job is to provide for our security by using the strengths of our free society. If we think smart enough, we don't have to think quite so big. We don't have to do the job with large numbers and brute force. We don't have to increase the size of our forces from 2 million to their 5 million—as long as our military men and women have the quality tools they need to keep the peace. We don't have to have as many tanks as the Soviets—as long as we have sophisticated antitank weapons.

Innovation is our advantage. One example: advances in making airplanes and cruise missiles almost invisible to Soviet radar could neutralize the vast air defense systems upon which the Soviets—and some of their most dangerous client states—depend.

But innovation is not enough. We have to follow through. Blueprints alone don't deter aggression. We have to translate our lead in the lab to a lead in the field. But when our budget is cut, we can't do either.

• Second, our security assistance provides as much security for the dollar as our own defense budget. Our friends can perform many tasks more cheaply than we can. And that's why I can't understand proposals in Congress to sharply slash this vital tool. Military assistance to friends in strategic regions strengthens those who share our values and interests. And when they are strong, we're strengthened. It is in our interest to help them meet threats that could ultimately bring harm to us as well.

• Third, where defense reform is needed, we will pursue it. The Packard commission we created will be reporting in 2 days. We hope they will have ideas for new approaches that give us even better ways to buy our weapons. We're eager for good ideas, for new ideas—America's special genius. Wherever the commission's recommendations point the way to greater executive effectiveness, I will implement them, even if they run counter to the will of the entrenched bureaucracies and special interests. I will also urge Congress to heed the commission's report and to remove those obstacles to good management that Congress itself has created over the years.

• The fourth element of our strategy for the future is to reduce America's dependence on nuclear weapons. You've heard me talk about our Strategic Defense Initiative, the program that could one day free us all from the prison of nuclear terror. It would be pure folly for the United States not to press forward with SDI when the Soviets have already invested up to 20 years on their own program. Let us not forget that the only operational missile defense in the world today guards the capital of the Soviet Union—not the United States.

But while SDI offers hope for the future, we have to consider today's world. For too long, we and our allies have permitted nuclear weapons to be a crutch, a way of not having to face up to real defense needs. We must free ourselves from that crutch. Our goal should be to deter and, if necessary, to repeal any aggression without a resort to nuclear arms. Here, again, technology can provide us with the means not only to respond to full-scale aggression but to strike back at terrorists without harming innocent civilians.

Today's technology makes it possible to destroy a tank column up to 120 miles away without using atomic weapons. This technology may be the first cost-effective conventional defense in postwar history against the giant Red Army. When we fail to equip our troops with these modernized systems, we only increase the risk that we may one day have to resort to nuclear weapons.

These are the practical decisions we make when we send a defense budget to Congress. Each generation has to live with the challenges history delivers. And we can't cope with these challenges by evasion. If we sustain our efforts now, we have the best chance in decades of building a secure peace. That's why I met with General Secretary Gorbachev last year, and that's why we're talking to the Soviets today, bargaining—if Congress will support us—from strength.

We want to make this a more peaceful world. We want to reduce arms. We want agreements that truly diminish the nuclear danger. We don't just want signing ceremonies and color photographs of leaders toasting each other with champagne. We want more. We want real agreements—agreements that really work—with no cheating. We want an end to state policies of intimidation, threats, and the constant quest for domination. We want real peace.

I will never ask for what isn't needed; I will never fight for what isn't necessary. But I need your help.

We've come so far together these last 5 years—let's not falter now. Let's maintain that crucial level of national strength, unity, and purpose that has brought the Soviet Union to the negotiating table and has given us this historic opportunity to achieve real reductions in nuclear weapons and a real chance at lasting peace. That would be the finest legacy we could leave behind—for our children and for their children.

[1]Text from White House press release. ■

Visit to Grenada

President Reagan visited St. George's February 20, 1986, where he addressed the people of Grenada at Queen's Park.[1]

(White House photo by Pete Souza)

The President with Prime Minister Herbert Blaize (left) and Governor General Sir Paul Scoon (right).

Prime Minister Blaize, Governor General Scoon, distinguished Prime Ministers, and my dear Grenadian friends: I bring you the goodwill and affection of the people of the United States. It is my honor to be on this platform with these Caribbean leaders. We stand before you as friends who share a fundamental belief in democracy. Our commitment to humane and representative government is stronger than any tyrant's chains. And I'm certain that my colleagues approve when I say to you, we are grateful to God, today, that Grenada is once again safely within the ranks of free nations.

There is a freedom tide rising in our hemisphere. Your Prime Minister and these other elected leaders are testimony that the spirit of democracy is assuming its rightful role as the great unifier of the people. Democracy is based on respect for the rights and dignity of every person, whatever his or her station in life. In the last century, a champion of Grenadian independence, William Galway Donovan, put it well when he wrote, "A naked freedman is a nobler object than a gorgeous slave."

Now in a sense, and I mean this in a kind of geographical sense, we are, in a way, all Americans in this hemisphere, from the North Slope of Alaska to the tip of South America—these are known as the Americas—and it's our birthright to live in freedom. It is our heritage. In this quest, we stand together. And we shall always stand together.

Just in the last 5 years, Brazil, Argentina, Guatemala, Honduras, Bolivia, Uruguay, El Salvador, and, yes, Grenada, have returned to democracy. Today, 27 of 33 independent countries, countries with 90% of this hemisphere's population, are democratic or in transition to democracy. And we won't be satisfied until all the people of the Americas have joined us in the warm sunshine of liberty and justice.

In free societies, government exists for the sake of the people—not the other way around. Government is not directed by the whims of any dictator or the mandate of any clique but by the good sense of the people through a democratic vote. In free societies, people do not live in fear. They never worry that criticizing the government will lead to a late knock on the door, an arrest by some goon squad. When people are free, their rights to speak and to pray are protected by law and the goons are not running the jails: they're in the jails. In a free society, neighbors don't spy on neighbors; neighbors help neighbors. And that's the way God meant it to be.

As we rejoice in your new renewed freedom, let us not forget that there are still those who will do everything in their power to impose communist dictatorship on the rest of us. Castro's tyranny still weighs heavy on the shoulders of his people and threatens the peace and freedom of this hemisphere. Doing the bidding of his faraway master, he has shipped Cuba's young men by the thousands to fight and die in faraway lands. When one recalls the tons of military equipment that were captured here, we can thank God things were changed before young Grenadians too were sent off to fight and die for an alien ideology.

From the first days of my Presidency, I was aware of the growing trouble here in Grenada. We were worried about you and what appeared to be an attempt to turn your island into a staging area for subversion and aggression.

I can still remember being awakened early in the morning and told that six members of the Organization of Eastern Caribbean States, joined by Jamaica and Barbados, had sent an urgent request that we join them in an effort to protect lives and to restore order and democracy to your country. There were some 800 students from the United States whose lives were in danger. And there were more than 90,000 of you—Grenadians, friends, and neighbors—who were living in fear of never again regaining your freedom. Ladies and gentlemen, my dear friends, I will never be sorry that I made the decision to help you, and I made it before the sun came up.

There is a story—perhaps it's a legend—that in 1933 a group of young boys was in a swimming race across your harbor. And in the midst of the race, according to the story, to the horror of the crowd that watched, a shark appeared and surfaced directly under one young swimmer. For a few terrorizing minutes, the boy was carried on the back of the shark until the shark hit a wharf and the boy was knocked to safety and pulled out of the water by

his friends and neighbors. Dear people of Grenada, for a time it appeared that you were like that boy riding on the back of a shark. Your friends held their breath hoping and praying for you. And it was our honor to help you get off the shark. And—all of us up here—we're just glad we got here before it was time for his supper.

Today in Nicaragua, we see a chain of events similar to what happened here. We hear the same excuses made for the communists, while the people of Nicaragua see their freedom, slowly, but surely, eaten away.

Edmund Burke, a British parliamentarian who championed the cause of American independence, once wrote, "When bad men combine, the good must associate; else they will fall one by one...." Those words still ring true. That's why we came to your aid. And that is why the United States must help those struggling for freedom in Nicaragua. In the cause of liberty, all free people are part of the same family. We should stand together as brothers and sisters. And if we do, the Nicaraguan people will be able to free themselves from communist tyranny and win the liberty that you now enjoy in Grenada.

President Reagan lays a wreath at the memorial in St. George's honoring the U.S. servicemen killed in Grenada in October 1983.

(White House photo by Bill Fitz-Patrick)

There are those, of course, who claim we must give up freedom in exchange for economic progress. Pardon me, but anyone trying to sell you that line is no better than a three-card trick man. One thing becoming more clear every day is that freedom and progress go hand in hand. Throughout the developing world, people are rejecting socialism because they see that it doesn't empower people, it impoverishes them. In Cuba, Castro has turned a once thriving economy into a basket case. Lately, he's taken to haranguing his people, blaming them for the failures of his dictatorship.

Grenada—A Profile

People

Nationality: *Noun and adjective*—Grenadian(s). **Population** (1984 est.): 92,000. **Annual growth rate** (1977-82): 0.9%. **Ethnic groups:** Mainly black African descent. **Religions:** Roman Catholic, Church of England, other Protestant denominations. **Languages:** English (official), some vestigial French patois. **Education:** *Years compulsory*—6. *Literacy*—85% of adult population. **Health:** *Infant mortality rate*—16.7/1,000. *Life expectancy*—69 yrs. **Work force** (36,000): *Agriculture*—23.5%. *Industry*—24.1%. *Unemployment* (1984 est.)—30%.

Geography

Area: 344 sq. km. (133 sq. mi.); about twice the size of Washington, D.C. **Cities:** *Capital*—St. George's (pop. 30,000 est.). **Terrain:** Volcanic island with central mountainous rain forest. **Climate:** Tropical.

Government

Type: Independent state since February 1974; recognizes the British Monarch, Queen Elizabeth II, as chief of state. Administered by an interim government immediately following the ouster of the People's Revolutionary Government in October 1983, and returned to a Westminster-style parliamentary system through national elections in December 1984. **Independence:** February 7, 1974. **Constitution:** December 19, 1973.

Branches: *Legislative*—Parliament composed of a 15-seat directly elected House of Representatives and a 13-seat Senate appointed by governor general on the advice of the government and opposition. *Executive*—prime minister and Cabinet direct an apolitical career civil service in the administration of the government. *Judicial*—Supreme Court, composed of High Court of Justice and a Court of Appeals.

Administrative subdivisions: Six parishes and one dependency (Carriacou and Petit Martinique in the Grenadines).

Political parties: New National Party (NNP), Grenada United Labour Party (GULP), Maurice Bishop Patriotic Movement (MBPM), Grenada Democratic Labor Party (GDLP), Christian Democratic Labor Party (CDLP).

Central government budget (1985): $92.4 million. *Recurrent expenditures*—$45.6 million. *Capital expenditures*—$46.9 million. (Capital expenditures financed largely by foreign assistance.)

National holiday: February 7.

Flag: Red, yellow, and green with a nutmeg left of center.

Economy

GDP (1983 at market prices): $116 million. **Annual growth rate** (1983): -1.6%. **Per capita GDP** (1983): $1,261. **Avg. inflation rate** (1983): 6.1%, (1984 est.) 7%.

Agriculture (1983, 21% of GDP): *Products*—fruits and vegetables, cocoa, nutmeg, bananas, mace.

Industry (1983): *Types*—Manufacturing—4%. Tourism—3.6%. Construction—8.7%.

Trade: *Exports*—$18.9 million (1983), $17.4 million (1984 est.): fruits and vegetables, cocoa, nutmeg, bananas, garments, and mace. *Major markets* (1983)—CARICOM countries 38.7%, United Kingdom 25.7%, West Germany 11.1%, Netherlands 11.1%. *Imports* (1983)—$64.6 million: food, machinery and transport, manufactured goods, fuel. *Major suppliers* (1983)—West Indies 25%, UK 19.5%, US 17.4%.

Official exchange rate: Eastern Caribbean dollar (EC) $2.70 = US$1. *Standard bank rate*—EC$2.6882 = US$1.

Fiscal year: Calendar year.

Membership in International Organizations

UN and some of its specialized agencies, International Fisheries Service, Non-Aligned Movement, Organization of American States (OAS), Organization of Eastern Caribbean States (OECS), Latin American Economic System (SELA).

Taken from the *Background Notes* of July 1985, published by the Bureau of Public Affairs, Department of State. Editor: Juanita Adams. ■

(White House photo by Pete Souza)

While in St. George's, the President met with (front row, left to right) Prime Minister Eugenia Charles (Dominica), Prime Minister Edward Seaga (Jamaica), President Reagan, Prime Minister John Compton (St. Lucia); (middle row, left to right) Prime Minister Kennedy Simmonds (St. Christopher and Nevis), Prime Minister James Mitchell (St. Vincent and the Grenadines), Prime Minister Herbert Blaize (Grenada); (back row, left to right) Prime Minister Vere C. Bird (Antigua and Barbuda), Prime Minister George Chambers (Trinidad and Tobago), and Prime Minister Bernard St. John (Barbados).

I think it's time that we—the United States and the Caribbean nations working together—showed Castro and his gang how it's done. The foundation is already being laid. I had a conversation with Prime Minister Blaize a few months ago, and he asked if it were possible for the United States to extend more scholarships to Caribbean students. Prime Minister Blaize, I'm proud to announce today that over this year and the next two, we will roughly triple the funding for our training and education programs for the Caribbean. Our goal is to train 1,500 students from these islands each year.

And when these young people finish their education and training, we want to make certain that a growing, healthy economy is ready for them. Two years ago, we put in place the Caribbean Basin Initiative [CBI], aimed at spurring growth and investment in the Caribbean. The progress resulting from our efforts has been slow, but steady. But nothing good happens fast. It takes patience. It takes work on everyone's part.

Prime Minister Seaga has urged expanding the provisions of the CBI to permit greater access for Caribbean textiles in the U.S. market. This, he has said, would be a giant step for job creation through the Caribbean. I'm proud to announce today a special program that will guarantee access to the U.S. market for Caribbean-produced clothing made from cloth woven and cut in the United States. This will be good for the U.S. textile industry, but it will mean jobs for the people of the Caribbean.

And there's something else brewing that will be a big boost to the people of the Caribbean. Our Congress is considering a change in the tax code to permit funds in Puerto Rico's Development Bank to be used for investment loans elsewhere in the Caribbean. This proposal, worked out with Governor Hernandez Colon of Puerto Rico, has my endorsement and bipartisan support in our Congress. The Governor has spearheaded a drive to persuade U.S. firms in Puerto Rico to invest in plants in other parts of the Caribbean. And he is committed to the ambitious goal of $100 million in new investment into Caribbean Basin countries each year. Three major U.S. firms have already announced plans to place projects here in Grenada, and other projects are moving forward elsewhere in the Caribbean.

The tax provisions being considered by Congress are tied to the success of this investment program. We applaud Puerto Rico's contribution and urge congressional approval.

Finally, I would like to announce that the United States will be undertaking, in conjunction with Caribbean governments, a 5-year, $5.5 million program to help support the free and independent judicial systems of the Caribbean islands, recognized around the world as a pillar of your democratic traditions.

I'd like to take a moment to commend some people who are doing a terrific job in fostering the spirit of freedom and opportunity that I've been talking about—our Peace Corps volunteers and our Agency for International Development personnel. AID has been working on everything from repairing your roads and water system, to finishing up your new airport. Of course, it will be used to bring tourists and businessmen, instead of bombers and spy planes. Tourists are nicer, and they're a lot more fun.

The goodwill between our peoples can also be seen in the many private sector initiatives started here since the liberation. Having been in the film business, I am excited that the Discovery Foundation has provided the equipment and helped you set up a new television station. Thinking back to my past, I may have a few old movies around. Do you think anyone around here would like to see them? [Laughter and applause.]

There are many wonderful people-to-people projects that we could talk about. One of the most heartwarming is Project HOPE. The vast majority of those serving are volunteers, professionals who work hard at their regular jobs and then, in their time off, donate medical and health related services to you—truly out of the goodness of their hearts. These and other volunteers in the Caribbean make all of us back home very proud.

And a word of advice for my good friends. Whether the CBI succeeds and the economies of the Caribbean nations prosper depends as much on what you do as on what we do. High taxes, overregulation, artificially high exchange rates, and bureaucratic red tape kill enterprise and hope for the future. And I know that your Prime Minister feels the same way. There is much that should be done in these areas by Caribbean countries to put their economic house in order.

Needless to say, what you do to reform your systems and to create the environment for jobs and progress is up to you. That's the democratic challenge. But remember, whatever you do, the people of the United States are on your side. We want you to succeed and to prosper.

Personally, after talking with these leaders and meeting you today, I am optimistic. What problems you have can and will be solved. In the not too distant future, I see businessmen flocking to the Caribbean. When they do, they will find a bounty of opportunity, they'll find honest, hard-working people, happy and warm people. And they will find democratic government. That has to be a formula for good times.

And as I look around today, I know that St. George's has been a location for many a "jump up." And believe me, I will remember this one. I also know that Queen's Park was the location of a command post during the liberation 2½ years ago. The people of the United States sent our young men, our courageous soldiers—sailors, marines, and airmen—to protect our own and to save a neighbor in distress. Nineteen of our sons died here. Many were wounded. Our brave lads risked all because they believed in those ideals that we've spoken about today—justice, freedom, and opportunity. Let us pledge that their sacrifice was not made in vain. Let us recapture the joyous spirit of liberty that is truly the dream of all the Americas and spread it throughout this hemisphere. That is what our fallen heroes would have wanted.

I can't tell you how moved I have been from the first of you who waved a greeting to me since we've been here, and now those of you who we see here. I couldn't feel closer to anyone at this moment than I do to you. And I'm going to take the message back to those Americans back home who aren't here and tell them where we've got an awful lot of good friends. Thank you all and God bless you.

[1]Text from White House press release. ■

State of the Union Address

Excerpts from President Reagan's address before a joint session of the Congress on February 4, 1986.[1]

Thank you for allowing me to delay my address until this evening. We paused together to mourn and honor the valor of our seven *Challenger* heroes. And I hope that we are now ready to do what they would want us to do: Go forward America and reach for the stars. We will never forget those brave seven, but we shall go forward.

Mr. Speaker, before I begin my prepared remarks, may I point out that tonight marks the 10th and last State of the Union message that you've presided over. And on behalf of the American people, I want to salute you for your service to Congress and country. Here's to you.

I have come to review with you the progress of our nation, to speak of unfinished work, and to set our sights on the future. I am pleased to report the state of our Union is stronger than a year ago and growing stronger each day. Tonight we look out on a rising America, firm of heart, united in spirit, powerful in pride and patriotism. America is on the move!

. . . .

What is true for families in America is true for America in the family of free nations. History is no captive of some inevitable force. History is made by men and women of vision and courage. Tonight freedom is on the march. The United States is the economic miracle, the model to which the world once again turns. We stand for an idea whose time is now: Only by lifting the weights from the shoulders of all can people truly prosper and can peace among all nations be secure.

Teddy Roosevelt said that a nation that does great work lives forever. We have done well, but we cannot stop at the foothills when Everest beckons. It's time for America to be all that we can be.

We speak tonight of an "agenda for the future," an agenda for a safer, more secure world. And we speak about the necessity for actions to steel us for the challenges of growth, trade, and security in the next decade and the year 2000. And we will do it—not by breaking faith with bedrock principles but by breaking free from failed policies.

. . . .

I mentioned that we will meet our commitment to national defense. We must meet it. Defense is not just another budget expense. Keeping America strong, free, and at peace is solely the responsibility of the Federal Government; it is government's prime responsibility. We have devoted 5 years trying to narrow a dangerous gap born of illusion and neglect, and we've made important gains. Yet the threat from Soviet forces, conventional and strategic, from the Soviet drive for domination, from the increase in espionage and state terror remains great. This is reality. Closing our eyes will not make reality disappear.

We pledged together to hold real growth in defense spending to the bare minimum. My budget honors that pledge, and I'm now asking you, the Congress, to keep its end of the bargain. The Soviets must know that if America reduces its defenses, it will be because of a reduced threat, not a reduced resolve.

. . . .

As we knock down the barriers to growth, we must redouble our efforts for freer and fairer trade. We have already taken actions to counter unfair trading practices and to pry open closed foreign markets. We will continue to do so. We will also oppose legislation touted as providing protection that in reality pits one American worker against another, one industry against another, one community against another, and that raises prices for us all. If the United States can trade with other nations on a level playing field, we can outproduce, outcompete, and outsell anybody, anywhere in the world.

The constant expansion of our economy and exports requires a sound and stable dollar at home and reliable exchange rates around the world. We must never again permit wild currency swings to cripple our farmers and other exporters. Farmers, in particular, have suffered from past unwise government policies. They must not be abandoned with problems they did not create and cannot control. We've begun coordinating economic and monetary policy among our major trading partners. But there's more to do, and tonight I am directing Treasury Secretary Jim Baker to determine if the nations of the world should convene to discuss the role and relationship of our currencies.

. . . .

And the same technology transforming our lives can solve the greatest problem of the 20th century. A security shield can one day render nuclear weapons obsolete and free mankind from the prison of nuclear terror. America met one historic challenge and went to the Moon. Now America must meet another: to make our strategic defense real for all the citizens of planet Earth.

Let us speak of our deepest longing for the future: to leave our children a land that is free and just and a world at peace. It is my hope that our fireside summit in Geneva and Mr. Gorbachev's upcoming visit to America can lead to a more stable relationship. Surely no people on Earth hate war or love peace more than we Americans.

But we cannot stroll into the future with childlike faith. Our differences with a system that openly proclaims and practices an alleged right to command people's lives and to export its ideology by force are deep and abiding. Logic and history compel us to accept that our relationship be guided by realism—rockhard, clear-eyed, steady, and sure. Our negotiators in Geneva have proposed a radical cut in offensive forces by each side with no cheating. They have made clear that Soviet compliance with the letter and spirit of agreements is essential. If the Soviet Government wants an agreement that truly reduces nuclear arms, there will be such an agreement.

But arms control is no substitute for peace. We know that peace follows in freedom's path, and conflicts erupt when the will of the people is denied. So, we must prepare for peace not only by reducing weapons but by bolstering prosperity, liberty, and democracy however and wherever we can.

We advance the promise of opportunity every time we speak out on behalf of lower tax rates, freer markets, sound currencies around the world. We strengthen the family of freedom every time we work with allies and come to the aid of friends under siege. And we can enlarge the family of free nations if we will defend the unalienable rights of all God's children to follow their dreams.

To those imprisoned in regimes held captive, to those beaten for daring to fight for freedom and democracy—for their right to worship, to speak, to live, and to prosper in the family of free nations—we say to you tonight: You are not alone, freedom fighters. America will support you with moral and material assistance, your right not just to fight and die for freedom but to fight and win freedom—to win freedom in Afghanistan, in Angola, in Cambodia, and in Nicaragua.

This is a great moral challenge for the entire free world. Surely no issue is more important for peace in our own hemisphere, for the security of our frontiers, for the protection of our vital interests, than to achieve democracy in Nicaragua and to protect Nicaragua's democratic neighbors.

This year I will be asking Congress for the means to do what must be done for the great and good cause. As Scoop Jackson [the late Senator Henry M. Jackson], the inspiration for our Bipartisan Commission on Central America, once said, "In matters of national security, the best politics is no politics."

What we accomplish this year, in each challenge we face, will set our course for the balance of the decade, indeed, for the remainder of the century. After all we've done so far, let no one say that this nation cannot reach the destiny of our dreams. America believes, America is ready, America can win the race to the future—and we shall.

. . . .

[1]Text from Weekly Compilation of Presidential Documents of Feb. 10, 1986. ■

America's Agenda for the Future

Following are excerpts from President Reagan's message to the Congress of February 6, 1986.[1]

I. Introduction

On Tuesday night, I came personally before the Congress to review with you the progress of our Nation, to speak of unfinished work, and to set our sights on the future. In that address, I spoke of an America on the move—stronger than a year ago and growing stronger every day.

Almost 5 years ago I addressed a previous Congress and spoke of the need for policies that would promote economic growth and expansion, reduce the intrusion of government in areas where its role had grown too large, and strengthen our defense capabilities in order to protect the peace and fully meet our global commitments. These goals and that agenda have not changed, and although we have made significant progress, the work is not yet finished.

In addition to the proposals contained in my budget for FY 1987, this message—an *Agenda for the Future*—spells out in greater detail how we as Americans can continue to make progress in each of these areas and successfully meet the challenges of the next decade, the year 2000, and beyond.

. . . .

Antitrust Reform. If America hopes to compete successfully abroad, we cannot bind the hand of American business and industry at home. Therefore, we are asking the Congress to remove unreasonable constraints on U.S. competitiveness by reforming our Federal antitrust statutory framework to reflect the global nature of our markets. These changes will enhance the vigor and competitiveness of American businesses, while continuing to protect American consumers and businesses from adverse effects of practices such as monopolies, cartels, and price-fixing.

. . . .

Free and Fair Trade. As we knock down barriers to growth, we must redouble our efforts for freer and fairer trade. We have already taken actions to counter unfair trading practices and to open closed markets abroad. We will continue to do so. We will also oppose legislation touted as providing "protection" that in reality pits one American worker against another, one industry against another, one community against another, and that raises prices for us all. I believe that if the United States can trade with other nations on a level playing field, we can outproduce, out-compete, and out-sell anybody, anywhere in the world.

Trade is the life blood of the global economy. Growing world markets means greater prosperity for America and a stronger, safer, and more secure world for the family of free nations. We will continue to work to promote a free, fair, and expanding world trading system by continuing to seek legislation authorizing a $300 million fund for combating predatory tied aid credits by other countries. In addition, we will propose legislation to strengthen and broaden protection of intellectual property. We will continue to work with the Congress to put into place other changes that reflect the principles and policies of free and fair trade.

We will continue to enforce vigorously the laws that protect against unfair trade, in particular Section 301 of the Trade Act of 1974 and the anti-dumping and countervailing duty laws. The Strike Force on Trade will continue its efforts to identify unfair foreign practices.

We will aggressively renegotiate the Multi-Fiber Arrangement (MFA), currently scheduled to expire July 1, 1986, on terms no less favorable than present. We are consulting with the U.S. textile and apparel industries to ensure that their views will be represented during these negotiations.

We will continue the market-oriented sector-selective (MOSS) talks, working with the Japanese to identify all the trade barriers in specific sectors and encouraging the Japanese to remove them. The talks are making progress and markets are opening up in telecommunications, pharmaceuticals, and other sectors. We will continue to press for the removal of barriers in these and additional sectors. We also welcome Prime Minister Nakasone's expressed determination to move toward the restructuring of Japan's export oriented economy.

Our Administration is also working vigorously to launch a new round of multilateral trade negotiations through the Preparatory Committee established last November by the GATT [General Agreement on Tariffs and Trade]. Under the leadership of the U.S., the Preparatory Committee is developing the framework for negotiations that would strengthen the international trading system, eliminate unfair trade practices, and address major new problem areas in international trade such as services, intellectual property protection, and investment.

Our Administration hopes to begin discussions with Canada, our largest trading partner, to enhance freedom of trade between our two countries. We will work with the Congress to assure that a mutually beneficial agreement can be achieved.

In addition, we will engage some of our major trading partners in discussing the idea of establishing a multinational or regional patent office. Such an office could provide a higher level of common patent protection, including coverage and terms, and establish a more efficient system for gaining patent protection beyond United States borders.

Further, we will work to correct the deficiencies in the new farm bill, including: the provision mandating a reduction in the amount of sugar permitted to enter the United States; the 3-year payment-in-kind bonus export program; and the new dairy program, which taxes milk producers to fund a program that obligates the Government to pay farmers to liquidate their dairy herds and to buy the meat in order to support prices.

The Global Economy. Today, America is part of a global economy. The constant expansion of our economy and exports demands a sound and stable dollar at home and reliable exchange rates around the world. It also demands that our trading partners grow along with us.

We cannot race forward to the future if our friends and allies are lagging behind. Many of the trade problems we are experiencing today are caused by the imbalance between our low-tax, high-growth economy and the high-tax, low-growth economies of so many of our trading partners. Our dynamic, expanding economy is hungry for goods from abroad; but economies still suffering under excessive taxation, over-regulation, and top-heavy government simply cannot afford to buy from us.

Our Administration is working to promote growth in the world economy by strengthening economic policy coordination among our industrialized trading partners. I have directed Treasury Secretary James A. Baker III to determine if the nations of the world should convene to discuss the role and relationship of our currencies.

Many of the developing countries, where large debts further oppress struggling economies, are in particularly dire straits. Our Administration will vigorously pursue implementation of our proposed "Program for Sustained Growth" to address problems of debt and declining growth in the developing countries. This program calls for increased lending by commercial banks and an expansion of loans by multilateral development banks conditioned on structural reforms, including tax reforms, in the debtor countries.

I am looking forward to meeting with the other leaders of the industrialized nations at the Economic Summit this spring in Japan to discuss ideas and policies that can make the global economy stronger. These policies include removing structural rigidities in our economies that impede the capital and labor markets and improving the working of the free trade system, while resisting protectionism.

. . . .

V. Expanding the Family of Free Nations

In the area of foreign affairs, America will continue to encourage democracy, freedom, and respect for human rights around the world. We will be a strong and reliable ally to our friends, and a firm but hopeful adversary for those who, for now, choose not to be our friends. With the former we hope for continued harmony; with the latter, for progress toward that most elusive of goals, peace.

A Relationship Based on Realism. Our relationship with the Soviet Union must be supported by the twin pillars of hope and realism. The United States and the Soviet Union are not alike; we are not two equal and competing Superpowers divided only by a difference in our "systems." The United States is a free and open society, a democracy in which a free press and free speech flourish. The people of the Soviet Union live in a closed dictatorship in which democratic freedoms are denied. Their leaders do not respond to the will of the people; their decisions are not determined by public debate or dissent; they proclaim, and pursue, the goal of Leninist "revolution."

And so the tensions between us reflect differences that cannot be wished away. But the future is not predetermined. Knowing this, and truly desiring to make the differences between us smaller and more manageable, the United States continues to pursue progress in all aspects of our relationship with the Soviet Union.

Our Administration seeks to ensure that this relationship remains peaceful. We want restraint to be the Soviet leadership's most realistic option and will see to it that our freedoms and those of our Allies are protected.

We seek a secure future at lower levels of arms, particularly nuclear forces, through agreements that are equitable and verifiable. The soundness of our proposals, our renewed military strength, and our bipartisan determination to assure a strong deterrent create incentives for the Soviet Union to negotiate seriously.

We can move toward a better, more cooperative working relationship with the Soviet Union if the Soviet leadership is willing. This will require full Soviet compliance with the letter and spirit of both past and future agreements.

There is much work to be done. I will meet General Secretary Gorbachev later this year, and in preparation my Administration will pursue discussions with the Soviet government at all levels. I also hope to see greater communication and broader contact between our peoples. I am optimistic that if the Soviet leadership is willing to meet us halfway, we will be able to put our relations on a more cooperative footing in 1986.

Sustaining Our Strong Commitment to National Defense. In spite of our current discussions, the Soviet leaders are continuing a massive military buildup that threatens the United States and our free world allies. Real

arms reductions are possible only if the Soviets and others do not doubt our strength and ability to counter aggression.

Keeping America strong, free, and at peace is solely the responsibility of the Federal Government; it is Government's *prime* responsibility. We have devoted 5 years trying to narrow a dangerous gap born of illusion and neglect. And we have made important gains.

In the past 5 years, our Administration has reversed the decline in defense funding that occurred during the 1970s and has made significant progress in strengthening our military capabilities. Last year the Congress and I reached a deficit reduction agreement. We pledged together to hold real growth in defense funding to the bare minimum. My 1987 budget honors that pledge. It proposes defense levels that are essential simply to maintain the defense capability that we have achieved in the face of the continuing Soviet military buildup. I am now asking Congress to keep *its* end of the bargain. With the additional cuts under Gramm-Rudman-Hollings, FY 1986 budget authority for defense corresponds to more than a 5 percent real decline. This simply cannot continue. I am proposing 1987–1991 defense levels which provide the real program growth agreed to in last year's Budget Resolution. It is critical that these levels be supported. The world must know that if America reduces her defenses, it will be because of a reduced threat, not a reduced resolve.

We will continue vigorously to pursue our strategic modernization program in my 1987 budget—to modernize our bomber, ICBM [intercontinental ballistic missile], and missile-submarine forces so as to assure effective and stable deterrence.

Our Administration will also actively continue research into new technologies in search of secure strategic defense systems. The Strategic Defense Initiative offers the prospect of finding such systems, which threaten no one, to keep the peace, protect the United States and our allies in greater safety, and ultimately to eliminate the threat of nuclear weapons by making nuclear-armed missiles obsolete. We have invited allies to join us in this research effort. We have already agreed with Great Britain to undertake cooperative research and are laying the groundwork for cooperation with others.

We have witnessed in the past 5 years a remarkable improvement in personnel quality and retention throughout all components of the Military Services. My 1987 budget continues to ensure that the high quality of our forces is maintained.

Our Administration is strongly committed to improving management of our defense programs. I look forward to receiving the recommendations of my Blue Ribbon Commission, chaired by David Packard, which has been reviewing this issue. The Department of Defense will continue to root out waste and inefficiency and will aggressively initiate any new improvements necessary to assure that taxpayer dollars are well spent. We will also pursue organizational changes, where appropriate, to ensure the continued effectiveness of our Armed Forces.

While acknowledging the importance of the free flow of knowledge and information for commercial purposes, our Administration will not sacrifice our strategic technological advantages in the area of national security. We will forcefully administer the Export Administration Act.

Our Administration has pressed the governments of Indochina for the fullest possible accounting of the POW/MIA question. These efforts have shown significant progress and will continue. We will continue to pursue, with all resources available to us, reports of Americans who could still be held captive.

We will continue to support the nearly 28 million veterans who have given faithful service in defense of our Nation. We will provide quality medical care, fair and compassionate disability compensation, and other benefits for eligible veterans.

Support for a World of Hope. The United States continues to pursue a world of hope where people are free to choose the political system by which they will be governed. We seek to roll back the tide of tyranny; we seek to increase freedom across the face of this planet, for serving the cause of freedom also serves the cause of peace. It is for this reason that Americans have always supported the struggle of freedom fighters. It is also why I put forward my "regional initiative" at the United Nations last fall—a three-stage plan for ending a series of dangerous wars that have pitted a series of governments against their own people and their neighbors.

As we have in the past, America must actively wage the competition of political ideas—between free government and its opponents—and lend our support to those who are building the infrastructure of democracy. Failure to sustain other democracies will be very costly in the long run, both materially and spiritually.

In Afghanistan we must continue to help the forces fighting a Soviet invasion and an oppressive Communist regime. As a result of the Soviet Union's military presence and vicious campaign against the freedom fighters, a quarter of the Afghan population has been killed or has fled to refugee camps. The Afghan people will have our support as long as the Soviet Union continues its war against them.

In Latin America the trend toward elected civilian governments continues, with Guatemala as the latest new entry. Over 90 percent of the people of Latin America and the Caribbean now enjoy democratic rule. That compares to less than one-third only 5 years ago. However, Communist subversion and the insidious spread of narcotics trafficking continue to menace the region. In fact, they sometimes work hand in hand, as in Colombia, where insurgents are increasingly linked to drug traffickers and narcotics growers.

The Central American democracies need our help. Our assistance is crucial, as demonstrated by the success of El Salvador in preserving democratic institutions in the face of a Communist insurgency. The levels of economic and security assistance we will request for Central America are the absolute minimum needed to maintain progress toward the objectives set out in the report of the Bipartisan Commission on Central America.

For moral and strategic reasons, we must continue to support those seeking democracy in Nicaragua. The Nicaraguan resistance is fighting not only the Sandinistas, but Cubans armed with Soviet weapons. I will be asking the Congress to provide the Nicaraguan freedom fighters with the moral and material support they require to continue and expand their struggle. We will continue to press the Sandinistas to negotiate with their own people and to fulfill the promises made to them of genuine democracy. Reconciliation in Nicaragua, based on democratic elections, remains the key to peace in Central America.

In Africa, many countries have experienced deep economic distress and starvation in the past year, brought about in part by the drought and in some cases—particularly Ethiopia—by the brutal policies of a Communist regime. As the human cost of such policies mounts, we encourage African governments to take the lead in moving toward economic and political freedoms.

We are moved by the efforts of freedom fighters such as Jonas Savimbi and the members of UNITA [National Union for the Total Independence of Angola]. They deserve our support in their brave struggle against Soviet-Cuban imperialism in Angola. We will work with the Congress to determine the most effective way of providing support.

In South Africa, we stand forthrightly on the principle that the government must achieve freedom and justice for all its citizens. Apartheid, in our view, is doomed. We have a major stake—as elsewhere, both moral and strategic—in encouraging a peaceful transition and avoiding a terrible civil war. This is why we reject the approach of those on both sides who pursue violence and oppression. Our ability to affect the ultimate outcome is limited, but we will continue to employ our good offices—both official and private—to pursue dialogue and negotiation as the best way to change the system while protecting the future of all South Africans.

In Southeast Asia, the United States supports ASEAN [Association of South East Asian Nations] in its efforts to aid the struggle of the Cambodian people to free their country from foreign occupation while aiding Thailand, the ASEAN front-line state. As in other regions, we are prepared to contribute to a negotiated settlement of this war, in the context of the proposals I put forward at the U.N. General Assembly last year. We are implementing humanitarian measures in response to the refugee problems in the region.

We are concerned by the developments in the Philippines, our long-time ally, and will work to encourage political moderation, fair play, and the strengthening of democratic

institutions. Only on this basis can the people of the Philippines check and ultimately defeat an insurgency whose goal is to end democracy.

No discussion of peace and freedom can be complete without a reference to Europe's great and just hope: an end to the artificial division of the continent. The dividing line between freedom and oppression is one boundary that can never be made legitimate. The most significant way of making all Europe more secure is to make it more free.

We stand for the principles of freedom, democracy, the rule of law, unconditional human rights, and government with the consent of the governed. The cause of Poland's Solidarity continues to arouse the conscience of mankind. Solidarity will not die because its heartbeat is an indestructible truth that resonates in every human heart.

We can help those seeking democracy not only by economic and military aid, but with ideas and the active involvement of democratic parties and institutions. The National Endowment for Democracy has a creative role to play in fostering the ideals that make democracy work.

Alliances and Friendships. America's strength and staying power are the essential prerequisites for strengthening our alliances and friendships and for protecting the values and interests that bind us together. In Europe we have launched, together with our NATO allies, a Conventional Defense Initiative to find more effective means to improve our conventional deterrent; we are also seeking ways, with congressional support, to stimulate armaments cooperation. The alliance remains firmly on course in deploying NATO intermediate-range weapons to counter Soviet SS-20 missiles. We are also continuing alliance implementation of the decision to reduce by 1,400 the number of nuclear warheads available to NATO, bringing our theater-nuclear inventory to its lowest level in 20 years; this decision is being carried out despite the absence of reductions by the Soviet Union.

In our relations with Japan, we will expand our efforts to resolve bilateral trade issues through trade liberalizing solutions that open Japanese markets to American goods. We continue to rely on the United States-Japanese Mutual Security treaty as a pillar of Asian peace and stability.

Our commitment to the security of the Republic of Korea has never been stronger. We have a number of differences on trade issues but believe the market-opening steps being taken or under consideration by the Republic of Korea will alleviate these difficulties.

Elsewhere in Asia I will continue to expand and deepen cooperation with China, and improve our relationships in Southeast Asia and the dynamic Pacific Basin as a whole. Termination of United States Trusteeship over the Micronesian Territories, which I hope we can achieve this year, will be a landmark in our relations with the emerging Pacific Island nations and a symbol of our support for democracy and freedom everywhere.

One of the areas most critical to our security is the Middle East. Security assistance to the countries of the region is important to maintaining United States influence, to preventing Soviet intimidation and exploitation, and to giving friendly governments the confidence to move toward peace in the face of often violent opposition. We are helping Israel and Jordan to narrow their differences in the peace process. We will continue our efforts to facilitate direct negotiations between Israel and her Arab neighbors. We must also enlarge the gains already made between Israel and Egypt.

In South Asia major strides have been taken in the past year to advance regional peace and prosperity. A new regional association was inaugurated to grapple with the twin killers of narcotics and terrorism. The leaders of India and Pakistan have met frequently to address outstanding differences. The United States stands ready to promote regional peace and reduce the risk of a South Asian nuclear arms race in any way we can.

In terms of our legislative intentions, let me be clear: in all these regions of the world, a strong security assistance program is one of the most effective, and least costly, ways of protecting interests we share with allies and friends. I will work with the Congress to preserve this invaluable policy tool. I will also seek congressional approval of our requests to sell arms to Jordan and other pro-Western governments in the Mid-east.

Countering Terrorism and Espionage. Terrorism is a growing threat, as evidenced by the increased targeting of innocent civilians engaged in innocent pursuits. We are taking several measures to increase our capability to deal with this scourge. We are aware that it thrives with the support of nations such as Libya that provide funding, logistics, direction, and safehavens.

The Vice President's Task Force on Combating Terrorism, formed at my direction last July, has submitted its report to me with a series of recommendations. Our Administration has already begun to implement those recommendations that are within the purview of the Executive Branch. We will increase our intelligence cooperation with friendly nations to share information on terrorist plans and intentions. Our intelligence community will place greater emphasis on collecting information on terrorist groups and their state supporters. And we will increase our readiness to strike back at terrorists where they have been identified and their responsibility for actions against Americans has been determined. Those countries that support and direct the terrorists should know there is no refuge, there is no hiding place, there is no sanctuary that will keep them safe forever.

Our Administration will continue, on its own and in cooperation with allies, with private sector transportation companies, and with international organizations, to take preventive and response measures to counter the brutal, savage terrorist attacks on innocent people. Through the Federal Bureau of Investigation here at home and intelligence services abroad, we will act to head off terrorist incidents before they can occur. Our tightened security measures already include new regulations for checked baggage, cargo, and access to aircraft. We are working with the International Civil Aviation Organization and the International Maritime Organization to enhance security standards worldwide.

Our Administration will ask the Congress for legislation to further improve security measures, enhance anti-terrorism assistance programs, and in general enable us to meet our counter-terrorism responsibilities. We are requesting additional funds to improve the security of our diplomatic missions abroad and of foreign diplomats here in the United States. We are also asking the Senate to approve the Supplementary Extradition Treaty with the United Kingdom to allow the return of international terrorists for trial. This treaty will assure that our own courts cannot become a sanctuary for certain terrorists and will serve as a model for cooperation between nations.

Our Administration will continue to counter the threat posed by the worldwide activity of hostile intelligence services such as the KGB and GRU. We will follow a realistic approach to countering illegal technology acquisition, espionage, and the attempt to manipulate public opinion through active measures and disinformation. We will enhance our world effort to identify and neutralize the activity of intelligence services working against American interests or threatening our security.

VI. Conclusion

What we accomplish this year, in each challenge we face, will set our course for the balance of the decade, indeed for the remainder of the century. After all we've done so far, let no one say this Nation cannot reach the destiny of our dreams. America believes, America is ready, America can win the race to the future—and we shall.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Feb. 10, 1986. ■

News Conference of February 11 (Excerpts)

Excerpts from President Reagan's news conference of February 11, 1986.[1]

. . . .

Q. The observers you sent to the Philippines have just returned with reports that they witnessed fraud and violence. Doesn't this undermine the credibility of the election and strengthen the hand of communist insurgence on the island?

A. I am not going to comment on this process, just as they are not going to render an official report, until the counting has finally been finished. I don't think it would be proper to do so. Yes, they told me in just an interim few remarks and made it plain that they're not going to issue the official report yet. But they told me that there was the appearance of fraud, and yet, at the same time, said that they didn't have any hard evidence beyond that general appearance.

So we're going to wait. We're neutral. And then we hope to have the same relationship with the people of the Philippines that we've had for all these historic years.

Q. Did what they tell you give you concern about the credibility there and what the impact will be for U.S. interests in the Philippines?

A. I think that we're concerned about the violence that was evident there and the possibility of fraud, although it could have been that all of that was occurring on both sides. But at the same time, we're encouraged by the fact that it is evident that there is a two-party system in the Philippines and a pluralism that I think would benefit their people. And we're glad to see that particular thing happen and we'll wait until we hear the outcome.

. . . .

Q. Two weeks ago your Chief of Staff, Donald Regan, said that if Ferdinand Marcos was reelected and certified as such, we would have to do business with him even if he were reelected through fraud. Is that your policy?

A. What we have to say is that the determination of the government in the Philippines is going to be the business of the Philippine people, not the United States. And we are going to try and continue, as I said before, the relationship regardless of what government is instituted there by the choice of the people. And that is all I can answer.

Q. It is argued that there is a communist insurgency there; that the best way to play into the hands of the communists is to back someone—a dictator—who has been reelected by fraud, that the best way, it is argued, to oppose the communist insurgency is to back the forces of democracy. What about that?

A. We are backing the forces of democracy and the people there are voting and they are holding their own elections. The only party in the Philippines that boycotted the election was the Communist Party. So there is very great evidence that whatever takes place—you've got two parties and the evidence that a sizable percentage of each party has voted for a different candidate for the—of the two candidates. So there is a solid support for both candidates there. Now, as I said before, I'm not going to comment on any of these other things while this vote count is still going forward.

Q. The Soviets today released dissident Anatoliy Shcharanskiy, but of course there are thousands of other Soviets who would like to leave that country that the Soviets won't let leave. Do you regard today's release as a propaganda move, or do you see any real change in the human rights situation in the Soviet Union?

A. I don't have any way to determine what their motives are in doing this. I only know that since the Geneva meeting, there have been not only this but others released—more so than in a great many years. I am encouraged by this because I did talk at great length about the matter of human rights with the General Secretary. And all we can do is hope that this is a beginning—a sign for what is going to continue to take place.

Q. Mr. Gorbachev says that he cannot release another leading dissident, Andrey Sakharov, because of his knowledge of Soviet nuclear secrets. Do you see any legitimacy to that argument?

A. It is an argument they have used for a number of people—people who have, in their estimation, been close to some things that they feel are secrets for their own security and that they have said that they cannot let people go that have access to those secrets.

I have no way of judging how valid that is, but, as I say, they've made a start and I hope it is just a start and that they'll continue.

Q. Did the United States play any role in President Duvalier's decision to leave Haiti? And the second question, do you intend to increase economic aid to the new government there?

A. We are just faced now with what we can do—I can only tell you we hope we can be of help as this interim government goes forward to try to institute democracy there in Haiti. Our participation in Duvalier's leaving was that of providing an airplane to fly him to France.

Q. You didn't give him any sort of strong advice to leave, did you?

A. No. And he never asked us for any.

. . . .

Q. The United States, as you know, is beginning to resume the flight operations in the Mediterranean near Libya. Do you believe—and it's also designed to reassert our rights to patrol international waters. Why then haven't we crossed that line that Qadhafi calls the death line?

A. I don't know the nature of the operations that have been conducted. They conduct them in various parts of the Mediterranean. I don't know that they're all through yet. We have conducted operations there very early on in my Administration in which I was informed, because they thought I should be, that he had ordered that that was their waters—which was akin to us claiming all of the waters from the tip of Florida over to the border of Mexico and Texas—and that some of the maneuvers would entail some planes and some ships in crossing that line, but not getting into what are actually their waters.

And I gave the go-ahead on that. And I would again. I don't know—if they didn't cross it in any way this time, it must have been because the maneuvers did not call for it.

Q. Do you think, though, that resuming the operations at this time might be playing into Qadhafi's hand,

helping him project the image that he wants to, that he's being picked on by the United States?

A. It didn't add to his image the first time we did it. And as I say, it would be done not for any impression on him; it would be done because simply we believe that our squadrons which are there—the Navy—is going to have to conduct exercises and keep itself in fighting shape.

. . . .

Q. Your previous answer on the Philippines election left the impression that no matter what goes on in the election, the United States will accept the outcome. You didn't mean to say that an unprecedented fraud is going to be accepted by the United States, did you? Is there some limit where we stop?

A. No, I said that we're depending on the Filipino people to make this decision. This is their election, and we'll wait and see what the final count determines.

Q. But once they do make the decision, if it's quite obvious—and even some of the observers from your own commission are indicating that—if it's quite obvious that it's been a total steal, the United States isn't going to accept the outcome just as it is, are they?

A. You're asking me one of those "if" questions and I'm not going to answer "if" questions. I took my pattern from Franklin Delano Roosevelt when he was President and he held his first press conference, and he said "I will set down one ground rule..." which he never violated. He said, "I will not answer any 'if' questions."

Q. Some within your Administration are reported to be growing impatient with what they see as Soviet foot-dragging over setting a date for this year's summit. Do you share in that impatience?

A. I'd like to have it pinned down. They haven't come up with any other date. They mentioned another period, and we informed them that that was going to be running into our coming election and we would prefer the earlier date. No, we haven't seen any evidence that they're trying to get out of this or anything of the kind, because they've already invited me there for one in 1987.

Q. So, still in your view, there's no thought that possibly Mr. Gorbachev may be trying to win some concessions on arms control in exchange for an agreement on dates?

A. I don't think so. That kind of linkage wouldn't work.

. . . .

Q. Are the two U.S. bases in the Philippines of paramount importance when you consider U.S. policy for the Philippines? Or would you put the future of those bases at some risk if it meant standing up for democracy?

A. One cannot minimize the importance of those bases, not only to us but to the Western world and certainly to the Philippines itself. If you look at the basing now of the Blue Ocean Navy that the Soviets have built, which is bigger than ours, and how they have placed themselves to be able to intercept the 16 choke points in the world. There are 16 passages in the world—sea passages—through which most of the supplies and the raw material and so forth reaches not only ourselves but our allies in the Western world. And obviously the plan in case of any kind of hostilities calls for intercepting and closing those 16 choke points. And we have to have bases that we can send forces to reopen those channels. And I don't know of any that's more important than the bases on the Philippines.

Q. Has the United States given any consideration to other places in the region we might have bases, if the situation in the Philippines seems to become untenable?

A. I have to tell you, as good military will always do, and not just here, but in anything else—I am confident that our Navy has sought for and is looking for contingency plans for anything that might happen anyplace to us.

[1]Text from White House press release. ■

Vice President Bush Visits Guatemala and Honduras

We are committed to supporting the development of free, democratic governments throughout this hemisphere . . . .

Vice President Bush headed the U.S. delegations to the inauguration ceremonies of two Central American Presidents: Marco Vinicio CEREZO Arevalo of Guatemala on January 14, 1986 (above) and Jose AZCONA del Hoyo of Honduras on January 27, 1986.

(White House photos by Dave Valdez)

Nicaragua: Will Democracy Prevail?

Secretary Shultz's statement before the Senate Foreign Relations Committee on February 27, 1986.[1]

U.S. assistance to the Nicaraguan democratic resistance is an essential element in our efforts to defend Central America from aggression, to preserve recent democratic gains, and to improve prospects for renewed economic growth and equitable development. It is an important stimulus to a diplomatic solution to the Central American conflict. It contributes to our defense against Soviet and Cuban military intervention in this hemisphere. Finally, it can help to restore to the Nicaraguan people their right to self-determination denied by a minority that seeks to perpetuate itself in power by force of arms and totalitarian controls.

In short, the assistance the President requested on February 25 is needed. It is legally, morally, and strategically justified. And it can make a vital difference to the emergence of a democratic outcome in Nicaragua and throughout Central America.

WHAT IS THE PROBLEM?

In talking with foreign leaders and Members of Congress, I find that just about everyone agrees on what the problem is. It is that a democratic revolution has been betrayed by a violent minority willing and even eager to serve as an instrument of Soviet and Cuban strategic designs on the hemisphere, including armed aggression in the form of support for terrorism and subversion.

In 1979, Nicaraguan democrats and their sympathizers throughout the world believed that the end of the Somoza regime marked a new beginning for Nicaragua. Nicaraguans learned very quickly, however, that instead of democracy, they had fallen prey to what the Sandinistas say is "revolution by vanguard" and what the rest of us know is communist totalitarianism. The popularity of the overthrow of Somoza concealed the establishment of a new dictatorship that threatens the security of Nicaragua's neighbors and has brought the cold war to Central America.

Intervention

One of the most striking characteristics of Sandinista communism is its messianic impulse to violence. As Congress has repeatedly and formally found, Nicaragua has since 1980 been engaged in unlawful intervention, serving as the staging ground for arms shipments to guerrillas in El Salvador. Because so much attention has been focused on this arms flow to El Salvador, which has been sustained and occasionally massive, it is less widely known that at one point or another Sandinista intervention has touched virtually the entire hemisphere.

The map on page 33 depicts the breadth of Nicaragua's interventionist activities. (It also makes clear, incidentally, that the Nicaraguan communists are perfectly serious when they refer to their policy as one of "internationalism.") The map identifies the countries where the current Nicaraguan Government has shipped arms, to whose citizens it has provided military training, or the kinds of support necessary for terrorist operations. Managua has become a gathering place for terrorists from all over the world, including Europe and the Middle East as well as Latin America.

Two aspects of this pattern of intervention are worth emphasizing.

First, the intervention is strongest against Nicaragua's immediate neighbors, but it is not limited to Central America.

Second, the pattern is politically indiscriminate. Violence and subversion have been directed against democracies and even against Contadora countries as well as against dictatorships and more traditional military regimes.

Militarization

The Sandinistas like to portray themselves as nationalists, but their soldiers are trained and supported in combat by thousands of Cubans and other foreigners known as "internationalists." And this is why, despite its limited size and resources, Nicaragua is able to intervene so widely in the hemisphere: it has been armed by the Soviet Union and is manned by Cubans in key sectors from training and weapons use to intelligence and counterintelligence.

The first Cuban advisers entered Managua with the Sandinistas and took up positions in Somoza's bunker less than a week after he left it. As soon as the security apparatus was in place, Soviet-bloc arms began to arrive to give the Nicaraguan communists the capacity to repress their own people and to engage in unconventional warfare against their neighbors without risk of a conventional military response.

Chart I depicts the militarization of Nicaragua by this combination of Soviet-bloc weapons and Cuban manpower. The total of Cuban advisers has stabilized at slightly lower levels since October 1983, when the U.S. action in Grenada led the Cubans to seek a lower profile in Nicaragua. Soviet arms shipments peaked in the fall of 1984 with the delivery of HIND attack helicopters at a time when the resistance had been cut off from U.S. Government assistance. The reality is clear: Managua's military capabilities are closely tied to the Soviet Union and Cuba.

Cuban military and security officers, in fact, have done everything from helping with the establishment of political control structures in the armed forces and the state security apparatus to an active combat role with sophisticated Soviet weapons systems.

THE RISE OF THE RESISTANCE

When Daniel Ortega spoke in Havana on February 5 to the Congress of the Cuban Communist Party, he referred to "the blood of Cuban internationalists fallen on Nicaraguan soil." Ortega was talking about Cubans killed fighting Nicaraguans inside Nicaragua.

In this fact is a bitter truth: Nicaraguans who dissent must fight more than other Nicaraguans. And they must fight a sophisticated, heavily equipped, and pervasive security apparatus designed to deny power to all but the ruling communist vanguard. One

Sandinista Intervention

Group A: Countries where **arms** originating in Nicaragua have been found.

Group B: Countries some of whose citizens have received **military training** in Nicaragua.

Group C: Countries in which radicals have received **other support** (such as Safe Haven, Transit, False Documentation, etc.) from Nicaragua.

Includes all of the countries in groups **A & B.**

Group D: Countries not included in groups **A, B, or C.**

Note: Only independent countries are shown

Names and boundaries are not necessarily authoritative.

need look no further than the fate of Solidarity in Poland over the last few years to realize the difficulty of taking on such a formidable internal security apparatus.

Chart II (see p. 35) demonstrates the growth of armed resistance in the face of the new Nicaraguan police state. The resistance responds to a long series of repressive acts, some of which are listed chronologically in the chart. These go from the arrival of the Cubans and the establishment of the defense committees in the summer of 1979 to the start of censorship and the postponement of elections, the murder of opposition leader Jorge Salazar, and the burning of Indian villages in 1981. Catholic and Protestant church leaders were systematically attacked, and the Pope was insulted. Forced conscription came next, followed by stage-managed elections, Ortega's visit to Moscow, and finally the suspension of civil rights in the fall of 1985.

By betraying their promises of pluralism, the Nicaraguan communists have forced the citizens of Nicaragua to take up arms once again. Like Somoza, the Sandinistas don't seem to listen to anyone who isn't armed. And, like Somoza, they seek to blame outside forces for the resistance of their own people to their policies.

The Nicaraguan communists like to say that covert U.S. support created the resistance; that their opponents are all agents of the CIA [Central Intelligence Agency] and of the heirs of Somoza. This is ridiculous. It was Sandinista repression that in 1979, 1980, and 1981 destroyed the coalition that overthrew Somoza and sparked the resistance. In 1979, 1980, and 1981, the United States was providing aid to the Government of Nicaragua, not to the resistance.

From May of 1984 until late in 1985—well over a year—the U.S. Government provided no assistance to Nicaraguan resistance forces. As indicated in Chart II, the resistance grew by 50%, roughly from 10,000 to 15,000 during a period when there was no U.S. Government assistance.

The Sandinistas, of course, would like to create the impression that there is no viable alternative to them. Like Somoza before them, they have driven many of their opponents into exile. But these opposition groups represent a variety of political and programmatic viewpoints. They are committed to presenting those viewpoints to the Nicaraguan people in a competitive democratic process and would do so if given the opportunity.

Adolfo Calero, Arturo Cruz, and Alfonso Robelo lead the main resistance organization, the United Nicaraguan Opposition (UNO). All three actively opposed Somoza while he was still in power. Calero was jailed by Somoza; first Robelo then Cruz became junta members with the Sandinistas until they could no longer accept betrayal of democratic principles and of Nicaraguan national interests.

The largest guerrilla forces belong to the Nicaraguan Democratic Force (FDN), headed by Calero since 1983. Other important resistance organizations include ARDE [Democratic Revolutionary Alliance], built by Robelo and former Sandinista Comandante Eden Pastora, and MISURASATA [Miskito, Sumo, Rama, and Sandinista] and KISAN [United Indigenous Peoples of Eastern Nicaragua] guerrillas active among the Indians of the Atlantic coast.

Resistance fighters are overwhelmingly rural youths. Most are between 18 and 22 years old. They are fighting to defend their small plots of land, their churches, and in some cases their indigenous cultures. Some joined the resistance rather than be forced to fight for the Sandinistas against their friends and neighbors. In defending their families and communities, these young Nicaraguans are fighting for self-determination above all else.

The commanders are more likely to come from urban areas and have more diverse occupations and backgrounds. They include both former National Guardsmen and former Sandinista fighters, but most are civilians from the very groups the Sandinistas claim to represent: peasants, small farmers, urban professionals, and students. One was a primary school teacher; another, an evangelical pastor.

Chart III (see p. 38) depicts the backgrounds of the 153 most senior military leaders of the FDN as of last November. The FDN has the largest number of former military professionals; however, less than half the commanders have prior military experience. And notice a key fact that many have tried to hide: a full 20% of the FDN leaders joined the resistance after serving in the Sandinista army, militia, or security services.

The evidence irrefutably confirms that the Nicaraguan resistance is the product of a popular, pervasive, and democratic revolt.

Chart I

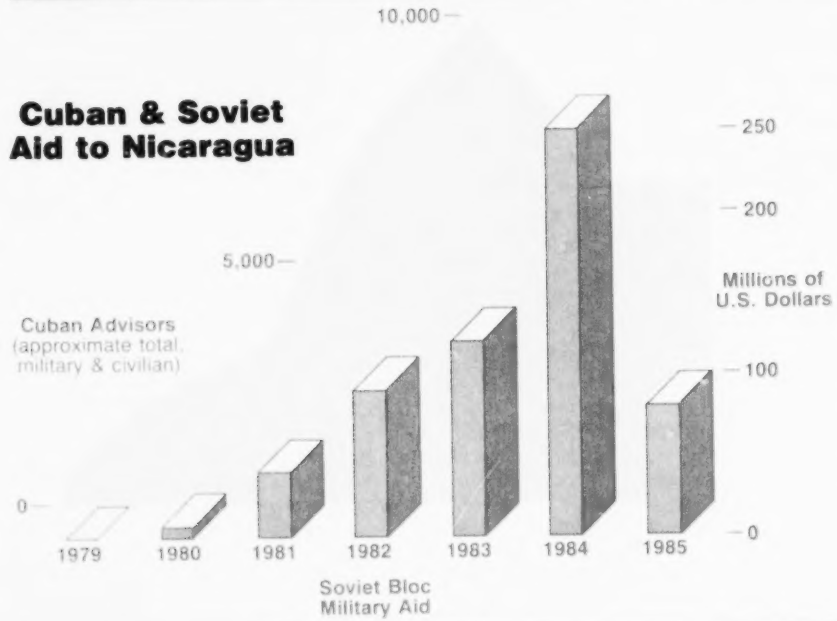
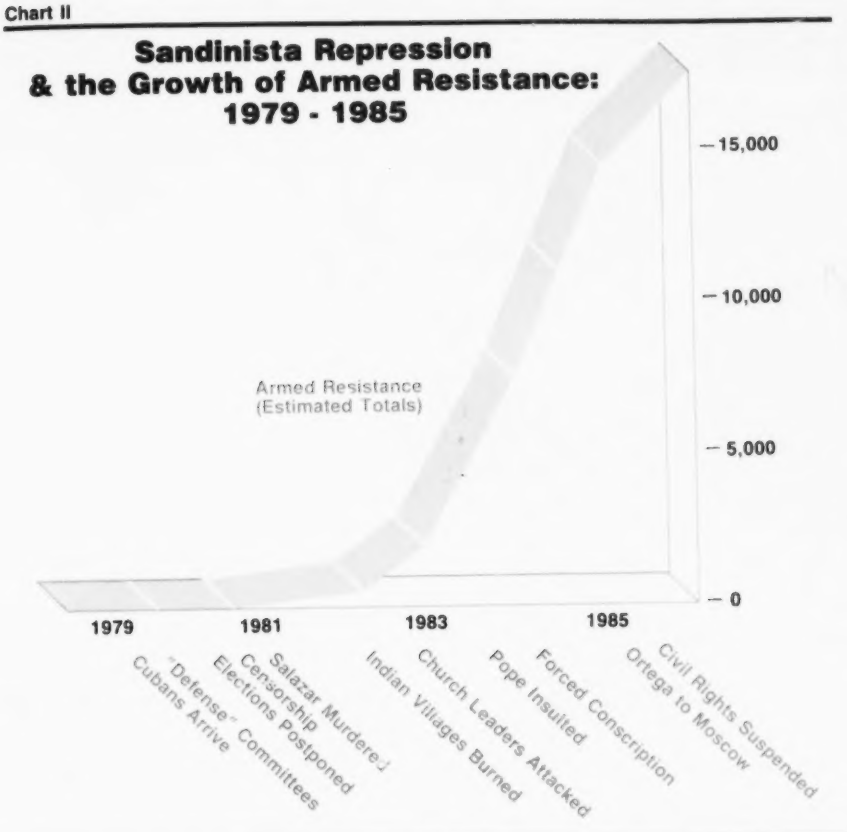


Chart II



DEMOCRACY AS THE HEMISPHERIC ANSWER

Throughout these 6½ years while Nicaragua was trading one dictatorship for another, the rest of the hemisphere was making an unprecedented and historic turn toward democracy.

The maps on pages 36 and 37 illustrate the shift to democracy in Latin America and the Caribbean over the past 10 years. The map on the left shows the politics of the region in 1976, while the one on the right shows the situation today.

Largely or entirely democratic and open societies are green. Dictatorships or military regimes are shown in light brown. Three countries not readily categorized as either democracies or dictatorships are colored gray.

Ten countries (Argentina, Bolivia, Brazil, Ecuador, El Salvador, Grenada, Guatemala, Honduras, Peru, and Uruguay) joined the democratic column in this last decade.

Since the fall of Duvalier in Haiti, Nicaragua is one of only five dictatorships or military regimes left in all of Latin America (the others being Chile, Cuba, Paraguay, and Suriname).

The question is sometimes asked whether any Latin American country supports our Nicaraguan policy. But isn't a better question whether any Latin American country (other than Cuba) supports Nicaragua's policies? Differences between the United States and our allies, to the extent they exist at all, are not over policy goals but over how to achieve them.

Nicaragua poses very complicated issues for Latin Americans, as it does for us. Latin Americans are properly concerned about the defense of sovereignty and the rejection of foreign intervention. History has focused much of that rejection against past military interventions by the United States.

As Latin Americans, however, our neighbors also reject Cuban-Soviet intervention. And when Cuban pilots fly Soviet helicopters, it is not the United States that is injecting the East-West conflict into Central America. It is the Soviets, and that is how it is perceived in Latin America.

So Nicaragua poses a problem on two levels. The Latin American dimension they feel that they can and must deal with themselves; the Soviet dimension they believe only we are strong enough to deal with. This is a point they have made to us repeatedly. The Latin American foreign ministers told me when I met with them on February 10 that they agreed with us that Cuban-Soviet intervention in Nicaragua was unacceptable.

Of course, though nobody wants a second Cuba, most would oppose any direct U.S. military intervention in Nicaragua. But we are not making a case for direct U.S. military action. We are making a case for helping Nicaraguan democrats to help themselves. If our policy advances democracy, we will always have at least tacit support.

Latin American support—indeed, enthusiasm—for democracy is evident. I would hope that by now ours is, too.

WHY PRESSURE IS NECESSARY

If democracy is our objective, why do we want to pressure Nicaragua? The answer is simple: we want a political solution. The Nicaraguan communists do not. They want a political solution only if they can violate it militarily. Pressure is the one way to bring them to the bargaining table ready to bargain. Power and diplomacy must go hand in hand.

A vote for military assistance to the democratic resistance will give Contadora a *better* chance to succeed, because it will give the Sandinistas an incentive to negotiate seriously—something they have yet to do. They did not negotiate with the Carter Administration when the United States was Nicaragua's largest supplier of aid. And they did not negotiate seriously either with us or with their neighbors when the Congress suspended all aid to the resistance 2 years ago. On the contrary, in the fall of 1984, instead of bringing their political opponents back into the political process through competitive elections, the Sandinistas imported assault helicopters from the Soviet Union.

Types of Government, LATIN AMERICA and The CARIBBEAN: 1976 and 1986

Largely or entirely democratic and open societies

Dictatorships or military regimes

Not categorized

Note: Haiti was a dictatorship until February 7, 1986.

1986
The Bahamas
Mexico
Cuba
Dominican Republic
Haiti
Jamaica
St. Christopher and Nevis
Antigua and Barbuda
Belize
Dominica
Honduras
Guatemala
Saint Lucia
St. Vincent and the Grenadines
Barbados
El Salvador
Grenada
Nicaragua
Trinidad and Tobago
Panama
Costa Rica
Venezuela
Guyana
Colombia
Suriname
Ecuador
Peru
Brazil
Bolivia
Paraguay
Uruguay
Chile
Argentina

Military pressure is just as essential now to convince the Sandinistas to negotiate a political solution as it was critical in convincing them to agree to the Contadora process in the first place.

The United States can now help the Contadora process by doing two things simultaneously:

First, the United States must support Contadora politically and diplomatically, so as to help keep the negotiating process alive for the day when the Sandinistas finally do negotiate. This support must include cooperating in the staff work needed to ensure verification of any agreement. After the Sandinistas' record in repudiating their commitments to the Organization of American States, who would trust an agreement that is not enforceable?

Second, the United States must support the Nicaraguan resistance, so as to sustain pressure on the Sandinistas to accept meaningful negotiations toward a workable Contadora agreement. Why would the Sandinistas negotiate if there were no armed resistance?

WHAT WE ARE ASKING

Carefully thought-out and implemented assistance to the Nicaraguan democratic resistance can make a difference. The President transmitted his proposal to you 2 days ago only after we had consulted widely with our friends in Central America and in the Contadora Group as well as with the members of this committee and others in the Congress.

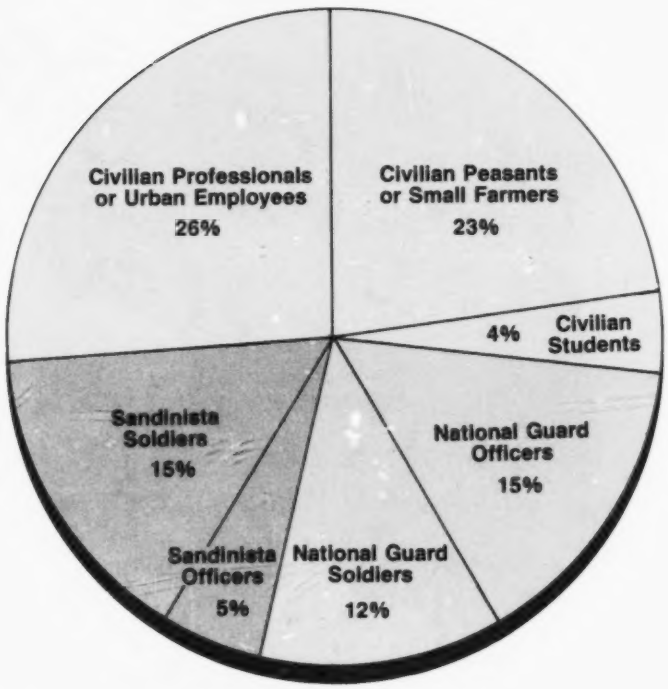
- $100 million would be made available to the Nicaraguan democratic resistance by transfer from the FY [fiscal year] 1986 Department of Defense Appropriations Act. Twenty-five percent would become available immediately, with an additional 15% released every 90 days through the end of September 1987, as reports are submitted to Congress.
- $30 million of the total $100 million package would be reserved for humanitarian assistance administered by the existing Nicaraguan Humanitarian Assistance Office (including $3 million specifically earmarked for human rights programs and activities). The President would be free to use the remaining $70 million for any kind of assistance he deems appropriate, using whatever agencies he desires, subject to normal procedures for congressional oversight. If properly led and trained, the armed resistance will be able to minimize the suffering of Nicaraguan noncombatants during military operations. The United States expects that the armed resistance will follow a code of conduct on the battlefield that will protect noncombatants and prisoners.
- In the event of a peaceful resolution of the conflict in Central America, any remaining balance of the $100 million could be used (through the end of FY 1987) for relief, rehabilitation, and reconstruction purposes in the countries of Central America, including Nicaragua.

All current statutory conditions on involvement by intelligence agencies would be satisfied by congressional approval of the President's request. At the same time, we are not breaking relations with the Sandinista government. This demonstrates our willingness to keep open the lines of communication. It strengthens the possibility of a peaceful settlement. It increases everyone's ability to cooperate. And it maintains the program's operational viability.

We are thus asking for an overt vote on a program that will operate within clearly defined parameters. We see these parameters, if Congress approves the President's request, as follows:

- U.S. policy toward Nicaragua will be based on Nicaraguan responsiveness to U.S. concerns about Soviet/Cuban ties, military buildup, support for sub-

Background of FDN Military Leaders: Late 1985



Total Civilian	**53%**
Total National Guard	**27%**
Total Sandinista	**20%**

version, internal repression, and refusal to negotiate.

• The United States will address these concerns through economic, political, and diplomatic measures, as well as support for the resistance. In particular:

— We will engage in simultaneous talks with Nicaragua if Nicaragua will also engage in internal dialogue as proposed by UNO (the UNO proposal includes a cease-fire and lifting of the state of emergency); and

— We will respond positively to other steps by the Government of Nicaragua toward meeting our concerns.

• Any easing of U.S. pressure on Nicaragua will be implemented, after consultation with Congress, by reference to observable Nicaraguan conduct (e.g., freedom of the press, reduced arms deliveries or foreign military presence, respect for a cease-fire).

• The U.S. actions shall be consistent with our right to defend ourselves and assist our allies for the purpose of achieving a comprehensive, verifiable Contadora agreement and democratic reconciliation in Nicaragua, without the use of force by the United States.

• The President will report to Congress every 90 days on diplomatic efforts, human rights, and use of appropriated funds. This is the same as current reporting requirements.

I should note that the objectives reflected in these undertakings are not those of the United States alone. Each of them, including national reconciliation through dialogue with the armed opposition, are agreed objectives of the Contadora process. We are asking the Sandinistas to do no more than what they themselves have ostensibly agreed are the steps essential to a lasting peace in Central America.

CONCLUSION

Either we are willing to act on a vital issue close to our shores at a critical moment when the world is watching, or we are not. Either we help Nicaraguans to gain their freedom, or we do not. In Europe and in the Middle East, in Afghanistan and in Cambodia, in South America and in southern Africa, our friends and our enemies will draw their own conclusions from what we decide.

The Sandinistas' record in dealing with Nicaraguans and other Central Americans makes clear that the resistance is the only constraint they recognize. As long as the Sandinistas are free to try to expand their revolution, the killing and misery will continue in Central America.

Only a democratic opening in Nicaragua can alter these dim prospects. And the resistance is the major element in the present equation that can help create that opening. Nicaraguans are disenchanted with the Sandinistas; more Nicaraguans are likely to join the resistance if they believe the United States will support the restoration of the revolution's original goals.

U.S. aid to the Nicaraguan resistance may intensify support for the Sandinistas among certain individuals who are already firmly in their camp, but we do not see the ranks of Sandinista supporters growing as a result of our backing of the resistance. On the contrary, our assistance will give heart to the vast majority of Nicaraguans who yearn for freedom.

Opposition to U.S. aid to the resistance is greatest *outside* Nicaragua, wherever people do not appreciate that the Sandinistas depend on violence as a political tool, or where they lack information about the extent of Sandinista abuses of human rights, or among those who do not realize that the true underdogs are the Nicaraguan people and their neighbors who are resisting violent minorities backed by military aid from Cuba and the Soviet bloc. Reactions among former Sandinista sympathizers suggest that the reality of the new tyranny in Nicaragua is being increasingly understood in Europe as well as Latin America and the United States.

The bottom line is this: absent a credible challenge to their militarized control of Nicaragua, the Sandinistas have no incentive to negotiate a lasting political solution to the conflict in Central America. The resistance can provide such a challenge—if we help. Without military aid to the resistance, the Sandinistas will simply monopolize power and continue to destabilize their neighbors. If the Central American house remains divided against itself, prospects for democracy would ultimately be doomed in the region as a whole as well as Nicaragua.

The United States has both moral and strategic interests in the consolidation of democracy in this hemisphere. To the extent that we support Latin Americans who are struggling for objectives similar to ours, we reduce the likelihood of having to intervene to protect our interests and defend our allies. If there were no armed resistance, we might ultimately confront choices even more difficult than this one.

Under the expedited procedures that Congress has provided, the President is entitled to a vote on his request. A positive vote is essential to protect our strategic interests, preserve opportunities for diplomacy, and assure that the progress made in recent years in El Salvador, Honduras, and Guatemala will not be reversed and that Costa Rica will maintain its democracy.

There are many uncertainties ahead in Nicaragua. We are fully aware of them. But we are also aware that there were many uncertainties in El Salvador, in Central America generally, and most recently in Haiti and the Philippines. We were right in El Salvador. Castro, and the Soviets, and the Libyans, and the Nicaraguan communists have clearly made their choice. Now it is up to us to make ours.

[1]Press release 33. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Foreign Policy Challenges

Secretary Shultz's statement before the House Foreign Affairs Committee on February 5, 1986.[1]

This decade continues to be a time of turbulence in the world—but I also see it as a time of great promise and opportunity for U.S. foreign policy. A year ago, I made a number of speeches and statements stressing that the world was changing and that our ways of thinking needed to keep up with new realities. Most of the new trends in the world were positive; thus, if we were imaginative and bold—and strong—we could help shape events in accordance with our vision of a better world.

Across the globe, we saw new evidence of the powerful appeal of liberty; we saw democracy take root in country after country, demonstrating the vitality and relevance of our ideals. We saw a kind of revolution in economic thinking, in which old truths about economic freedom and the true sources of economic progress were newly appreciated; with the dawn of a new era of technology, the open and free economic systems seemed to have an advantage.

We also learned some lessons about the relation between power and diplomacy and about how strength, staying power, and a willingness to negotiate were crucial if we were to help resolve political problems. On the negative side, we faced the continuing challenge from the Soviet Union, and we confronted the new scourge of terrorism—which required new ways of thinking in order to defeat it.

These are powerful trends. We have sought to meet them and shape them, and we have made some headway. Let me speak briefly today about how we have responded to some of these challenges and about the challenges likely to confront us in the coming months.

Democracy on the March

1985 confirmed what we have always felt and increasingly known to be true: that the yearning for political freedom, far from being culture-bound, is one of the most powerful forces across the planet. The past year confirmed, too, that the United States, as the strongest free nation on Earth, is a crucial source of inspiration and support to peoples aspiring to liberty.

The most dramatic example of this truth is Latin America, where Guatemala is only the latest in a series of countries that have abandoned military rule for elected civilian government. In the last 6 years, elected civilian leaders have replaced authoritarian regimes in Argentina, Bolivia, Brazil, Ecuador, El Salvador, Grenada, Guatemala, Honduras, Peru, and Uruguay. Over 90% of all people in Latin America and the Caribbean now enjoy democratic government, as opposed to less than one-third in the early 1980s.

A few years ago, critics of Central America and U.S. policy toward that region were skeptical that democracy could gain support in an environment where history and economic hardship seemed to impose such burdens. They are less skeptical now. They have seen the people themselves, in one free vote after another, demonstrate their belief that democracy is the road to a better life for themselves and their children. They have also seen that our moral support and economic and security assistance can help make the difference between the success and failure of this democratic experiment. If we truly believe in human rights and economic and social progress, we must keep that lesson in mind as the peoples aspiring to freedom turn to us for support in the coming months.

The most immediate danger to democracy in Central America ... is the assault on it from communist Nicaragua, aided by Cuba and the Soviet Union .... we must support, not abandon, the democratic resistance within Nicaragua....

The most immediate danger to democracy in Central America, of course, is the assault on it from communist Nicaragua, aided by Cuba and the Soviet Union. Democratic El Salvador is an outstanding example of a country that has managed to withstand a communist insurgency, and we have been privileged to play a part by our encouragement and help. So our policy—if we keep at it—is working. All the democracies of Central America look to us for help in defending themselves. We must support them. And we must support, not abandon, the democratic resistance within Nicaragua, which we support for both moral and strategic reasons. We will be discussing with the Congress what this moral and strategic imperative requires.

Toward Open Markets

The past few years have also confirmed the connection between freedom and economic progress. In the early 1980s, this Administration developed economic policies aimed at liberating the creativity of the American people. The results speak for themselves: 9 million new jobs in this country in the last 3 years, helping pull the world economy out of recession, and inflation running at a level one-third of that prevailing 5 years ago.

The world economy is still troubled. But nations everywhere are rediscovering the basic truth that the source of economic growth is individual creativity, not the state. The same laws of economics apply to developed and developing countries alike, and the countries that apply its truths are reaping the rewards.

Much remains to be done. The trade practices of our allies and friends are particularly important to us. Economic growth is one of the free world's greatest strengths. It is vital not only for our standard of living but also for our political cooperation and mutual defense. The Bonn economic summit last year showed a convergence of views on how to promote growth, jobs, and prosperity in the world economy. And the United States has recently taken the lead in developing a balanced approach to the challenges of debt and economic adjustment facing many developing nations.

I cannot overemphasize the importance of avoiding protectionism—a menace not only to our foreign policy partnerships but to any hopes of stimulating global growth. We continue to work vigorously to open markets throughout the world to U.S. goods and services.

Power, Diplomacy, and the Summit

Our liberty and our economic well-being both depend on our security. And our security depends on a policy of realism, strength, and a willingness to solve problems through diplomacy. The meeting last November between President Reagan and General Secretary Gorbachev was a good example, teaching some fundamental lessons about the conduct of diplomacy and negotiation in the modern age.

The Soviet Union continues to pose the most profound challenges to American and free world interests and ideals. Our countries are governed by irreconcilable views of the world. Nevertheless, the realities of the nuclear age mean that we must pursue constructive relations with the Soviets whenever we can do so without violating our principles. As the Geneva summit showed, constructive negotiations are possible.

In the 1970s, we let our defenses slip; for a time we seemed to shy away from a strong role of leadership; and the world became a more dangerous place. We had to make a major effort in the 1980s to rebuild our defenses, and I believe we have recovered our self-confidence as a nation. And it stands to reason that American strength and constancy of purpose are a prerequisite to successful negotiations and a more constructive relationship with the Soviet Union. Defense preparedness and maintenance of our strategic modernization program, including the MX [missile] and the Strategic Defense Initiative, remain crucial. Now is the time to support our basic interests and our negotiating position at what could be a promising moment in the quest for a safer world.

We approached the Geneva summit in a spirit of both aspiration and realism, and we will bring that spirit to our negotiations with the Soviets through the coming year. Our agenda, as before, embraces four sets of issues: arms reduction, regional conflicts, human rights, and bilateral relations. We will continue to seek agreements with the Soviets whenever they are in our interest. We will pursue the Geneva negotiations with energy and good faith and without artificial deadlines. We will also pursue them with a sense that we may be at a rare moment of opportunity.

Strength and diplomacy are not contradictory. In fact, they go hand in hand. And the same principle holds true in our efforts to promote political solutions to regional conflicts around the world, whether in southern Africa, Central America, Southeast Asia, or Southwest Asia.

Our agenda [with the Soviets], as before, embraces four sets of issues: arms reduction, regional conflicts, human rights, and bilateral relations. We will continue to seek agreements with the Soviets whenever they are in our interest.

Responding to Terrorist Warfare

Another challenge—one of the most important we face in 1986—is international terrorism. The December terrorist attacks on the Rome and Vienna airports, aided and abetted by the Libyan Government, are only the most recent reminder of this scourge of our age. And yet we have made headway—both in understanding what terrorism is and in formulating our responses to it.

We have all come to understand that terrorism is a form of warfare waged by political forces—including some sovereign states—that are hostile to democracy and determined to undermine the position of the West. We know it is not random violence but violence directed against our values and interests *and* against our diplomatic efforts for peaceful solutions to conflicts. There is a growing international recognition that a policy of appeasement of terror offers no protection.

We are not without recourse. We intercepted the aircraft carrying the *Achille Lauro* hijackers to ensure that they would be brought to justice. We took broad economic and other measures against Libya. And, as the President has pointed out, we and our friends have succeeded in foiling 126 planned terrorist attacks last year by acting in advance.

We also know that more needs to be done. We will continue to marshal all the weapons in our arsenal—nonmilitary and military—against the terrorist threat. We must continue to improve our intelligence capabilities and achieve closer cooperation and coordination with other governments. International law supports measures of self-defense and offers important avenues for effective international cooperation. The U.S. Government has strengthened itself organizationally. We amended our own criminal law in October 1984 to give us new tools against terrorism—an example of productive cooperation between Congress and the President.

This is an area, I know, in which the American people will want to see their government acting flexibly, swiftly, and effectively against terrorist threats.

No review of this subject would be complete without noting the six Americans who remain missing in Lebanon. Their safe return remains a priority concern for the U.S. Government. Our intensive efforts will continue until these missing Americans have returned home, safe and sound.

Our battle against terrorism will be long and arduous. But if we have the will, we can prevail over this challenge as we have over so many others in our history.

Gramm-Rudman-Hollings

Let me finish on a very practical note: the Department of State is determined to do its fair share, under the Gramm-Rudman-Hollings legislation, to cut the Federal budget deficit. Cutting that deficit is essential for many reasons, including the health of our own economy and the world economy.

The Department of State is intensively reviewing the way we do business at home and abroad in order to reduce costs and operate more efficiently and effectively. We have a special task force

to reassess our structure and operations. In the short run, we are reducing travel and stretching out equipment purchases; we will also review employment and new hiring; and we will reassess our number of posts abroad and the possibilities for streamlining their operations.

We recognize we have a burden of proof to meet in requesting more funds. The increases in our FY [fiscal year] 1987 request come mainly in improving protection of our diplomatic personnel and facilities abroad. Our security assistance request, which seems higher when compared to the post-Gramm-Rudman-Hollings levels of FY 1986, is essentially the same as was requested in FY 1986. We are not seeking large increases in security assistance; rather, we are continuing to seek a level of resources adequate to meet our international commitments and to pursue aggressively our national security interests. The President has determined that these are among the government's highest priorities. The resources we are requesting have been accommodated within the FY 1987 budget and the deficit target contained in the Gramm-Rudman-Hollings legislation.

The dangers to our personnel and facilities from rising terrorism are known to all; the level of economic and security assistance requested is essential to our foreign policy interests. However, we regard the increase in security assistance for FY 1987 as a transition: we are already shifting toward increasing the proportion of grant and concessional lending in our overall program. By increasing the true economic value of our program, we have been able to accommodate lower funding levels. But I must stress that any precipitous reduction in current levels, without giving time for adjustment to those countries which have long depended on us, could help our adversaries and do great damage to our security interests. I look forward to discussing these matters in depth with the committee in the future. We must work together to ensure that we and our aid partners derive the maximum economic value from the resources provided by Congress.

Prospects

In summary, the world remains a turbulent and sometimes dangerous place. But as we look ahead, we draw strength from our ideals, from our friends and the young democratic nations who have joined our ranks and now look to us for support. America remains a beacon to the freedom-loving peoples of the world. Powerful trends are on the side of freedom. That is one of the lessons of 1985.

Another major lesson is that realism, strength, and staying power are crucial prerequisites to meeting the challenges we face. History won't do our work for us. We have to be worthy of our opportunities.

And one key to our success will be bipartisanship. This noble tradition, which brought us so many dividends in the postwar years, does not ask any of us to abandon our principles. But it does require all of us to recognize how much harder it is to meet foreign challenges if we are not united at home. In recent years, we have seen signs of a rebirth of the postwar bipartisan consensus—based on a realistic understanding of the world as it is and of the need to negotiate differences where possible. I pledge my efforts, and those of the President, to work in a bipartisan spirit with all members of the Congress on behalf of the peace, freedom, and security of this country.

[1]Press release 22. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Enhancing Diplomatic Security

Secretary Shultz's statement before the Senate Committee on Foreign Relations on February 4, 1986.[1]

I am pleased to have this opportunity to speak in support of the Administration's proposals to strengthen the security of U. S. diplomatic operations. These proposals are based on the recommendations of the Advisory Panel on Overseas Security [Inman panel] and much work and thought in the Department and other interested agencies.

Over the past few years, the attention of the world has been riveted to terrorist dramas unfolding around the globe. This is a new and chilling phenomenon, one with which civilized nations and civilized peoples are inadequately equipped to deal. That can and must change. We must do everything we can to thwart those who seek to advance their ends through terror. We must protect official Americans and their dependents from these criminal activities.

We in the State Department and our colleagues from other agencies serving abroad are on the front line. Our friends and colleagues have been victims of this violence. But the challenge of terrorism has strengthened our determination. The courage and patriotism of our people and their families in the face of these dangers are inspiring.

We must spare no effort to ensure the safety of the people and facilities of all agencies abroad. In this period of budgetary stringency, this task *must* be a priority. Therefore, we have designed a program which, in our view, is prudent, thoroughly thought out, efficient in its commitment of resources—yet responsive to the inescapable necessity we now face.

The United States has always built handsome and accessible embassies and consulates abroad. Our object was to be easily accessible—to demonstrate to other peoples the openness of our society and the hand of friendship we extend to all. We wanted the local populace to see a "welcome" sign above our door and to feel comfortable in entering our buildings. This is the essence of the job we do overseas, and we have been highly successful at it.

We are now faced with a new situation: the current security and terrorist problems have left those same buildings vulnerable. Our challenge is to strengthen our security against the new dangers so that we can maintain our tradition of openness and accessibility. We will *not* let the terrorists win their victory by isolating us, forcing us to close our doors, or denying us our contacts with the peoples of the countries in which we are represented.

The Advisory Panel on Overseas Security

With this goal in mind, I formed the Advisory Panel on Overseas Security, chaired by Admiral Inman. I asked the panel to take a hard look at our security and counterterrorism programs. I didn't want or need an apologia; I wanted ideas and recommendations.

I am extremely pleased with the panel's report. The hard work and dedication of the panel is clearly reflected in the quality of its report. The panel exhaustively researched all aspects of our security and counterterrorism programs. Its recommendations have vision and, perhaps more importantly, are practical. They are recommendations which, with your support, are achievable.

The panel gave us 91 recommendations. We have implemented 45, and work is underway on 20 more. An additional 20 are awaiting the resources requested in this proposed legislation.

The recommendations focused on three central points:

- That a Bureau of Diplomatic Security with a Diplomatic Security Service be established in the Department to increase the professionalism of our security personnel and programs;
- That my overall responsibility and that of the Chiefs of Mission for overseas security programs be emphasized because such supervision is fundamental to good management; and
- That significant new resources be made available for a comprehensive worldwide security program to protect all government employees abroad. A key element here is a major multiyear construction program to rebuild or replace embassies and consulates overseas which fall significantly below our physical and technical security standards. Other elements are the upgrading of our communications to state-of-the-art technology so they are faster and more secure and improved intelligence-sharing with host governments and within our own government.

Actions Taken

The Bureau of Diplomatic Security and the Diplomatic Security Service have been established, with your support, through reprogramming of funds. In addition, using existing funds and authorities, we have already:

- Started an ambitious recruitment campaign to bring on board nearly 300 new security agents during fiscal year (FY) 1986 and to more than double the number of overseas security officers before the end of this fiscal year;
- Significantly improved training for security agents;
- Streamlined threat-alert procedures;
- Increased the number of local guards worldwide;
- Added more marines and marine guard detachments to posts;
- Nearly doubled the size of our armored vehicle fleet overseas;
- Made significant physical security improvements at 152 posts in 1985; and
- Dispatched mobile training teams to high-threat posts to provide specialized security training to U.S. Government personnel, dependents, and Foreign Service nationals.

Administration's Proposals

The Administration's proposals now before you will, in addition, do three things:

First, they would authorize a 5-year construction program to replace or upgrade our most vulnerable posts and further authorize improvements in communications and intelligence-sharing, all as recommended by the Inman panel.

Second, our proposals would complete the reorganization of our security program, as recommended by the Inman panel, by providing for a new Assistant Secretary of State to head a Bureau of Diplomatic Security and for a Director of the Diplomatic Security Service. The bureau would be responsible for all operational aspects of our security program. We would authorize certain special recruitment and performance standards for members of the Diplomatic Security Service and emphasize such operational matters as residential, perimeter, and technical security.

In one respect, we have gone beyond the recommendations of the Inman panel. Where the panel favored placing the policy arm of our counterterrorism effort with the Under Secretary for Political Affairs, we have, through reprogramming, created an Ambassador at Large for Counterterrorism, reporting directly to me. Before this reorganization last November 4, this policy function rested with an office reporting to the Under Secretary for Management. This reorganization demonstrates the high priority we place on counterterrorism; it strengthens the interagency role of this key office on the many issues on which the State Department is the lead agency.

Third, our proposals would revise and clarify the chain of command for overseas security, fixing supervisory responsibility directly on the chief of mission and the Secretary of State. They would also formalize and expand the current process by which responsible officials are held accountable for their actions—or inaction. We would now have an automatic investigation whenever there is a security breach that results in serious bodily injury, loss of life, or significant damage to our property.

Although the draft bill requests "such sums as may be necessary," the Administration's total authorization funding requirement for this program is $4.4 billion spread over 5 years. Of this total, $2.7 billion is for construction, and the balance is for related operating expenses including security officers, residential security improvements, and more secure communications equipment. In fiscal year 1986, the Administration is requesting $237 million for salaries and expenses and $455 million for construction. In FY 1987, the Administration is requesting $304 million for salaries and expenses and $1.1 billion for construction for this program.

The Construction Program

The Inman panel recommended several new security standards—a 100-foot set-back, for example. I have accepted these standards, and the set-back shall be the goal for our buildings, wherever feasible. Many posts do not meet these standards; thus, a new building program is needed.

Many posts front onto busy streets. Some have extensive glass facades. Often we share office buildings with other organizations and businesses. In still other cases, our embassies and consulates share walls with non-U.S. Government tenants. All this is clearly and generally undesirable and simply unacceptable in a great many situations.

The program places its highest priority on buildings at locations where the security threat is greatest and which are substantially below the new standards.

Great effort has gone into creating a security construction program which would ensure that buildings are designed and built to meet stringent security standards, on time and within budget. It was clear from the outset that a massive expansion of the staff of our Foreign Buildings Office to implement such a major program was not the answer. We have, instead, developed an implementation plan based on the following policies:

- Use of "fast track" and "design/build" methods to accelerate the design and construction process so that projects can be completed more quickly than was possible under previous programs;

• Use of risk analysis, constructability, and value engineering reviews to ensure that design requirements are compatible with local conditions, material availability, and technical capabilities and are cost-effective;

• Upgrade of construction contractor qualification requirements to ensure that construction awards are made to contractors with the financial, organizational, and technical qualifications necessary for successful completion of a major overseas building program;

• Allocation of sufficient resources to onsite construction oversight and inspection to ensure that buildings are constructed to required standards; and

• Use of recommendations from a major research program undertaken for our Foreign Buildings Office by the National Academy of Sciences; these provide the scientific and technical bases, in the form of performance-based security design criteria, for the design and construction of future embassy buildings.

The private sector will play a key role in ensuring effective management and implementation of the building program. We have published a synopsis of our program in the *Commerce Business Daily* with a request for particulars of qualification and experience from private sector firms interested in providing us with program, design and engineering, construction, and operations management services.

We will be ready to enter into a contract with our first private-sector program manager immediately upon receipt of an authorization and appropriation from the Congress.

Bureau of Diplomatic Security

As I said earlier, this legislation would complete the reorganization of security responsibilties in the Department recommended by the Inman panel by:

• Providing for an Assistant Secretary of State to head the new Bureau of Diplomatic Security;

• Creating a Director of the Diplomatic Security Service;

• Establishing several special job-related requirements for membership in the Diplomatic Security Service; and

• Increasing our emphasis on key operational security programs.

The new bureau will concentrate on improving:

• The security of the homes of our people and their families overseas;

• Perimeter security at our facilities;

• Technical security to update and improve our ability to cope with the unprecedented threat of sophisticated penetration systems used by hostile intelligence services against our facilities abroad;

• Protection of foreign dignitaries in the United States;

• Qualifications and performances of our local guards at overseas posts;

• Professionalism and training for our security personnel; and

• Security at Moscow and other East European posts by, among other things, substituting Americans for a substantial number of local employees now working in support positions.

Diplomatic Security Service

I envision the Diplomatic Security Service as a highly professional security organization with the recognition and respect that brings. The panel called for increased professional training, physical fitness standards, and an identifiable career structure within the Foreign Service for the Department's security cadre. I strongly support these recommendations.

The Diplomatic Security Service is to be staffed by drawing upon the existing Foreign Service and Civil Service personnel systems. This proposal will not create a new personnel system. Rather it identifies a category of employees in the same manner as do the designations "political officer" or "economic officer." Qualifications required for assignment or appointment to positions in the Diplomatic Security Service will be prescribed by the Secretary of State. In the case of security officers, the position qualifications may include minimum and maximum entry-age limitations—perhaps 21 years minimum and 35 years maximum. Such limitations are commonly found in organizations having security-related responsibilities.

In addition, the position qualifications for security officers will incorporate the standards now required by law to carry out our security functions and to exercise the Department's law enforcement authorities. As security officers perform such unique functions as protecting lives and carrying firearms in certain situations, the Secretary will be authorized to issue regulations providing for special disciplinary procedures. This is a common practice among organizations with security-related responsibilities.

The Chain of Command

The Inman panel concluded that management of the security program was overly fragmented and that the chain of command ought to be revised so that the resulting sharper supervisory focus would encourage better management and protection of U.S. Government personnel overseas.

Therefore, the Administration's proposed legislation fixes overall responsibility and authority for the management and direction of the U.S. security program overseas on the Secretary of State and, through him, the Ambassador at post.

We are working closely with other agencies to develop and agree upon appropriate security standards, procedures, and resource levels that are responsive to the needs of all U.S. Government agencies having facilities overseas, except for military bases. Physical security standards and procedures for USIA [United States Information Agency] libraries and relay stations, as well as AID [Agency for International Development] and other facilities located separately from embassies and consulates, may differ from those applied to embassies, consulates, and diplomatic residences. But the Ambassador at post and, through him, the Department will have central responsibility for security at these facilities as well as our embassies.

This proposal does not affect the Washington-based security offices of other agencies. There is sound management justification for each agency having its own security advisers in Washington. These advisers play an important role within their agencies, and we need their help in planning and implementing this program.

The Administration's proposal also does not affect the authority or responsibility of any other Federal, state, or local agency with respect to law enforcement, domestic security operations, intelligence activities as defined by Executive order, or the provision of protective services by the Secret Service.

In reviewing the security chain of command, the Inman panel recommended that we have a procedure established in law to draw lessons from security disasters or to fix individual responsibility, if any, for such incidents. The Administration agrees, and this proposal expands our current procedures by creating Accountability Review Boards to investigate incidents involving serious injury, loss of life, or significant destruction of property at or related to U.S.

Government missions abroad (other than military installations). Such boards would not only make findings relating to security generally, but they would also determine if a breach of duty by an individual employee contributed to the incident. The employing agency would review and act on the findings of the board.

Conclusion

The Administration is proposing a major, national program to improve the physical and technical security of all departments and agencies abroad, except for military bases, as well as the physical security of foreign missions and officials in this country. This proposed legislation is the product of long, hard work to which many agencies have contributed and is intended to meet their requirements. The most important contributions have come from AID, USIA, CIA [Central Intelligence Agency], Justice, Defense, OPM [Office of Personnel Management], OMB [Office of Management and Budget], Commerce, Agriculture, and Treasury.

Our proposal's overriding goal is to maintain the American tradition of overseas posts that extend the warm hand of welcome to the local population. The program I have outlined today is intended to ensure this openness in light of the dangers of today's world. We must not forget the purpose of our overseas presence is to spread our message and communicate our ideals to other nations, not to overwhelm our hosts with the aura of our power by erecting forbidding fortresses.

The Administration's proposed program will not solve all of our security problems, but we can minimize them. Our proposal is a comprehensive—and long overdue—security program which addresses our most basic security concerns. We will need to continue to supplement our limited resources with vigilance and effective intelligence to enhance the security of our posts and the effectiveness, as well as the safety, of our missions abroad.

The President and his Administration place the highest priority on this program. We recommend its early enactment.

[1]Press release 20. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

International Affairs: FY 1987 Budget

Secretary Shultz's statement before the Senate Budget Committee on Feburary 19, 1986.[1]

I welcome the opportunity to speak in support of the President's fiscal year (FY) 1987 budget request for the international affairs function—budget function 150. Our request comes before this committee at a time of great debate over how to reduce our Federal budget deficit. As a former budget director, I know from experience that there are no easy choices. And I am determined to have the Department of State do its fair share in getting the Federal budget under control. In fact, the greatest single contribution the United States can make to the economic well-being of the developing world is to get our own economic house in order.

As recent history demonstrates, strong U.S. growth and lower U.S. interest rates are crucial to the rest of the world, and to the developing countries, in particular. For example, a fall of 2% in U.S. real GNP [gross national product] in 1982 resulted in a 13% decline in U.S. imports from developing countries, while 7% U.S. growth in 1984 was associated with an 18% rise in U.S. imports from the developing world. U.S. interest rates are translated directly into interest payments required from indebted nations. In 1983, the U.S. prime rate fell from 15% to 11%. That year, interest payments fell by almost $9.5 billion, while the debt outstanding from developing countries actually increased.

Greater fiscal discipline in the United States will help the U.S. economy stay on the moderate, noninflationary growth path projected by the Council of Economic Advisers. This will be a double benefit to the developing countries: we will be a good market for their exports, and lower interest rates will relieve some of their daunting burden of debt. Together, a 4% growth in the United States and another drop in U.S. interest rates should improve their external position by approximately $10.4 billion in 1986 alone.

One of my responsibilities as Secretary of State is to present to you the essential costs of conducting a successful foreign policy. These costs cannot be wished away. They are required if we are to safeguard our national security and international interests. We recognize we have a burden of proof to meet in requesting more funds. I can assure you that in preparing this budget every attempt was made to economize.

The increases over FY 1986 levels contained in our FY 1987 request come mainly in improving protection of our diplomatic personnel and facilities abroad. Were it not for the need to provide greater security for them, our current request for function 150 would be lower than the amount originally requested for FY 1986. In fact, our request is $3.9 billion less than the amounts actually appropriated by the Congress for the international affairs function in FY 1985.

Our security assistance request, which seems higher when compared to the post-Gramm-Rudman-Hollings levels of FY 1986, is essentially the same as we requested in FY 1986. We are not seeking large increases in security assistance; rather, we are continuing to seek a level of resources adequate to meet our commitments and safeguard our interests. As the President has observed, national security has to be our government's highest priority. The resources we are requesting have been accommodated within the FY 1987 budget and the $144 billion deficit target contained in the Gramm-Rudman-Hollings legislation.

The support that Congress has provided in the past has been invaluable in strengthening America's position in the world. As I shall explain later in greater detail, the growth and deployment of our diplomatic and foreign assistance assets have contributed to major foreign policy successes.

- The NATO alliance is strong.
- Democratic institutions have emerged throughout Latin America and in key countries elsewhere.
- We have an enhanced security posture in Central America, the Caribbean, and the Pacific Basin.
- There has been a dramatic shift in Third World economies away from statist solutions and toward free markets.

• We have maintained the peace process in the Middle East, by an active diplomacy but also by steady support for our friends on both sides who are being asked to take risks for peace.

• We have given effective support to those who fight for freedom and independence in their own countries.

. . . the greatest single contribution the United States can make to the economic well-being of the developing world is to get our own economic house in order.

We must consolidate and expand these accomplishments as we continue to explore new opportunities for peace and stability. To meet these objectives, we have constructed a budget which reflects our essential needs.

Budget Overview

The FY 1987 budget request for the international affairs functions totals $22.6 billion: $2.1 billion above the FY 1986 "postsequestration" levels; $1.4 billion above the amounts appropriated by the Congress for FY 1986; but $200 million *below* the amounts originally requested by the President for FY 1986. Let me first speak to the two major areas of increase over the postsequestration levels.

The largest increase—$1.5 billion for the State Department's operating budget—reflects the Administration's proposals to protect our people and diplomatic posts overseas from international terrorism. We in the State Department and our colleagues from other agencies serving abroad are on the front line. The courage and patriotism of our people and their families in facing the dangers of terrorism are inspiring. We must ensure their safety. The Congress urged us strongly to develop a comprehensive program. We have done so and are now presenting it to you.

The second major area of increase is to restore security assistance levels necessary to meet our international commitments and to pursue our priority foreign policy objectives. Helping our friends defend themselves is our first line of defense. As the President said last year: "Dollar for dollar, our security assistance contributes as much to global security as our defense budget." We must not succumb to false economizing—leaving ourselves and our friends more vulnerable in areas vital to international security. Vacuums that we create in countries or regions of strategic importance will soon be filled by those less interested in peace and stability than we are. In the long run, this will end up costing us much more than the short-term investments reflected in this request.

Let me address the major budget components and the objectives they serve. Our development and security assistance requests for $16.2 billion serve four main foreign policy objectives:

• Supporting the Middle East peace process;

• Strengthening our alliances and cooperative defense relationships;

• Promoting regional stability in Central America and the Caribbean; and

• Supporting economic reforms and democratic forces throughout the world.

These objectives are interrelated—and crucial.

Nearly 34% of these resources go to Israel and Egypt in support of our search for peace in the Middle East. Assistance to the base rights countries of Spain, Portugal, Greece, Turkey, and the Philippines and to military access and front-line states such as Kenya, Oman, Morocco, Korea, Pakistan, and Thailand represents another 26%. Our efforts to promote regional stability in Central America and the Caribbean take another 11%.

There are other countries of importance to us which share our democratic values, such as India and Colombia; or where new democracies have emerged, such as Bolivia and Uruguay; or where fundamental economic reforms are taking place, such as Ecuador and Senegal; or that are simply strategically important to us, like the island states of the South Pacific. When these countries prosper and remain free, they demonstrate to the world that the benefits of open societies and open economies transcend geographic size and cultural diversity. They deserve our moral and material support. The amount of funds we are seeking to support these countries is relatively small—some 17% of the total foreign assistance request. The real and symbolic importance of these resources, however, is considerable.

All other country programs account for only 3% of the total foreign aid request. Some are poverty-stricken African states to which we are directing our humanitarian and technical assistance programs. Others, like Mozambique, are moving from the Soviet bloc toward genuine nonalignment. Still others, such as Burma and Peru, are active partners with us in the war against international narcotics trafficking.

Finally, some 9% of our assistance goes to AID [Agency for International Development] noncountry programs and a number of generously beneficial efforts, including the Peace Corps, refugee assistance, and narcotics control efforts.

We have done some tough pruning and made hard choices to come up with these allocations. It is a lean budget and, in our considered view, a minimum budget. Further reductions would compound our risks, weaken our friends, and add to our dangers. Foreign assistance is a kind of insurance, shoring up our security. If we try to cut corners, we run the risk of greater dangers that could well exact much higher budgetary and foreign policy costs. If the FY 1987 budget is insufficient, as it is in FY 1986, to fund country programs adequately and to provide the flexibility necessary to meet new requirements in an everchanging world, we deny ourselves the opportunity to build and maintain constructive relationships with dozens of countries throughout the world serving a multiplicity of U.S interests.

Let me now do a brief tour of the world to discuss the specific policy objectives I outlined earlier.

The Search for Peace in the Middle East

Peaceful solutions in the Middle East will become possible when we and our friends make it clear that radical solutions get nowhere. Our commitment to Israel and its security is rock solid, and our levels of assistance must reflect that commitment. At the same time, we must continue to provide significant support to Egypt, which had the courage to

break ranks with the rejectionists and make peace with Israel. A sound Egyptian-Israeli relationship remains the cornerstone of our broader peace efforts and our regional security policy. We must also help our moderate friends in the Arab world defend themselves against the genuine security threats they face. Radical forces in the region are against negotiations, against peace. Thus, they lash out not only at Israel, whom they seek to destroy, but at any Arab country that shows the courage to seek peaceful solutions.

The necessary condition for further progress in the Middle East peace process is the willingness of both [Israeli] Prime Minister Peres and [Jordan's] King Hussein to pursue ways to enter into direct negotiations. Both leaders remain fully committed to this endeavor.

Two key issues remain to be resolved: how to structure international support for direct negotiations and how the Palestinian people are to be represented in those negotiations. Prime Minister Peres has accepted the idea of an international forum, and recent discussions with both sides have addressed specific arrangements. The question of Palestinian representation is particularly difficult, confronting King Hussein with the historic challenge of bringing forward Palestinians of good will who will support and associate themselves with efforts to reach a negotiated settlement.

Egypt is uniquely situated to interact constructively with all the parties and wants to help move the process forward. We value President Mubarak's assistance and support. At the moment, Egypt is engaged in talks with Israel aimed at resolving the Taba border dispute and other bilateral issues including the return of the Egyptian ambassador to Tel Aviv. We are hopeful these efforts will soon bear fruit.

Syria and Jordan have recently entered into a dialogue on bilateral relations as well as the peace process. Syria remains an important factor in the equation, and we are following the course of those discussions with great interest.

We are seeking $5.4 billion in economic and military assistance for Israel, Egypt, and Jordan. We are in the process of reviewing with our friends in the region their needs for defensive arms. Meeting their legitimate defensive requirements is critically important to maintaining the credibility of our security role throughout the region and to preserving our role as mediator in the search for peace. Above all, we must strengthen our friends in order to deny the Soviets any opportunities to subvert a region crucial to our interests.

Israel's Economic Reforms

Last year, we sought, and Congress appropriated, $1.5 billion in supplemental assistance to support Israel's economic reform program. Buttressed by this assistance, Israel has made significant progress in stabilizing its economy since last summer. Prime Minister Peres' July 1, 1985, measures included a 19% devaluation of the shekel, cuts in government expenditures leading to a marked reduction in the budget deficit, a sharp decline in real wages, and a restrictive monetary policy.

The combined impact of new fiscal and monetary policies on inflation has been dramatic. The monthly rate of inflation declined from 27.5% in July to 1.3% in December. This has enabled the Israeli Government to keep the shekel/dollar exchange rate stable. Meanwhile, the positive trend in the balance of payments, which began in late 1983, has continued. Israel ran a substantial civilian current account surplus in 1985 due to continued improvement in its balance of trade and substantial increase in transfers from abroad. This improvement resulted in more than a billion-dollar increase in official reserves, from the midyear low point, to about $3.2 billion at year's end. Israel's foreign debt stabilized and its maturity structure improved as short-term debt was repaid during 1985. U.S. economic support funds and disbursements from our FY 1985 supplemental appropriation for Israel made an important contribution. The remainder of our supplemental, which was a one-time emergency assistance measure, will be disbursed in FY 1986 in support of further Israeli reform efforts.

Notwithstanding the considerable progress made so far, Israel's stabilization program remains fragile. The major problem continues to be excessive government spending. The new Israeli budget moves in the right direction, but additional reductions in government spending are necessary. Recent wage increases are also cause for concern. While real wages have fallen sharply since last July, they are programed to increase in the December-March period; by April, real wages will be where they were last June. Unless offsetting measures are taken to contain the attendant increase in domestic demand and production costs, wage increases of this size could result in renewed inflation and higher unemployment. Future wage increases need to be linked to increases in labor productivity.

Over the longer term, the Government of Israel would do well to consider reforms in a number of other areas as a means of facilitating noninflationary growth. These include delinking financial assets from domestic price indices, labor market reform, and changes in investment and tax policies. Our recent bilateral discussions in the Joint Economic Development Group have focused increasingly on these and other economic and investment issues in recognition of their importance to Israel's long-term growth and prosperity. Our discussions with Israel in this forum underscore our commitment and partnership.

In the context of Israel's economic reform, we strongly endorse Operation Independence, a private sector effort to expand trade, encourage private investment, and reduce Israel's dependence on U.S. aid. Spearheaded by a group of dynamic American businessmen, this initiative has already produced tangible results in expanding Israel's exports.

Foreign assistance is a kind of insurance . . . If we try to cut corners, we run the risk of greater dangers that could well exact much higher budgetary and foreign policy costs.

Egyptian Economic Program

Last year, at the Administration's request, Congress also appropriated $500 million in supplemental assistance for Egypt. These funds, along with our regular assistance program, were in sup-

port of economic reform. In 1985, the Egyptian Government drew up a 13-point reform program. It raised prices for agricultural commodities, for example, and for a wide range of sensitive consumer items; it also raised electricity rates by more than a third and gasoline prices by 25%. These incremental actions, however, still fall far short of the comprehensive effort needed for long-term economic viability.

During 1986, we will time our disbursement of the remaining $150 million of the supplemental to support further reform measures. Priority areas for action include reducing the balance-of-payments and budget deficits, improving the system of debt management, and expanding the role of the private sector. Rapid progress in these areas is all the more urgent now, given the damaging impact on the Egyptian economy of the precipitous drop in oil prices.

The Persian Gulf

We continue to be concerned and vigilant about the Persian Gulf. Strategically located, this region is vulnerable to Soviet expansionism. It remains a major source of energy supplies essential to the economic health of the free world. Our naval force in the gulf expresses our interest in the security and stability of the region.

We and our Arab friends agree that they should be the first line of defense of the gulf. Thus, our role—an essential role—is to continue reinforcing the defensive capabilities and security of our friends in the Arabian Peninsula, both through commercial sales and security assistance. The security relationship we have built with Oman is a vital element of our Central Command strategy. Our military assistance to the Yemen Arab Republic, on the other side of the peninsula, is particularly important in view of the recent destabilizing events in South Yemen.

We are troubled by Iran's intransigent prolongation of its brutal war with Iraq, as well as by the dangers which this war poses for nearby neutral countries. We have offered vigorous support for all the numerous efforts, particularly that of the United Nations, to bring the war to a negotiated end with the sovereignty and territorial integrity of both sides intact.

Enhancing Defense and Security Relationships

Around the world, America's alliances and security relationships are sound. We have had some differences with our European allies during the past year. But alliances among free nations will always see expressions of differing perspectives. On the fundamental issues of our mutual security, the Atlantic alliance remains solid. In fact, we made gains in the past year—for example, in our bilateral discussions about participation in the research program of the Strategic Defense Initiative.

With the Soviet military threat to Central Europe and Southwest Asia continuing to grow, security assistance designed to improve the defense capabilities of countries on NATO's southern flank is of special importance. Our security assistance to key NATO allies also helps ensure continued access to strategically important military bases and sustains confidence in the "best efforts" commitments which are the foundations of our base agreements.

We cannot measure our interests in NATO's southern flank solely by our military links. The broad common commitment to Western values has a meaning that transcends these military ties. Spain and Portugal have now joined Europe; in an important symbolic sense, in joining the European Community. This is a triumph for the Western world. On the other side of the Mediterranean, we often hear of problems bedeviling our bilateral relationships with Greece and Turkey. Let us not forget the common interests and shared values that underlie these relations and that establish the basis for the resolution of our difficulties. I view my upcoming trip to these two countries as part of the process of building on our common objectives.

On the other side of the globe, we continue to regard the U.S.-Japanese Mutual Security Treaty as the pillar of Asian peace and stability. Japan has become our largest market after Canada, and both sides are working toward resolving our trade differences. We are also working with the Republic of Korea, whose security has never been more important to us, on trade issues and mutual security and resolving market access problems in our expanding two-way trade. While we have some serious problems with New Zealand, Australia remains a valued ally.

Our aid programs concentrate on the region's more threatened or vulnerable nations: the Philippines, the Republic of Korea, and Thailand.

The Philippines is experiencing serious economic and political problems. Ambassador Philip Habib is currently assessing the situation there for the President, and we expect his report to influence the course of our efforts to assist the Philippines through this prolonged crisis. In the meantime, we are taking care to ensure that our aid contributes to the structural reforms needed to put its economy back on the path of growth. Our military assistance to the Philippines remains our best and most useful tool to help promote the reform and development of a professional military. Whatever the near-term problems of the Philippines, there is no doubt that the presence of a strong, democratically oriented military is in our best interests. It is also time to fund military assistance at a level necessary for the Armed Forces of the Philippines to fight the insurgency successfully. We must also fulfill the President's "best efforts" commitment made in the context of the last 5-year review of the military bases agreement. The military facilities themselves remain vital to protecting the sea- and airlanes of the region and providing logistical support for our forces in the Indian Ocean and Persian Gulf.

The Republic of Korea continues to confront the greatest threat to its security from its communist neighbor to the north. Tension on the peninsula remains high, and continued American presence and support are crucial, especially over the next 3 years. Our Korean ally is already devoting a large portion of its GNP to defense, but continued FMS [foreign military sales] credits are needed if Korea is to meet key objectives of its Force Improvement Plan.

Like Korea, Thailand is an ally allocating substantial resources to military modernization and creating a credible deterrent to Vietnamese aggression. We need to support these efforts and assist Thailand in achieving its development goals so that it can maintain a healthy, balanced economy in the face of its increasing security needs. We need to do this not only because of the importance of Thailand itself but because we have an enormous stake in the independence, prosperity, and integrity of the group of ASEAN [Association of South East Asian Nations] nations of which Thailand is a part. The ASEAN nations sit astride vital sealanes joining Asia with the Middle East and Europe. The

United States—indeed, most of the free nations of the world—have a critical interest in keeping them peaceful and open. Our assistance programs in Malaysia, Singapore, and Indonesia help ensure stability and promote progress.

One very important element in our support for ASEAN is the effort to find a political solution in Cambodia. To this end, we are backing the noncommunist Cambodian groups resisting Vietnam's occupation of their country. Following the Vietnamese offensive a year ago that drove their camps away from the Thai-Cambodian border, these forces have concentrated on regrouping and training for guerrilla activity inside Cambodia.

Together, the Khmer People's National Liberation Force (KPNLF) and the Sihanoukist National Army have some 9,000 troops currently operating inside the country, with more scheduled to enter. Despite problems that include a serious split within the KPNLF leadership, military resistance leaders are optimistic about their prospects. We are now discussing with interested parties how the U.S. assistance funds for noncommunist groups provided in FY 1986 can best support resistance activities. We do not plan to provide lethal equipment, as the groups are already adequately supplied with weapons.

In the Pacific, we are in the process of establishing a new and unique relationship with the Freely Associated States of Micronesia. In the South Pacific we are facing, for the first time, the threat of increased Soviet interest and activity. The negotiation of a regional fisheries agreement with the nations of the South Pacific promotes U.S. interests in the area. We hope to reach a final agreement later this year.

In South Asia, the Soviet aggression in Afghanistan has continued for more than 6 years. Pakistan's staunch opposition to Soviet aggression and its generosity to more than 2 million Afghan refugees pose an enormous financial burden on Pakistan, which the United States has tried to alleviate through our current 6-year economic, 5-year military program of assistance. This program enters its final year in FY 1987. We must maintain that support, out of loyalty to a staunch ally that faces a direct Soviet threat and to maintain the pressure on the Soviets to move toward a negotiated settlement in Afghanistan.

Our assistance provides vital support for Pakistan as that country enters a new era of democratization, which began with the lifting of martial law on December 30, 1985. The new civilian government is looking to the United States, which has strongly encouraged a more representative government, to provide continued moral and financial support as the government copes with the continuing Soviet aggression in Afghanistan and the burden of refugees. Pakistan is a poor country, and our assistance also helps it pursue its economic development plans, even under the heavy burdens it bears.

We will not let the terrorists win their victory by isolating us, forcing us to close our doors, or denying us our contacts with the people of the countries in which we are represented.

Regional Stability and Security in Central America and the Caribbean

Events in Central America and the Caribbean over the past year have confirmed the important link that exists between foreign assistance and U.S. national interests. Our continuing policy of support to prodemocratic forces is enabling democracy to take root and to become self-sustaining.

Guatemala is the latest Central American country to have abandoned military rule for elected civilian government. Elected civilian leaders also have replaced authoritarian regimes in El Salvador and Honduras. Nicaragua is the only nondemocratic country remaining in that region.

A few years ago, critics of Central America and U.S. policy toward that region were skeptical that democracy could gain support in an environment where history and economic hardship seemed to impose such burdens. They are less skeptical now. They have seen the people themselves, in one free vote after another, demonstrate their belief that democracy is the road to a better life for themselves and their children. They have also seen that our moral support and economic and security assistance can help make the difference between the success and failure of this democratic experiment. If we truly believe in human rights and economic and social progress, we must keep that lesson in mind as the peoples aspiring to freedom turn to us for support in the coming months.

The most immediate danger to democracy in Central America, of course, is the assault on it from communist Nicaragua, aided by Cuba and the Soviet Union. Democratic El Salvador is an outstanding example of a country that has managed to withstand a communist insurgency, and we have been privileged to play a part by our encouragement and help. So our policy—if we keep at it—is working. All the democracies of Central America look to us for help in defending themselves. We must support them. And we must support, not abandon, the democratic resistance within Nicaragua, which we support for both moral and strategic reasons. We will be discussing with the Congress what this moral and strategic imperative requires.

The Caribbean, too, is fertile ground for democracy. Cuba is the most egregious exception. In Haiti, after decades of autocratic government and a stagnating economy, the people have new hope of seeing a government responsive to their needs and aspirations. Our policy toward Haiti is the same as our policy toward the rest of the hemisphere. We seek to promote progress toward democracy, greater respect for human rights, and rapid and equitable economic growth. We feel that the Haitian people should choose their own future, and we note that the new government has committed itself to this objective. We hope to be of help as the interim government goes forward with this effort.

On the economic side, the Caribbean Basin Initiative is succeeding in broadening and diversifying the production and export base of the region, laying the foundation for long-term recovery. Unfortunately, many of the gains have been offset by declines in the prices for traditional exports. In some cases, most notably sugar, the declines in prices are

aggravated by our farm bill, which will result in a loss of $52 million in export earnings by the Caribbean Basin countries. The restructuring of economies to make them less vulnerable to commodity price fluctuations requires a sustained commitment from the political leadership of these countries. It also requires sustained support from the international development community. We will continue to do our share.

Supporting Economic Reforms and Democratic Institutions

Looking beyond Central America and the Caribbean, across the globe, we see further evidence of the powerful appeal of liberty. Democracy is taking root in country after country, demonstrating the vitality and relevance of our ideals.

The past few years have also confirmed the connection between freedom and economic progress. In the early 1980s, this Administration developed economic policies aimed at liberating the creativity of the American people. The results speak for themselves: 9 million new jobs in this country in the last 3 years, helping pull the world economy out of recession, with inflation now one-third the rate of 5 years ago.

The world economy is still troubled. But nations everywhere are rediscovering the basic truth that the source of economic growth is individual creativity, not the state. The same laws of economics apply to developed and developing countries alike, and those that apply its truths are reaping the rewards.

India, the world's largest democracy, is a critical—and successful—test case that shows that democratic politics and economic development are not only compatible but mutually supportive. Under Rajiv Ghandi's able leadership, India is moving into an era of advanced technology and rapid economic growth, spurred on by liberal economic policies. It is not only an increasingly attractive market for American exports but is becoming a major factor in such areas as computer software and light industrial goods.

India has also assumed an increasingly important strategic role, as it takes its place as a major regional—and world—power. It has begun this process by strenghtening its ties with its regional neighbors—especially Pakistan, with which it has announced a major nuclear agreement. Our own relations with India have significantly improved this past year, and not at the cost of our ties to China and Pakistan.

In Argentina, Brazil, Ecuador, Uruguay, Bolivia, and Peru, democratic governments are faced with the daunting challenge of restoring economic stability and establishing the conditions for sustained economic growth. The task for the Andean countries is further complicated by narcotics trafficking and terrorism. In Colombia, one of the oldest democracies in South America, terrorists and narcotics traffickers are threatening to undermine years of economic growth and progress. We want to help Colombian efforts to meet these threats. To do so, we are seeking modest increases in our security assistance program.

In Peru, a ruthless terrorist organization and a well-entrenched narcotics industry threaten national stability. We applaud President Garcia's commitment to stamp out narcotics trafficking and his determination to end terrorism within the context of democracy and respect for human rights. A mutually constructive relationship with Peru, however, will require greater moderation and cooperation and meaningful economic reform by the Peruvian Government. If these actions evolve as we hope, we would need to find increased resources to support the Peruvian effort.

In Africa, young and fragile governments are struggling with the most profound economic crisis in the continent's modern history. Our adversaries have shown themselves willing to take advantage of the continent's plight, exploiting political-military conditions in such disparate areas as southern Africa, Chad, and the Horn. It is in our own interest to help Africa realize its potential: to fuel economic growth; to monitor and thwart the actions of Libya, the Soviets, and their surrogates; and to encourage adherence to improving standards of human rights.

Last year, the world witnessed the devastating effects of the drought which put over 30 million Africans at risk of starvation. The American response was extraordinary. Our government and private sector contributions provided unprecedented levels of food, as much as the rest of the world combined. The combined effort saved countless lives, and we can be justifiably proud of the results.

For the long term, we must encourage Africans themselves to promote the policies that lead to agricultural productivity, economic growth, and stability. There is cause for hope. Some African countries are starting to reject the statist economic policies which proved so disastrous, misallocating scarce resources and discouraging the productive private sectors of the economy.

Our bilateral AID programs are increasingly stressing policy reforms that stimulate private sector productivity. The African economic policy reform program made good progress in 1985 in promoting market-oriented reforms in Malawi, Mali, Mauritius, Rwanda, and Zambia. This year, we plan to start implementing the President's Food for Progress initiative, which will concentrate on reforms in the agricultural sector needed to provide farmers with adequate incentives.

Diplomacy in Southern and South Africa

Turning from purely economic to more general concerns, no region of Africa is the cause of more debate and concern, both in the United States and abroad, than southern Africa. We are committed to playing a positive role as the region grapples with the twin challenges of containing regional strife and bringing the abhorrent system of apartheid to an end.

In the regional conflict, our aim is to show that military solutions will not work. Unfortunately, the Soviet Union and its Cuban and Angolan allies still have illusions on this score. Over the last 2 years, the Soviets have delivered an extraordinary $2 billion in military equipment to the regime in Luanda and have engaged themselves directly in the fighting. The visit of Jonas Savimbi [President of the National Union for the Total Independence of Angola] to this country should make clear America's determination to ensure that no outside power will be allowed the opportunity to resolve on the battlefield the civil war that divides Angola. At the same time, we search for a negotiated solution. As long as negotiations continue, the path lies open to a settlement which would lead to the independence of Namibia and end the intervention of *all* foreign military forces in Angola.

We are particularly pleased by Mozambique's substantial move toward genuine nonalignment. This is reinforced by major new aid commitments from the West, of which our own aid program is an integral part. We want to encourage this favorable trend. I am concerned that the congressional restrictions on aid to Mozambique threaten to undo what has been a significant political accomplishment of U.S. foreign policy.

In South Africa, the goal of reform must be to end apartheid and to bring about a political system based on the consent of the governed. The President's Executive order of last September 9 was designed to convey the united opposition of the American people to the apartheid system. This is a message we continually reiterate in contacts with the South African Government. It is also a message we are sending in concrete ways as we move to build ties with the black community in South Africa. The aid program mandated by the Executive order works through private voluntary organizations to train black leaders for the future and to assist black entrepreneurs. We are also providing funds for direct legal assistance to the victims of apartheid and their families. The Human Rights Fund will provide $1.5 million for these and similar projects, while about $10 million will be available for scholarships for those disadvantaged by apartheid.

America continues to play a positive role in South Africa, but outside countries cannot, alone or in combination, resolve South Africa's problems. The government there must take the steps that will make it possible for black leaders to negotiate. In turn, these leaders must be willing to negotiate themselves. The alternative is the kind of violent upheaval that seldom produces just or democratic solutions.

Multilateral Development Banks and Programs

The multilateral development banks play an important and complementary role in many countries important to the United States. As developing countries seek to move from crisis management and austerity to a renewal of sustained economic growth, they will be competing for a finite supply of investment capital from the international financial community. These resources will flow where they are welcome—when conditions are hospitable. A true partnership based on mutuality of interest will have to be forged between the developing countries and the holders of development capital—the industrial countries, international lending institutions, and the commercial banks.

Last October, at the Bank-Fund [World Bank-International Monetary Fund] meeting in Seoul, [Treasury] Secretary Baker proposed a bold, new comprehensive approach to get debtor countries back on the path of sustained growth. The proposal envisaged a more vigorous World Bank role in facilitating and promoting economic reform and adjustment in debtor nations, as well as greater coordination between the Bank and the IMF in their country programs. The proposal also included a provision for enhancing World Bank and IMF cooperation in providing concessional financing to the poorest developing countries, most of which are located in sub-Saharan Africa.

When Secretary Baker outlined our approach, he stressed that the *sine qua non* of any comprehensive strategy was a more focused and determined effort of market-oriented structural reform aimed at greater efficiency, more domestic saving, and a more attractive climate for domestic and foreign investment. And, in conjunction with this, he addressed two other key elements designed to provide outside support and encouragement for structural reform: more substantial and better coordinated assistance from multilateral institutions and more support from commercial banks.

This was a creative effort, it seems to me, to bring the broader international community into the process of helping solve the debt problem. Both the World Bank and regional development banks are well placed to complement the continued central role of the IMF by providing financing and advice to countries taking the essential steps toward structural reform. The World Bank's considerable expertise can help devise programs for growth through structural reform. It can support these programs through increased lending to promote reform in inefficient sectors of the economy and through increases in policy-based lending. The Inter-American Development Bank is uniquely situated to help in this effort, as well, but improvements are needed in its institutional capabilities before this potential can be fully realized. Our participation in the multilateral development banks is an integral part of our assistance policy. Continued congressional support for our replenishment commitments will sustain our leadership role in these institutions.

The new commercial bank lending that Secretary Baker proposed—$20 billion over a 3-year period—is also a vital part of the near-term effort. Bank lending to the principal debtor countries has been declining, with very little new net lending having taken place in 1985. Increased lending can provide important support for policies to promote efficiency, competitiveness, and productivity—the true foundations of growth. Such lending, however, will only be forthcoming if there is a clear commitment to adopt and implement such growth-oriented policies.

In Seoul, Secretary Baker also proposed that the World Bank, IMF, and other donors develop joint programs to support medium-term structural adjustment in the world's poorest countries. Africa will be the chief beneficiary. The proposal calls for the coordinated use of $2.7 billion in IMF Trust Fund reflows, World Bank funds, IDA [International Development Association] monies, and possible increases in bilateral contributions for Africa to support comprehensive economic reform programs. This proposal merits our full support, as the development of consistent and coherent country economic reform programs is essential if we are to maximize the efficient use of scarce development capital.

The need for increased coordination between the Bank and Fund has been generally supported, and the U.S. initiative is gaining broad acceptance. We have addressed the concerns of Fund and Bank members regarding the need not to blur the distinctive roles of the two institutions while achieving closer cooperation and collaboration.

I do not want to leave the subject of efficient use of development capital without commenting on the need of the developing countries to take full advantage of the opportunities of the world trading system. This is essential if they are to achieve their great potential for expansion of output and export earnings.

Restrictive trade practices have only compounded the problems of many heavily indebted developing countries. All too typically, heavy foreign borrowing has supported fiscal deficits and overvalued exchange rates, putting a great burden on export competitiveness. Import barriers have been erected to protect favored domestic industries from foreign competition. These barriers have severely hampered the growth of trade *among* developing nations. The developing countries and the industrialized world have one thing in common: all of our peoples are winners if we have a stronger and fairer world trading system. We hope the developing countries will work with us on a new trade round to overcome the narrow interests that threaten our common progress.

The Battle Against Terrorism

I would like to conclude by elaborating on my earlier comments about the requested increase in our operating budget.

Over the past few years, the world's attention has been riveted to terrorist dramas unfolding around the globe. I have spoken frequently on this subject. Civilized nations and civilized peoples have been inadequately prepared for it. That can and must change. We must do everything we can to thwart those who seek to advance their ends through terror and to ensure the safety of our citizens abroad. Even in this period of budgetary stringency, this task *must* be a priority. We have designed a program which, in our view, is prudent and efficient in its commitment of resources, yet responsive to the inescapable necessity we now face.

The United States has always built handsome and accessible embassies and consulates abroad. Our object was to demonstrate to other societies the openness of ours and the hand of friendship we extend to all. We wanted other societies and their people to see a "welcome" sign above our door and to feel comfortable in entering our buildings. This is the essence of the job we do overseas, and we have been highly successful at it.

We are now faced with a new situation: the current security and terrorist problems have left those same buildings vulnerable. Our challenge is to strengthen our security against these new dangers so that we can *maintain* our tradition of openness and accessibility. We will *not* let the terrorists win their victory by isolating us, forcing us to close our doors, or denying us our contacts with the people of the countries in which we are represented.

With this goal in mind—and knowing of the great concern in the Congress—I formed the Advisory Panel on Overseas Security, chaired by Admiral Inman. I asked the panel to take a hard look at our security and counterterrorism programs.

The hard work and dedication of the panel is clearly reflected in the quality of its report. The panel exhaustively researched all aspects of our security and counterterrorism programs. Its recommendations have vision. Equally important, they are practical. They are recommendations which, with your support, we can act on.

The panel made 91 recommendations. We have implemented 45, and work is underway on 20 more. An additional 20 are awaiting the resources requested in our proposed authorization and appropriation legislation.

Using existing resources and authorities that the Congress has already provided, we have made progress in many areas highlighted by the panel. For example, we have started an ambitious recruitment campaign to bring on board nearly 300 new security agents during FY 1986 and to more than double the number of overseas security officers before the end of this fiscal year. In addition, we have:

- Added more marines to posts;
- Nearly doubled the size of our armored vehicle fleet worldwide;
- Made significant physical security improvements at 152 of our posts overseas in 1985;
- Consolidated the security functions of the Department into one office, the new Bureau of Diplomatic Security; and
- Also created an Office of the Ambassador at Large for Counterterrorism, which deals with policy matters and reports directly to me.

There is, however, a limit to what we can do with existing resources. We need additional legislative authorities and resources to implement some key recommendations of the Inman panel. We are seeking a significant part of the total resources in FY 1987.

The Administration's proposals will do three main things:

First, launch a comprehensive worldwide security program, key elements of which are improvements in communications and intelligence sharing and a 5-year construction program to replace or upgrade our most vulnerable posts;

Second, complete the reorganization of our security program as recommended by the Inman panel; and

Third, revise and clarify the chain of command for overseas security programs.

The program places its highest priority on buildings at locations where the security threat is greatest and which are substantially below the new standards. Great effort has gone into creating a security construction program which would ensure that buildings are designed and built to meet stringent security standards, on time and within budget.

But our proposals are more than a security construction program. We will also improve communications and counterintelligence. For example, we will improve security at Moscow and other East European posts by substituting Americans for a substantial number of local employees now working in support positions. Further, we are requesting resources to strengthen our capability to protect foreign missions and dignitaries in the United States.

We are working closely with other agencies to develop and agree upon appropriate security standards, procedures, and levels of resources responsive to the needs of all U.S. Government agencies having facilities overseas (other than military bases).

We are requesting $4.4 billion spread over 5 years. Of this total, $2.7 billion is for construction, and the balance is for operating expenses, including security officers, residential security improvements, and more secure communications equipment. In FY 1986, the Administration is requesting $237 million for salaries and expenses and $455 million for construction. In FY 1987, the request is $304 million for salaries and expenses and $1.1 billion for construction.

The Adminstration's proposed program will not solve all of our security problems; but we can minimize them. Our proposal is a comprehensive—and long overdue—security program which addresses our most basic security concerns.

Conclusion

In summary, the world remains a turbulent and sometimes dangerous place. But, as we look ahead, we draw strength from our ideals, from our friends and the young democratic nations who have joined our ranks and now look to us for support. America remains a beacon to the freedom-loving peoples of the world. Powerful trends are on the side of freedom. That is one of the lessons of 1985.

Another major lesson of the recent past is that realism, strength, and staying power are crucial prerequisites to meeting these international challenges. History won't do our work for us. We have to be worthy of our opportunities.

The President has observed that the responsibility for the economic health of our country does not reside with one branch of our government or with one political party. The partnerships that must be forged to deal with the Federal budget deficit are also critical to meeting the challenges we face in the international arena, many of which directly affect our national security.

The noble tradition of bipartisanship, which brought us so many dividends in the postwar years, does not ask any of us to abandon our principles. But it does require all of us to recognize how much harder it is to meet foreign challenges if we are not united at home. In recent years, we have seen signs of a rebirth of the postwar national consensus—based on a realistic understanding of the world as it is and of the need to negotiate differences where possible. The President has asked me to reiterate his commitment to work in a bipartisan spirit with all members of the Congress on behalf of the peace, freedom, and security of this country.

[1]Press release 25. The complete transcript of the hearing will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Promoting Positive Change in Southern Africa

by Michael H. Armacost

Address before a convocation at Carleton College in Northfield, Minnesota, on January 24, 1986. Ambassador Armacost is Under Secretary for Political Affairs.

Coming to Carleton is like coming home. It has been nearly 30 years since I was last in this chapel. In those days we were required to attend convocations. Children of the 1950s, it did not occur to us to protest. We heard some interesting people speak, and I have no regrets.

I hope the topic of my remarks this morning will be of interest to you. In Washington, we are concerned about southern Africa at all times, but with Congress back, U.S. policy toward southern Africa has again been pushed to the forefront of our consciousness. The subject grips all Americans. The turmoil in South Africa's black townships and the familiar features of racial conflict and brutality—tear gas, rubber bullets, armored cars, dramatic funeral scenes—are regular features on the nightly news.

Beyond the violence, South Africa has captured attention for other reasons. In 1984, the black South African bishop, Desmond Tutu, was awarded the Nobel Peace Prize for his leadership in the nonviolent struggle against apartheid. South Africa has become an issue in the Congress and a matter of concern for a public wanting to make their voices heard against apartheid. Institutions around the country, including colleges like Carleton, are being challenged to reconsider investment policy.

U.S. Objectives in Southern Africa

For all these reasons, I welcome the chance to share some thoughts on a central question we are all asking: what can the United States do to promote peace, stability, and social justice in southern Africa?

I speak not only of apartheid and our desire to see peaceful political change in South Africa but also of our efforts to promote regional peace in southern Africa. Our objectives are clear: the independence of Namibia; the withdrawal of Cuban troops from Angola; and an end to the cross-border violence that has compounded the hardships of the people throughout the region.

The word "interdependence" might well have been coined to describe southern Africa. Countries in the region are linked by geography, history, economics, and transportation and communications networks. What happens in one country in southern Africa swiftly affects its neighbors.

For this reason, let me put our concerns in South Africa in perspective by starting with the broader regional picture.

Promoting Namibian Independence

A key objective of American diplomacy is independence for Namibia. Namibia is Africa's last colony. It cries out to be free, and the entire world community agrees. We are ready to do our part. For a number of years, we have been in the forefront of diplomatic efforts to implement UN Security Council Resolution 435, which defines how the transition to Namibian independence under UN supervision should occur.

We have coordinated our efforts with those of the front-line black states of southern Africa, SWAPO [South West Africa People's Organization], and other Namibian political entities, as well as with the South African Government. But all of us must face facts. Namibia will not be free unless South Africa, which has occupied it for 70 years and considers the territory important to its national security, agrees to implement UN Resolution 435. Our diplomacy over the past 5 years has, therefore, concentrated on developing a regional consensus that will reconcile the varying interests involved.

Eliminating Foreign Troops From Angola

The situation in southern Africa—and, thus, the achievement of Namibian independence—was enormously complicated 10 years ago when the Soviet Union introduced a Cuban proxy army into Angola. That army, now 30,000 men

strong, is a threat to the security of all the nations of the region.

Africa was for years a continent happily insulated from the East-West military competition. The presence of Cuban troops has destabilized Angola and compounded the difficulty of resolving Angola's civil war. It extended Soviet power into the region. It thereby challenges our own strategic interests; it establishes an unfortunate precedent. The Soviet and Cuban intervention in Angola was the first in a series of Soviet moves in the Third World in the late 1970s. Angola was followed by Soviet interventions in Ethiopia, Cambodia, and Afghanistan—events which helped undermine East-West relations and arms control during that decade.

So, we seek an end to the Cuban military presence in Angola. We have succeeded in securing South African agreement that if the Cuban problem in Angola can be resolved, South Africa will agree to carry out international agreements for Namibia's independence. We have similarly brought the Angolan Government to agree to the principle of Cuban withdrawal. We are now seeking agreement from both on the timing of these reciprocal moves. Agreement will mean an end to Cuba's destabilizing presence in Angola and South Africa's threats to Angola's security and will help promote independence for Namibia—worthy objectives.

Even though we do not maintain formal diplomatic relations with the Government of Angola, we have met regularly with Angolan representatives to pursue a settlement. The most recent meeting took place in Luanda on January 8 when Assistant Secretary [for African Affairs] Chester Crocker held talks with Angolan leaders.

But agreement on Namibia will not, by itself, bring an end to Angola's problems. The Angolan civil war is a reality. For more than a decade, the MPLA [Popular Movement for the Liberation of Angola] government in Luanda and its Soviet and Cuban allies have faced a determined and dedicated indigenous opposition to Marxist rule. UNITA [National Union for the Total Independence of Angola] freedom fighters led by Dr. Jonas Savimbi have carried their resistance movement across Angola, despite opposition from massive infusions of Soviet weaponry and Cuban assistance.

We believe, however, that there is no military solution to the Angolan civil war at this point in history. Peace can

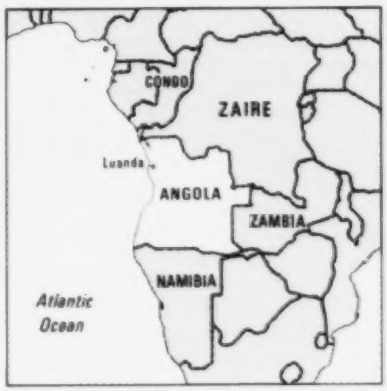
Angola—A Profile

People

Nationality: *Noun and adjective*—Angolan. **Population** (1984 est.): 8 million. **Annual growth rate** (1983 est.): 2.5%. **Ethnic groups:** Ovimbundu 37%, Kimbundu 25%, Bakongo 13%, Chokwe and Lunda 8%, Ganguela 8%, Haneca and Humbe 3%, Ovambo 2%, mestico and white 1%, other 3%. **Religions:** Animist or traditional, Roman Catholic, Protestant. **Languages:** Portuguese (official), African (dialects). **Education:** *Attendance*—75%. *Literacy*—30%. **Health:** *Infant mortality rate*—147/1,000. *Life expectancy*—42 yrs. **Work force:** *Agriculture*—75%.

Geography

Area: 1,246,700 sq. km. (481,351 sq. mi.); about twice the size of Texas. **Cities:** *Capital*—Luanda (pop. 1 million). *Other cities*—Huambo (500,000). **Terrain:** Varied. **Climate:** Tropical to subtropical.



Government

Type: Marxist people's republic, one-party rule. **Independence:** November 11, 1975.

Branches: *Executive*—President and Council of Ministers. *Legislative*—People's Assembly. *Judicial*—Military and civilian courts.

Administrative subdivisions: 18 provinces.

Political party: Popular Movement for the Liberation of Angola-Labor Party (MPLA). **Suffrage:** Universal adult (candidates limited to those approved by MPLA-PT).

Flag: Two horizontal bars, red over black; centered, a yellow five-pointed star half encircled by a machine gear crossed by a machete.

Economy*

GDP (1982): $3.5 billion. **Annual growth rate** (1973–81): Negative.

Natural resources: Petroleum, diamonds, iron, phosphate, copper, feldspar, gold, bauxite, uranium.

Agriculture (42% of GNP): *Products*—cassava, maize, plantains, sweet potatoes, milk, millet, citrus, beans, potatoes, sugar, beef, palm oil, sisal, coffee.

Industry (28% of GNP): *Types*—mining, petroleum, food processing, beer, tires, textiles.

Trade (1984): *Exports*—petroleum, gas, coffee, diamonds. *Partners*—US, Bahamas, Netherlands, Spain, Belgium, Algeria, Brazil. *Imports*—foodstuffs, textiles, machinery, raw materials, consumer goods, tools, medical supplies, chemicals. *Major suppliers*—US, France, Brazil, Portugal, Italy, FRG, Japan.

Official exchange rate: Approx. 30 kwanzas = US$1.

Economic aid received: Primarily from Western private and public sectors; mostly military but some economic aid from Eastern bloc.

Membership in International Organizations

UN, Organization of African Unity, African Development Bank, Non-Aligned Movement.

*Data for the period since independence have been extremely limited due to the ongoing civil war.

Taken from the *Background Notes* of March 1985, published by the Bureau of Public Affairs, Department of State. Editor: Juanita Adams. ■

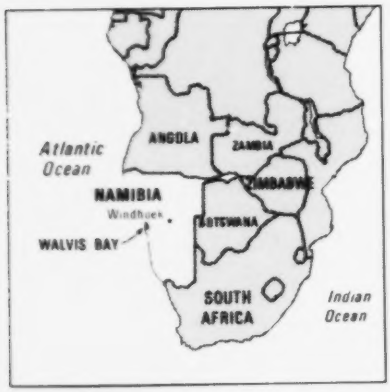
Namibia—A Profile

People

Nationality: *Noun and adjective*—Namibian(s). **Population** (1984 est.): 1,090,000. **Annual growth rate:** 2.7%. **Ethnic groups:** Black 85.6%; white 7.5%; colored (mixed), 6.9%. **Religions:** Predominantly Christian; also indigenous beliefs. **Languages:** Afrikaans, German, English, and various indigenous dialects. **Education:** *Years compulsory*—for whites, to age 16; for others, none. *Attendance* (1983)—whites, nearly 100%; others, 16%. *Literacy* (1983)—whites, nearly 100%; others, 28%. **Work force** (about 500,000 in 1981): *Agriculture*—60%. *Industry and commerce*—19%. *Mining*—6%. *Services*—8%. *Government*—7%.

Geography

Area: 823,145 sq. km. (320,827 sq. mi.); slightly smaller than Texas and Oklahoma combined. **Cities:** *Capital*—Windhoek (pop. 80,000). *Other cities*—Tsumeb, Keetmanshoop, Oranjemund, Otjiwarongo, Luderitz, Swakopmund. **Terrain:** Varies from coastal desert to semiarid mountains and plateau. **Climate:** Subtropical.



Government

Type: South Africa administers Namibia; originally under a League of Nations mandate (1920–66); since 1966 illegally on a *de facto* basis.

Branches: *Executive*—Administrator General (appointed). *Legislative*—National Assembly (50 members), not recognized by international community; dissolved in Jan. 1983. *Judicial*—Supreme Court, lower magistrate courts, special courts.

Subdivisions: 10 ethnic areas.

Major political parties: The National Party, Democratic Turnhalle Alliance (DTA), South-West Africa People's Organization (SWAPO), South-West Africa National Union (SWANU). **Suffrage:** Universal adult.

Central government budget (1984–85): $559 million.

Flag: The flag of the Republic of South Africa is flown. It consists of three horizontal bands—orange, white, and blue from top to bottom—with the Union Jack and the flags of the two former Boer republics (the Orange Free State and the Transvaal Republic) reproduced in miniature and centered on the white band.

Economy*

GDP: $860.2 million. **Annual growth rate:** 5.4%. **Per capita GDP:** $789. **Avg. inflation rate** (1984): 9.1% (Windhoek).

Natural resources: Diamonds, copper, uranium, lead, tin, zinc, salt, vanadium.

Agriculture (8.3% of GDP): *Products*—beef, karakul pelts, wool, other meat, fish.

Industry (32.9% of GDP): *Types*—mining 27.5% of GDP; manufacturing, mainly food processing (less than 6%).

Trade: *Exports*—$462.7 million: diamonds, copper, lead, uranium, beef, cattle, fish, karakul (sheep) pelts. *Imports*—$488.3 million: foodstuffs, construction material, manufactures. *Major partners*—South Africa, FRG, UK, US.

Fiscal year: April 1–March 31.

Official exchange rate: fluctuating; about 2 South African rand = US$1 (1984).

*Except as noted, 1983 figures—the latest published figures as of March 1985—are used.

Taken from the *Background Notes* of June 1985, published by the Bureau of Public Affairs, Department of State. Editor: Juanita Adams. ■

be achieved only through reconciliation among the opposing parties. This is a job for Angolans, but it cannot be accomplished so long as Angolan territory is occupied by a foreign army.

We have long recognized Dr. Savimbi's struggle, which is being waged against increasingly heavy odds. We have maintained contact with UNITA and have recognized the legitimacy of its struggle. Dr. Savimbi will visit the United States soon. During this visit, we intend to discuss with him how the United States can help advance the process of reconciliation and Angola's best interests in the period ahead.

Reducing Cross-Border Violence

Across southern Africa the flames of violence are seen. We are determined to do what we can to diminish and end violence between South Africa and its neighbors. We consider it equally unacceptable for guerrilla forces to carry out acts of terror across the region's borders into South Africa as for South Africa to launch military actions into neighboring states. We have urged South Africa and its neighbors to exhibit restraint and to supplant force with dialogue.

The results of these efforts have been mixed. With the signing of the Nkomati accord in 1984, Mozambique and South Africa agreed to stop supporting antigovernment elements operating in the other's country. This was a positive step in the direction of their curtailing cross-border violence and resolving their differences through diplomatic means. We also have devoted attention to reducing tensions between Zimbabwe, Lesotho, and Botswana on the one hand and South Africa on the other.

But these accords are clearly fragile. They have been violated not infrequently. With tensions growing in South Africa, fresh challenges to the peace are occurring daily. South Africa's attack into Botswana last summer set our own peacemaking efforts back and forced us to recall our Ambassador from Pretoria. Violence along Lesotho's and Zimbabwe's borders in recent weeks poses new challenges to regional stability.

Engaging South Africa

Even as we have sought diplomatic and peaceful solutions to regional conflicts among the countries of southern Africa, we have advocated peaceful change and reconciliation among the communities of South Africa itself.

American policy toward South Africa has been much maligned—and much misunderstood. It is taken to describe exclusively government-to-government relations.

But that is wrong. Our policy is to establish a positive dialogue with all elements of South Africa—its government and its people of all races. And, beyond that, we encourage American organizations, corporations, enterprises, and institutions of all kinds to engage themselves with counterpart groups in South Africa. I believe we have something to offer one another across a broad front of relationships, and that's the job we are seeking to tackle.

As you know, this is a daunting task. Our influence—not insignificant—is still limited. We possess no magic formula for setting aright past and current injustices in South Africa. We start, however, from the premise that a blueprint for greater racial justice and harmony can only emerge out of political dialogue and negotiations between the South African authorities and the authentic leaders of its black community. We shall continue to press for the initiation of such a dialogue.

For us, the question in South Africa is not *whether* we should strive to end apartheid. That is a given. Apartheid is morally wrong. It is contrary to our most basic principles. It violates our sense of fair play. Apartheid must end. And its end, I believe, is inevitable. The practical and ethical question we face is *how* we can be most effective in speeding its demise and promoting the evolution of a more just society in South Africa.

Nor is there any question that we must encourage an end to violence. Here I speak not only of repression by the authorities but also vicious acts by blacks against other blacks. I cannot see any American Administration welcoming violent upheaval or extremist solutions. The only course consistent with American values is for us to be a champion of political solutions, negotiation, and peaceful change toward a more just system.

Some insist that we treat South Africa as a pariah; just as others urge us not to deal with Marxist governments in Angola or Mozambique. But acceptance of such counsel would allow little scope for diplomacy. It would encourage our global adversaries to exploit instability, racial injustice, and violence as a means to expand their influence in the region. It would obviously limit our ability to exert a constructive influence on all the parties.

The nations of southern Africa, moreover, have no desire to see us disengage. They desire our involvement. More than any other nation, we enjoy the confidence of all the parties. This enables us to act as mediator and honest broker. It requires difficult decisions as we try to guarantee that the policy means we employ contribute to the policy ends we seek. And this brings me to the issue of economic sanctions.

A Growing Economy as a Force for Change

Many ask why the Reagan Administration has generally resisted punitive economic sanctions on South Africa. Let me tackle this question head-on.

First, South Africa is the economic giant of southern Africa. What happens there is important to neighboring countries which depend on South Africa for much of their food and industrial products, send thousands of laborers into South Africa to work in its mines and industries, and rely on South Africa's well-developed port and transportation network to export their products. Economic hardship within South Africa would impose even greater economic hardship on all the black states of the region. Nor is it possible for the United States or its allies to replace what the South African economy provides. We cannot furnish the capital, the markets, the transportation, the services, and the technology which the region so desperately needs.

Second, since the main impetus for change in South Africa is internal—and I would argue that it is—the greatest enemy of apartheid is a modernizing economy and an expanding work force which need skilled labor, regardless of skin color. It is these realities that have prompted the South African authorities in recent years to increase investment in the education of blacks, encouraged them to countenance the formation of black labor unions, and gradually led them virtually to eliminate apartheid in the work place by lifting restrictions which excluded blacks from some jobs.

Economic growth does not inevitably bring political liberalization. But it can, and in South Africa it has accelerated the pace of change in a constructive direction. To damage that economy would not only blunt economic growth but also complicate the situation for a whole generation of South African young people, perhaps increasing unemployment and despair. Many young black South Africans are already educated, politicized, and unemployed—an explosive combination. Indeed, we sense that 3 years of economic recession within South Africa has exacerbated frustration and bitterness under apartheid.

I would repeat, therefore, that a vibrant South African economy can be a force for change. In a rapidly growing economy, it is increasingly difficult, if not impossible, for the races to continue to be separated under apartheid. Evidence of this is the shortage today in South Africa of an estimated 100,000 skilled workers. If there is any hope for peaceful political change, it almost certainly depends on a climate of continuing economic well-being.

Thus, U.S. policy has opposed punitive sanctions aimed at destabilizing the economy. Other Western allies have come to similar conclusions and have kept pressure on the South African Government but avoided sanctions which would only add to suffering, not contribute to a solution.

President Reagan's Executive Order

In this regard, the Executive order President Reagan issued on September 9, 1985, was not designed to injure South Africa's economy or harm individual South Africans. Its aim was to apply specially targeted sanctions as a clear signal to the South African Government of U.S. dissatisfaction with the pace of reform. To that extent, it reflected growing sentiment within the United States that stronger actions were required. The President acted to help defuse the climate of polarization and violence inside South Africa. But he refused to order punitive sanctions that would destabilize the economy and penalize black South Africans as well as the surrounding black nations.

The Executive order reflected our commitment to maintain a strong presence in South Africa and encourage

American companies to be forces for change there. It also increased U.S. Government funds for scholarships and human rights activities. It banned bank loans to the South African Government in most cases; computer sales to apartheid-enforcing agencies and security forces; nuclear commerce; and the purchase of South African arms. Its proposed ban on the sale of Krugerrands within the United States has now been implemented.

On December 19, 1985, Secretary Shultz announced that 12 distinguished Americans would serve on the Advisory Committee on South Africa. During the coming months, this advisory committee, cochaired by Bill Coleman[1] and Frank Carey[2], will review with us South African and U.S. policies and provide Secretary Shultz with their recommendations.

I would repeat: most of our Western allies have adopted a similar, careful approach in dealing with the problems of the region.

Arguments Against Disinvestment

Paralleling the argument that the U.S. Government should impose economic sanctions on South Africa is the suggestion that American institutions should disinvest from U.S. corporations in South Africa. For the same reasons that I think blanket economic sanctions in South Africa would be counterproductive, I do not think blanket disinvestment would bring a beneficial result.

Indeed, rather than disengage from South Africa and the region, the United States should be seeking even more ways to make a positive difference. And here we need to distinguish between decisions made by the U.S. Government and those made by private entities such as this college.

Contrary to conventional wisdom in some circles, U.S. business firms do not dominate the South African economy. Although 300 U.S. firms operate in South Africa, American direct investment there is worth less than $2 billion. Ninety percent of investment in South Africa comes from South Africa's own capital. The United States accounts for less than one-fifth of the 10% derived from foreign sources. Consequently, U.S. investment hardly provides the kind of leverage that could, by itself, bring apartheid to an end.

Second, even if American firms pulled up stakes and left South Africa, little would change so long as there were British, German, Japanese, or, more than likely, South African companies willing and able to produce what American enterprises now produce. When companies decide to remove themselves, they send their personnel and their capital home: the plant and equipment stay—frequently to be snapped up at bargain basement prices by someone else. Gone as well could be the commitment to racial equality that many American firms have implemented in their operations and employment practices in South Africa. Gone will be the substantial investment U.S. companies have made—over $100 million in the last several years—for educating and otherwise improving the lives of their black South African workers. Experience has shown that once a company leaves, the decision is likely to be permanent. But the effects are not necessarily those intended.

A case in point is Motorola, which operated in South Africa for 21 years. When the company decided to close its operations in 1985, its plant and equipment were purchased by a South African company which today is turning out products not unlike those produced by Motorola. Whether the lives of black workers in that firm have been affected or not, we do not know. But I think the question is worth asking.

U.S. firms play a constructive role in South Africa. In 1977, Reverend Leon Sullivan, a civil rights leader from Philadelphia, investigated conditions at General Motors Corporation (GM) in South Africa. Reverend Sullivan was the first black board member at GM. As a result of his investigation, he determined that U.S. firms could marshal the resources of American companies for change by adopting a set of standards now known as the Sullivan principles.

A Role for the Sullivan Principles

The Sullivan principles call for equal pay for equal work, a fair minimum wage, increasing numbers of disadvantaged South Africans in administrative and managerial positions, and fair labor practices, including the right to form and join labor unions.

Additional principles include the desegregation of all eating, comfort, locker room, and work facilities; the improvement of quality of life for workers outside the workplace through subsidies to housing, recreation, health, and educational programs; and the establishment of training programs to prepare nonwhites for supervisory, administrative, clerical, and technical jobs.

The Sullivan principles have been broadened and expanded over the years. In 1977, 12 U.S. companies had adopted the Sullivan principles. Today, 192 companies—a majority of all U.S. firms in South Africa—subscribe to them. American firms have shown the way for other companies operating in that country.

Reverend Sullivan himself says:

> It must be argued that the principles have had some influence favoring political change, and that they will continue to do so. Help a person gain economic rights and you will foster gains in his political rights. Equality at the workplace and massive education programs for black and nonwhite workers ultimately will affect every aspect of their lives, public and private.... Simply put, the evidence reveals that the principles are a conduit from the workplace through which the workers learn to address broader societal issues, including political rights.

I agree with this. I deeply believe that our Sullivan companies make a difference in South Africa and should be encouraged to carry on. Our collective ability to influence change will be diminished if they are pressed to leave. We need more creative interventions in South Africa, and the Sullivan companies are among the best vehicles we have for promoting that kind of change. I would urge the trustees, faculty, and students at Carleton to take these considerations into account as you decide college policy on this important issue.

Encouraging Dialogue

Today, moreover, American businessmen have joined South African companies in calling on the government there to sit down and negotiate with legitimate black leaders.

This dialogue is not easy when the policies of the South African Government for the past 38 years have prevented it. Suspicion and mistrust abound. Black and white South Africans tend to look at their country and see two conflicting pictures. For one group, the glass is half full; for the other, it is more than half empty.

White South Africans constantly emphasize how much change has taken place in recent years. Some private schools have been desegregated; some sports teams have been integrated; the so-called immorality and mixed-marriages legislation has been abolished; job reservation which fenced off certain jobs for whites only has been scrapped;

some theaters, restaurants, and hotels have been desegregated; nonwhites have been allowed for the first time to sit in Parliament; black unions have been legalized; investment in the education of blacks has been expanded.

To white South Africans these changes appear rapid, even revolutionary. In some, such change inspires fear; among others, it provokes resistance. To still others, the changes offer the premise and the possibility that a more just society can be achieved through peaceful means.

Quite clearly, black South Africans looking at the same events view the process through different eyes and see a different set of realities. Such changes as have taken place to them appear marginal and grudging; invariably, they have occurred without the black community being consulted. There has been little dialogue. Whatever other concessions have been made, blacks still lack citizenship; they still cannot vote. They still must carry on their person the hated passbooks. Black contract laborers still must leave their wives and families behind in the homelands when working in the 87% of South Africa that is reserved for whites. This is a time of rising expectations on the part of blacks in South Africa. It is not surprising that positions have been polarized by the nearly 2 years of violence during which more than 1,000 lives have been lost.

Radicalization makes it harder and harder for blacks committed to negotiation to maintain their credibility, to take risks, and to enter into dialogue. This is a time for statesmanship, not only among white leaders but also among black leaders if the peace process is to be enhanced and the cycle of violence ended. Above all, the rulers of South Africa must communicate to all who live there that they are serious about ending apartheid. And black leaders must be willing to engage in dialogue about the kind of future they wish to build in South Africa.

What evolves within South Africa must be determined by the people who live in the country. The United States has avoided being prescriptive. But certainly a beginning must be negotiations with the accepted black leaders, and you cannot do that if those leaders are in jail. For this reason we have called on the South African Government to release Nelson Mandela and other long-held political prisoners and to enter into meaningful talks with the genuine leaders of the black community.

U.S. Efforts To Help the Disadvantaged

There are other, more concrete things that the U.S. Government is doing, and will continue to do, to encourage positive change. For example:

- A human rights fund of more than $1 million, administered by the American Embassy in Pretoria, helps support important antiapartheid groups inside South Africa that work for economic, social, legal, and political change. Funds have been used for seminars on human rights, legal aid to detainees and their families, and to pay costs for lawyers challenging apartheid enforcement in the courts.
- The United States currently provides $8 million per year for scholarships for black and other nonwhite South Africans, enabling them to attend both American and South African universities.
- A $1 million program administered through the AFL/CIO [American Federation of Labor and Congress of Industrial Organizations] trains black and other nonwhite labor union leaders in negotiation, organization, and other areas formerly prohibited by apartheid law but now allowed.
- A $2 million program helps black high school students prepare for university entrance exams.
- A $3 million program trains black entrepreneurs to start small businesses and to take advantage of recent changes in apartheid laws that allow nonwhites to open businesses in central business districts.

Other programs aim at helping to develop black leadership as well as to build bridges between whites and nonwhites in South Africa. We are expanding these programs and adding new ones with one goal: to equip blacks and other nonwhite South Africans to play a more effective role—politically and economically—in the postapartheid era.

In this regard, we also invite South Africans to visit our own multiracial society. Each year our International Visitor and Fulbright programs bring numerous South Africans to visit or study in the United States. New programs will bring black South African journalists to work in U.S. media organizations and black teachers to build skills at U.S. educational institutions.

In South Africa itself, we are considering reopening a consulate in Port Elizabeth to improve our ability to communicate with communities in that increasingly important industrial area. We are now conferring with Congress and with the South African Government on such a step.

What Can American Individuals and Organizations Do?

These are some of the things the U.S. Government is doing. You may well ask what American individuals and organizations can do to help promote an end to apartheid and stimulate reforms within South Africa. Certainly, one area is relevant to Carleton College: black South Africans must overcome tremendous obstacles to receive an education equal to that of whites.

Education is a form of leverage. By offering educational opportunities to black university students, we actively help South Africa educate future leaders. Whether to overcome the effects of apartheid or to qualify for future leadership, they need our help.

For some South African students, this could mean study in the United States at either the undergraduate or postgraduate level. Compared to our efforts in Nigeria, which has roughly three times the population of South Africa and presently has an estimated 20,000 students enrolled in American universities, the number of black South Africans in American institutions is a shocking 450. Whatever happens, South Africa will need educated black citizens trained to assume leadership positions.

For other disadvantaged South Africans, it means assistance to study within South Africa. There is plenty of room for American private organizations to help. Because of the depressed South African rand compared to the dollar, total costs for room, board, and tuition for 1 academic year at a South African university amount to less than $3,500.

I might add that there is considerable movement to enable nonwhite, especially black, South Africans to achieve educational benefits in that country free from constraints of segregation. Recently, nearly all traditionally white universities announced their intention of making an education there available to students regardless of race. In addition, a number of credible private educational institutions have evolved to educate students in the face of the extremely damaging school boycott. Radicals who proclaim, "revolution now, education later," should not discourage Americans from helping students whose education is itself a vehicle for black advancement.

What more significant contribution could Americans make than to make it financially possible for a disadvantaged South African student to receive an education? And what could make us more proud as Americans than joining together in a positive way to make that kind of difference? There are a number of private organizations within South Africa that could select deserving students to receive these educational grants.

Americans institutions have a long and positive track record in this area. Through the International Institute of Education's South African affiliate, nonwhite South Africans have been directly and indirectly helped to overcome educational deficiencies. Carleton College may wish to open direct contacts with organizations of that kind.

"Hands-on" education is another way to help. Our summer vacation in the United States is South Africa's winter. Schools are in session between May and July. Carleton students could well contribute as tutors, particularly in mathematics and science, where there is a shortage of trained teachers. Or an American institution such as Carleton could help staff an in-service science teacher training program in South Africa.

I believe Americans want to do something positive about South Africa, not contribute to racial tension or economic hardship. That is the American way—to give help, not to do harm; to promote something better, not to make things worse.

This is why your government has tried to keep its eye on the positive goal we all seek and to demonstrate its opposition to apartheid by active involvement to promote change. It's not just a matter of striking a righteous pose. We have some influence; therefore, we have a moral duty to exert it responsibly.

By encouraging South Africans to move toward political dialogue, we seek to build, not to destroy. By using our economic weight in the service of black economic advancement, we provide opportunities and hope for black South Africans.

I invite you to join us in this effort.

[1]William T. Coleman, Jr., former Secretary of Transportation and senior partner with the law firm of O'Melveny and Myers.

[2]Frank P. Carey, former Chairman of the Board and Chief Executive Officer of IBM. ■

The U.S. and Angola

by Chester A. Crocker

Statement before the Senate Committee on Foreign Relations on February 18, 1986. Mr. Crocker is Assistant Secretary for African Affairs.[1]

I welcome this opportunity to speak to this committee today about the complex situation in southwestern Africa. The Angola-Namibia negotiations form an essential part of our policy for the region. Our objectives are clear: to restore and advance U.S. influence in the region; to expand our cooperative relations with African states; and to deny to the Soviet Union the opportunity to use its influence to exacerbate already dangerous situations in Angola, South Africa, and the other countries of the area.

Review of Progress

It is obvious, I believe, to all in this room that our interest and objectives are decidedly not served by a Namibia which is not free and by an Angola which is the scene of a bloody conflict and foreign intervention. Thus, we have worked hard to bring peace to Angola and independence to Namibia. In recent years we have made progress in pursuit of our goals. Allow me to review with you the path we have followed and where we are today.

In 1981, at the start of this Administration, there was no peace process at all underway in southwestern Africa. The quest for Namibian independence was moribund, South Africa sat seemingly unmovable on its side of the Angolan-Namibian border while some 30,000 Cubans sat across on their side of the same border. UNITA [National Union for the Total Independence of Angola] was fighting an apparently endless civil war. No one was talking to anyone else.

This blocked situation posed real dangers to the region and U.S. interests there. The *absence* of a viable Western strategy for Namibia decolonization and the *presence* of a seemingly permanent Soviet-Cuban military in Angola risked heightened polarization and open-ended opportunities for Moscow to exploit African frustration over Namibia and fuel internal and regional tensions. It was essential that we regain the initiative.

It took 2 years to engage Luanda and Pretoria in a real negotiation. It took another year to begin to erode the mutual mistrust and build confidence in an American role. But with the Lusaka accord of February 1984, the South Africans began the process of disengagement from their military positions in Angola in return for restraint by SWAPO [South West Africa People's Organization]. In November of the same year, the Angolans said they were ready to commit themselves to withdraw 20,000 Cuban troops over 3 years, starting with the beginning of implementation of UN Security Council Resolution 435, the internationally agreed independence plan for Namibia. While this proposal was, in itself, not sufficient to conclude an agreement, it was an important step forward in that Luanda had accepted the principle that the independence of Namibia could only take place in the context of the withdrawal of Cuban troops from Angola.

It is, therefore, important to note that by early 1985, we had made real progress in devising and gaining acceptance for a framework for resolving the dual question of Namibian independence and Cuban troop presence in Angola. I would emphasize that this progress in the years 1981–85 helped thwart Soviet goals of advancing its positions in southern Africa. Moscow did not encourage our efforts on Angola and has clearly been placed on the defensive there, in Mozambique, and elsewhere. However, the negotiating process has always moved in fits and starts and has been characterized by mutual suspicion among the parties to the conflict—South Africa, the MPLA [Popular Movement for the Liberation of Angola], UNITA, and SWAPO—and by continuing efforts, sometimes more intense than others, to pursue the military options. Moscow has fueled distrust and fear among the local parties.

Thus, after we tabled fresh compromise proposals—a synthesis of both South African and Angolan ideas on the timing and sequencing of Cuban troop withdrawal—in March 1985, each of the parties pulled back from taking the tough decisions needed to advance the process. In South Africa, a government—under heavy pressure from internal protest and increasing international isolation—pursued other means to accomplish its ends, including greater em-

phasis on military operations within Angola. The MPLA government in Luanda, buoyed by a massive infusion of Soviet equipment, also retreated from the negotiating path. The result was a major MPLA military thrust into southern Angola in late 1985 which was marked by greater Soviet involvement and South African participation in support of UNITA than had been witnessed before.

We believe that fighting brought home to both sides the dangers of military escalation. In recent months we have had several important meetings with both the MPLA and the South African Government in which the negotiating context has been further defined. We are not yet at the point of success, and frankly, prospects in such a complex enterprise and these negotiations must always be viewed as problematical.

U.S. Reception of UNITA's Leader

These negotiations, and the continuing warfare inside Angola and across its borders into Namibia, represent the backdrop against which the visit of Dr. Jonas Savimbi of UNITA occurred. Dr. Savimbi's visit has generated a lot of public interest and some debate, much

President Reagan met with Jonas Savimbi, President of the National Union for the Total Independence of Angola, on January 30, 1986. (White House photo by Pete Souza)

of it divorced from the political and military realities of southern Africa. Dr. Savimbi spoke effectively on his own behalf and most of you had the opportunity to hear him directly. He told us he had a very useful visit and was returning to Angola with high morale and no doubts about the Administration's support for his efforts.

We do support UNITA; it has sustained a long and brave fight against Soviet and Cuban political and military designs. Our reception of him here was an element of that support. It sent a strong signal to Luanda and Moscow that the United States views UNITA as a nationalist organization with legitimate aspirations of playing a role in the process of national reconciliation that must come about if Angola is eventually to achieve real peace. We intend to be supportive of UNITA in an effective and appropriate manner. As the President said in his State of the Union message, we want to support all those fighting for freedom.

And, as the President said in his important speech to the UN General Assembly in October of last year, we view the Soviet Union as having a responsibility to take action to defuse situations of regional tension which have been made worse by its own policies. We will continue to make that point to Moscow through direct communication and otherwise as well.

Constant U.S. Goals

Some may perceive that the reception Savimbi received here signals a change in U.S. policy. It does not. Our strategy recognizes that the scene on the ground in Angola has changed, largely owing to Soviet actions, and that our ability to respond diplomatically and in other ways has been measurably increased by the repeal of the Clark amendment, effective October 1, 1985. However, I want to categorically state here that the basis and goals of our policy remain unchanged: we seek negotiated solution that will bring independence to Namibia and withdrawal of Cuban forces from Angola. Such a solution opens the way for Angolans to reconcile and achieve peace.

Allow me to say a few words about the broader context of our policy. First, we do not believe that in a contemporary period, as in any other period, that diplomacy and pressure represent polar opposites or alternative strategies. This is also the case in southern Africa where virtually all parties pursue their interests through a wide variety of means.

Inevitably, perhaps, both the South Africans and the Angolans are pursuing several tracks of policy to advance their interests. The same can be said about UNITA and the MPLA as they contend over the future of Angola.

For our part, we recognize that our diplomacy plays out against a backdrop of real and tangible pressures that exist on the ground. For the past several years, we have worked to create a political framework for the ultimate resolution of the intertwined problems of Angola and Namibia. At the level of general principles, we have succeeded.

All of the parties now accept that there is a real connection between Cuban troop withdrawal and Namibian independence. They accept that lack of movement on one side is an obstacle to the solution of other problems. But we have not yet been able to translate that into detailed accords specifying the timing and sequencing of Cuban troop withdrawal in relation to South Africa's commitments under Resolution 435.

It remains our analysis that neither the South African Government nor the Government in Angola, nor SWAPO, nor UNITA can accomplish their goals through outright military victory. The only ones to benefit by continued warfare are the Soviets and Cubans; hence, the continuing relevance of a political framework. That framework offers a context for the multiple political, military, and economic pressures at play. However, that does not mean that the parties will not on occasion try to solve their problems via the deceptively easy way of escalating the war.

This past year we have seen the MPLA government, strongly backed by Moscow and Havana, pursue such an escalation. They sought to reverse 2 years of UNITA gains and deal a body blow to that movement. They failed. It is important in our view that they continue to fail. Just as we are determined that our diplomacy not be used by the South Africans as a cover for the pursuit of other objectives, we feel the same way about the government in Luanda.

The point I am making, then, is that diplomacy requires to be effective a degree of pressure that drives the parties toward a political compromise. But pressure—pure physical power—does not in itself represent solutions and, in our analysis, cannot be effective in the absence of a meaningful political context. As Secretary Shultz has put it, it takes both power *and* diplomacy.

While here, Dr. Savimbi stated his view that there is no possibility for either side in Angola to gain an outright military victory and that national reconciliation will have to come about through

a process of negotiation. He emphasized that UNITA does not wish to destroy the MPLA. UNITA, he said, seeks rather to convince the leaders in Luanda of the need to compromise and reach a political settlement. We share Dr. Savimbi's belief that there are no military solutions in Angola. And he affirmed to us his support for our efforts, which focus on the linked issues of Resolution 435 and Cuban troop withdrawal, to provide the political context necessary to achieve peace and reconciliation in Angola.

The Need for a Clear Statement From Congress

It is appropriate that this committee review the situation in Angola and U.S. policy to that troubled part of the world. It is, of course, up to the committee to decide what position it wishes to take on this issue. I would like to suggest, however, that America's best interests would be served by a clear statement from Congress that this country is committed to negotiated resolutions in southern Africa but that our willingness to negotiate should not be used by others to pursue their own aggressive ends. In this regard, and keeping in mind the words of Dr. Savimbi when he visited here, I think it important that our government, both the executive and legislative branches, make clear that we support those who fight for freedom and political solutions. How that support should be manifested is a topic for further legislative-executive cooperation and consultation.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S. Strategic Force Structures: The Challenge Ahead

by Paul H. Nitze

Address before the American Institute of Aeronautics and Astronautics Strategic Systems Conference in Monterey, California, on February 4, 1986. Ambassador Nitze is special adviser to the President and to the Secretary of State on arms control matters.

During President Reagan's second term, several factors will play a significant role as the Administration determines its security policy. The most important of these factors will be the Strategic Defense Initiative (SDI); the development of U.S.-Soviet relations, including the arms control process as embodied in the Geneva negotiations and the projected series of Reagan-Gorbachev summit meetings; and, finally, the Gramm-Rudman-Hollings balanced budget act. In confluence, these factors and the policy they will shape will have a substantial and long-term effect on our strategic force structure. I propose to review briefly the approach taken thus far by this Administration in shaping our strategic forces and then to provide an assessment of how these factors of the President's second term may affect those forces.

The Reagan Approach

When President Reagan assumed office, existing U.S. deterrence policy called for maintenance of a range of nuclear response options and set the goal of terminating any war on terms most favorable for the nation. The Reagan Administration continued this policy but recognized several deficiencies in our strategic force structure that hampered its implementation.

Among these shortcomings were a vulnerable command and control structure, an increasingly vulnerable ICBM [intercontinental ballistic missile] force, U.S. inferiority in prompt hard-target-kill capability, and an aging bomber force. In response, the President approved a comprehensive program to modernize our strategic forces, which includes new deployments in all three legs of our strategic triad and a robust effort to upgrade our command, control, communications, and intelligence capabilities.

The President also sought to engage the Soviet Union in arms reduction negotiations, determined that our approach to arms control would not repeat the mistakes of the past. He realized that arms control should be viewed as an important element of our security policy and, as such, a complement to, not in opposition to, the measures we must take unilaterally to maintain an adequate deterrent.

While arms control can potentially play a role in enhancing our security and bringing about a more stable strategic relationship, what we are able and willing to do for ourselves is far more important; it provides the necessary foundation on which deterrence and arms control must rest.

The President also directed that our arms control efforts be designed not merely to regulate the buildup of nuclear weapons, as was the case in SALT [strategic arms limitation talks], but, rather, to achieve strategically significant and stabilizing reductions.

Finally, while accepting the continuing need for reliance on offensive weapons and the ultimate threat of devastating retaliation as the basis for deterrence, the President directed that the SDI research program investigate the possibility of increasingly shifting the basis of deterrence to defensive capability. This has been construed by some as a shift from deterrence exclusively by retaliation to deterrence exclusively by denial.

Such a distinction is a theoretical construct which has had little bearing on the actual practice of deterrence. In actuality, an adversary is deterred from attacking the United States and its allies by the cumulative effect of a wide variety of disincentives. Taken together, these deny a would-be attacker the prospective benefits of aggression.

Our requirement to maintain a credible ability to deny and, thereby, to deter is a longstanding one; it is unlikely to change in the foreseeable future. The task is made especially difficult by the Soviet Union's relentless efforts—in both the strategic offensive and defensive arenas—to counter and to diminish the deterrent effect of our disincentives.

We are taking those steps necessary to continue effective deterrence in the face of projected Soviet counteractions. In this connection, we are both pursuing the deployment of improved offensive systems and exploring technologies which we hope will enable us, over the long term, to rely more heavily on strategic defenses to deter Soviet attack. We believe such an approach offers, for today and for the future, mankind's best hope to preserve the peace.

President Reagan's Second Term

How will President Reagan's second term affect our strategic force structure? I mentioned earlier that three factors will be particularly influential.

- The first of these, the continuation of the Strategic Defense Initiative, presents the potential of profoundly changing force structures, but only in the long term.
- The second, developments in U.S.-Soviet relations, including not only the Geneva arms control talks but also the Reagan-Gorbachev summit just held and the two projected to come, also presents the potential for substantial change, perhaps sooner than SDI.
- The third, the application of the Gramm-Rudman-Hollings act, will begin to be felt almost immediately, although the full extent of the impact is difficult to project.

Let me address each of these in some detail.

The Strategic Defense Initiative

We are now almost 3 years into the SDI research program. Our scientists have made impressive advances in their investigation of the many technologies that would be involved in a large-scale strategic defense system. We continue to believe that these technologies hold the promise of resulting in survivable and cost-effective defenses against ballistic missile attack, thereby providing us with safer and more reliable means of assuring deterrence.

But much more work must be done before we will know whether such defenses can meet the President's criteria of feasibility, survivability, and cost-effectiveness at the margin. It now appears that we will be well into the 1990s before that determination can be made. In the meantime, we are examining carefully the manner in which a transition to greater reliance on defensive systems might proceed.

Our preference, of course, is for a cooperative transition, jointly managed by the United States and the Soviet Union. We believe such an approach can contribute to stability and serve to facilitate the reduction in offensive nuclear forces which remains our foremost objective.

As for the question of how a cooperative transition might be characterized, our research is still in too early a stage and the future strategic situation is too uncertain for any definitive judgment. We must yet determine which defensive technologies are feasible, their probable cost, their survivability, their effectiveness against countermeasures, and how their deployment could be most effectively and verifiably regulated.

I have discussed SDI largely in terms of a cooperative transition, the course the Administration would much prefer. It should be recognized, however, that the Soviets have given absolutely no encouragement to such a concept. Indeed, the Soviets give every programmatic indication of pursuing their own, noncooperative transition to an offense-defense mix by deploying an illegal radar system and apparently developing other capabilities in violation of the ABM [Anti-Ballistic Missile] Treaty. President Reagan has determined and reported to Congress that the U.S.S.R. may be preparing the base for a prohibited territorial defense; the Soviets, thus far, have failed meaningfully to address our concerns about these activities or otherwise correct their noncompliance. As of now, there is no evidence that they will do other than continue to acquire defensive capabilities—including those envisioned for SDI—on a noncooperative basis. This being the case, we must be ready, if necessary, to act on our own. Paradoxically, our being prepared for a noncooperative transition could ultimately provide the Soviets with a powerful incentive to cooperate in the future.

Developments in U.S.-Soviet Relations

As SDI research continues through the second term, we will be proceeding concurrently with our efforts to improve U.S.-Soviet relations. Our immediate goal in the Geneva talks on nuclear and space arms is to achieve strategically significant and verifiable reductions in offensive weapons, properly tailored so as to enhance strategic stability. Such cuts would be valuable whether or not we ended up deploying strategic defenses, and we see no reason not to negotiate them now.

Last fall, we saw the effect that setting a specific date for a U.S.-Soviet summit can have on the arms control talks. Where the Soviets had refused to make concrete proposals in the negotiating groups dealing with offensive arms—or even to disclose many details of their position—during the first two rounds, they took a much different stance in round three. In September, they tabled specific proposals for offensive reductions, and they fleshed out these proposals with additional ideas in October.

With a second summit in the United States looming this year, we anticipate that this pace will be maintained. We have already seen General Secretary Gorbachev's arms control announcement last month, which, although largely designed to maximize its political and public relations impact, did move away somewhat from previous Soviet positions. Whether this can form the basis for genuine progress remains to be seen.

In the strategic offensive area, the two sides agree on the desirability of deep cuts in the size of their arsenals. This agreement was codified in the joint statement from the Geneva summit as mutual support for "the principle of 50% reductions in the nuclear arms of the U.S. and the U.S.S.R. appropriately applied." The agreement of the sides on this principle, however, should not obscure the fact that there are substantial differences in how each specifies the systems to which the 50% cuts would apply. As experience has shown, when evaluating Soviet proposals, it is advisable to examine the fine print.

The United States would apply the cuts to those systems historically limited in strategic arms negotiations—ICBMs, SLBMs [submarine-launched ballistic missiles], and heavy bombers. The Soviets would apply them to those systems "capable of reaching the territory of the other side," which they interpret as including on the U.S. side LRINF [longer range intermediate-range nuclear forces] missiles in Europe, dual-capable aircraft in Europe and Asia, and dual-capable aircraft on 14 carriers, while excluding 2,000 or more comparable systems on the Soviet side.

To accept the Soviet definition would require us to accept overwhelming Soviet advantages in strategic and INF [intermediate-range nuclear forces] systems. Therefore, there can be no significant progress on reducing strategic offensive arms until the Soviets follow

the precedent they set in both SALT I and SALT II and drop their insistence on this one-sided definition.

With the public presentation of the Soviet initiative of January 15, both sides have now advocated the complete elimination of nuclear weapons. Because of the far-reaching nature of this ultimate objective, the many complexities involved, and the many nations which must concur in their resolution, current negotiating efforts must focus on taking the first steps in actual reductions of U.S. and Soviet offensive nuclear arms.

The Soviet initiative of January 15 does not alter their position on initial reductions of strategic offensive forces; their one-sided definition remains the key element of their proposal. Accordingly, early progress in this area may be difficult. However, the several upcoming negotiating rounds in Geneva and the two planned summits will give the Soviets plenty of opportunity during the President's second term to remove this boulder blocking progress.

One cannot now determine whether an agreement is possible and, if so, what its outlines would be. We, therefore, have made no decisions about the precise force structure we would adopt were such an accord to be reached. One can speculate, however, as to how our forces and Soviet forces would be affected under the U.S. approach.

To review quickly, the United States proposes reductions to a limit of 4,500 on the number of reentry vehicles (RVs) carried on the ICBMs and SLBMs of each side, with a sublimit of 3,000 ICBM RVs. We also propose a 50% reduction in Soviet strategic ballistic missile throw-weight, to about 6 million pounds (the United States currently has about 4.4 million pounds), and a ban on new or modernized heavy ICBMs. Contingent on acceptance of these limits, we would accept an equal limit of 1,500 ALCMs [air-launched cruise missiles] on the heavy bombers of each side.

With respect to strategic nuclear delivery vehicles, the United States proposes reductions to a limit of 1,250–1,450 strategic ballistic missiles and, given that, reductions of heavy bombers to a limit of 350. We would also ban mobile ICBMs, due, in part, to inherent verification difficulties.

Under this approach, U.S. levels would be affected primarily by the ballistic missile reentry vehicle and ALCM ceilings. The bomber limit would require the destruction of our inactive B-52s, but the missile limit should not be a governing limitation, given the low number to which the RV limits would, in any case, drive us.

The 4,500 limit on ballistic missile RVs would require about a 50% reduction from the current U.S. SALT-accountable total; the 3,000 sublimit on ICBM RVs should not be restricting. Clearly, a large portion of the reductions would be absorbed by our sea-based leg, which currently encompasses substantially more than 4,500 RVs. The United States would, therefore, deploy a number of Trident missiles that would be substantially lower than the combined number of Trident and Poseidon missiles deployed today. The exact number would be determined in a tradeoff between the land-based and sea-based legs. As to the land-based leg, there should be plenty of room for a full complement of 100 MX missiles and a significant number of other ICBM forces.

With respect to the U.S. air-based leg, if the Soviets were to accept our approach, the planned ALCM program would be reduced by about 50% to the 1,500 level. This would also affect our mix of ALCM-carrying and penetrating heavy bombers.

Similarly, we can speculate on how Soviet strategic force planners might structure their forces, were they to accept our approach. They would likely be constrained primarily by our proposed 4,500 RV limit and the 3,000 ICBM RV sublimit. The 4,500 limit would require the Soviets to reduce their ballistic missile RVs by a little more than 50% from their current SALT-accountable level of about 9,700. The bulk of these reductions would necessarily come from their ICBM forces. The Soviet land-based leg would likely consist of SS-18s, SS-24s, and SS-25s, which would have to be deployed in nonmobile modes, and perhaps some SS-19s. This force would probably be at or near the 3,000 RV limit.

The Soviet sea-based leg would, therefore, consist of about 1,500 SLBM RVs, likely deployed on MIRVed [multiple independently-targetable reentry vehicle] SS-N-20s and SS-N-23s and single-RV SS-N-8s. Like the United States, they could be expected, over time, to deploy 1,500 ALCMs.

The Soviets have proposed that first-stage reductions occur over a period of 5–8 years. The United States has not specified a schedule for its proposal but probably could agree to a pace of reductions similar to that in the Soviet proposal.

The Gramm-Rudman-Hollings Act

In contrast to SDI and the arms control process, the Gramm-Rudman-Hollings act and the deficit reductions process it mandates will definitely have some near-term effect on our strategic forces, although this impact may not be felt in our force structure until some years hence.

In the FY [fiscal year] 1986 budget, the Defense Department has been able to protect the SDI program from funding cuts and to apportion the cuts among other strategic programs so as to avoid significant effects. In FY 1987 and beyond, however, the required deficit reduction will be much larger and, should automatic cuts be necessitated, the Department of Defense will have less flexibility in implementing them. Due to the many variables involved in the process—such as whether Congress and the Administration can agree on a budget or, instead, must rely on automatic cuts, and the size of the spending reductions necessary to meet the deficit target—it is impossible to arrive at specific predictions about the extent to which strategic force spending will be affected.

My own belief is that the President and the Congress will take the actions necessary to preclude drastic reductions in defense spending. The question may become one of projecting the effect that any limited cuts would have. A few general observations seem warranted.

First, we can expect greater emphasis than before on cost-effectiveness. I would expect the Pentagon to take a closer look at existing systems to ensure that their continuing contribution to our security is worth the cost of maintaining them. Similarly, in examining options for future systems, I would expect them to take extra care to define precisely the force structure characteristics that will enhance effectiveness and ensure that a given program option meets that goal in the least costly way. As a result, we might see some changes in program sizes or schedules and, perhaps, some early retirements.

At the same time as we are emphasizing cost-effectiveness, however, there are pressures for accepting higher unit costs in order to reduce annual expenditures while protecting overall program procurement levels. We may, therefore, see stretchouts of some strategic modernization programs.

If defense spending cuts become more significant, such that substantial changes in the overall U.S. force

posture become necessary, then we will be forced into a difficult choice between sustaining our current nuclear force modernization programs and continuing our present level of effort to redress the conventional force imbalance.

Historically, this dilemma has been decided in favor of nuclear forces, due to their high cost-effectiveness compared to conventional forces. On the other hand, there are strong reasons for avoiding, if possible, increased reliance on nuclear weapons for deterrence. The fact is that President Reagan remains strongly committed to, and places the highest priority on, his strategic modernization program in order that we may maintain the credibility of our present deterrent posture.

Conclusion

One can conclude from this review that we are entering a dynamic period in the strategic force arena. The President's policy is clear—to move forward with the strategic modernization program, the SDI research program, and our arms control efforts, in accordance with the general objectives and guidelines established in the first term. But many questions remain to be answered, either during the second term or thereafter. When those answers are realized, they could profoundly affect our strategic force structure.

Will our SDI research succeed? Will the Soviet Union be willing to negotiate an equitable, verifiable agreement implementing the deep reductions they claim to support? Will substantial cuts in defense spending be necessitated? In any case, the closest collaboration between the services, other elements of the executive branch, and the defense industry will be necessary as we meet the challenge posed by this dynamic period. ■

U.S. Response to Soviet Arms Proposals

PRESIDENT'S STATEMENT, FEB. 24, 1986[1]

On January 15, I welcomed the fact that the Soviet Union had put forth arms control proposals which we hoped would help to bring progress in the Geneva and other negotiations. I noted that some elements in the Soviet announcement appeared to be constructive and to build upon our proposals which we had earlier placed on the negotiating table. Other elements, however, reflected previous Soviet positions which present serious obstacles to progress.

We made a detailed analysis of these Soviet ideas, and we consulted closely with our friends and allies in Europe and Asia prior to responding to the Soviet Union. These consultations were excellent and made a significant impact on our own thinking. We have now completed our review and reached our decision. I have communicated this to allied leaders, and I have responded to General Secretary Gorbachev.

I expressed to Mr. Gorbachev my desire to see progress in key arms control fora and in the other key areas of the U.S.-Soviet agenda: regional issues, human rights, and bilateral matters. I reiterated the U.S. position that the first steps in the nuclear arms control area should be the deep cuts in U.S. and Soviet offensive weapons which are now under negotiation in Geneva.

With respect to the concept advanced publicly by the General Secretary as his "plan" for the elimination of all nuclear weapons by the end of the century, I am pleased that the Soviet Union appears to agree in principle with our ultimate goal of moving to the total elimination of nuclear weapons when this becomes possible. Needless to say, this must be done in a careful manner, consistent with the overall requirements for security and stability of the United States and our allies.

As the means of accomplishing this, we support a process by which the United States and Soviet Union would take the first steps by implementing the principle of 50% reductions in the nuclear offensive forces of both sides, appropriately applied, and by negotiating an INF [intermediate-range nuclear forces] agreement. We believe that the immediate focus should remain on the prompt accomplishment of these first necessary steps.

We are also pleased that the Soviet Union has indicated publicly that it now recognizes our long-held position that verification of negotiated agreements is critical. We intend to pursue in specific terms at the negotiating table General Secretary Gorbachev's public offer to resolve any necessary verification issues.

On the other hand, many of the specific details proposed in the subsequent phases of the Soviet "plan" are clearly not appropriate for consideration at this time. In our view, the total elimination of nuclear weapons will require, at the same time, the correction of the conventional and other force imbalances, full compliance with existing and future treaty obligations, peaceful resolution of regional conflicts in ways that allow free choice without outside interference, and a demonstrated commitment by the Soviet Union to peaceful competition. Unfortunately the details of the Soviet "plan" do not address these equally vital requirements. I would like to make progress now on all of these fronts.

While we will strive for progress across the board, one area where I hope we may be able to make immediate progress is in the negotiations on intermediate-range nuclear forces. Today our negotiators in Geneva have placed on the table a concrete plan calling for the elimination of U.S. Pershing II, ground-launched cruise missiles, and Soviet SS-20 missiles not only in Europe but in Asia as well, with all such missiles to be removed from the face of the Earth by the end of this decade.

I call upon the leadership of the Soviet Union to study carefully the details of our new proposal in the spirit with which it has been offered and to respond concretely at the negotiating table. I urge the Soviet Union to respond as well to the concrete and comprehensive proposals which the United States placed on the table in Geneva on November 1. These proposals covered all three areas of the nuclear and space arms negotiations. Our proposals on strategic nuclear arms as well as on defense and space arms unfortunately have gone unanswered.

Let me emphasize that the place to make real progress in reducing nuclear and other forces is at the confidential negotiating table. The United States is doing its part to foster in the nuclear and space talks and other negotiations the practical give-and-take process which can lead to deep arms reductions. With an equal commitment by our Soviet negotiating partners, real progress is now within our reach.

[1]Text from White House press release. ■

The Stockholm Conference and East-West Relations

by Robert L. Barry

Address before the Royal Institute for International Affairs in London on February 4, 1986. Ambassador Barry is head of the U.S. delegation to the Stockholm Conference on Confidence- and Security-Building Measures and Disarmament in Europe.

The Stockholm Conference on Disarmament in Europe resumed work 1 week ago with a meeting attended by Foreign Minister Genscher of the Federal Republic of Germany and Foreign Minister Dumas of France. The remarks of the two foreign ministers stressed the importance their countries attach to the Stockholm conference as a key instrument for enhancing European stability and security. They spoke as Europeans and described Stockholm as a dimension of a European process, the Helsinki CSCE [Conference on Security and Cooperation in Europe] process of cooperation and security building.

The United States attaches equally great importance to the Stockholm conference, and we share with our allies the vision of a Europe of independent states joined in cooperation rather than separated by mistrust and confrontation. We are not geographically a European nation, but we are tied to Europe: militarily to the defense of Western Europe; politically to the complementary goals of increased West European integration and the lowering of the barriers between East and West. Our participation in the Stockholm conference is a demonstration of this commitment to Europe.

Just before leaving Washington for Stockholm, I met with President Reagan. He issued a statement stressing the two dimensions of the Stockholm conference, military and political, and the important implications success there would have for the overall East-West relationship. The President underlined the contribution Stockholm could make to European security in the larger sense, that which encompasses political, economic, cultural, and humanitarian—human rights—as well as strictly military matters. "The attainment of this broader concept of security," the President said, "is the fundamental objective of the United States."

The President also expressed his belief that the Stockholm conference could succeed in reaching an accord this year, a belief echoed by Minister Genscher and Minister Dumas last week. There is, in fact, a very good chance the conference will achieve what it was set up to do: establish a military confidence-building regime which could reduce the risk of military confrontation in Europe. In doing so, it would increase stability in the European military situation in the near term and give a political impulse to greater openness and cooperation between East and West.

Developing an Effective Confidence-Building Regime

If an agreement is reached in Stockholm, it will be similar in outline to the proposals NATO tabled at the beginning of the conference in January 1984. It will establish a mandatory confidence-building regime consisting of measures requiring exchange of information about military forces in Europe and requiring that significant movements from normal locations be forecast a year in advance, described in more detail several weeks in advance, and observed by teams from other participating states. There will be adequate verification measures, including onsite inspection. There will be language reaffirming, but not redefining, the principle of non-use of force.

In contrast to the confidence-building measures in the 1975 Helsinki Final Act, which were largely political in significance because they were voluntary and lacked any provision for verification, these measures would have a real impact on the conduct of military affairs. Indeed, the broader political implications of a Stockholm agreement would flow from the practical military significance of the measures we agreed on.

In the view of the United States and our allies, this confidence-building regime coming out of Stockholm should accomplish several ends.

Risk Reduction. An agreement would reduce the risk of military confrontation arising from ambiguity about the nature of military activities and the intentions behind them. It would do this by requiring a routine exchange of information concerning military forces and their normal exercise practices which would, over time, develop a pattern of normal military activity in Europe. Establishing the data base which defined this pattern may take a few years, but once established, it could become the norm against which all military activity on the Continent would be judged. Conformity with such a norm could contribute to increased stability as well as greater predictability in the overall military situation. On the other hand, extraordinary military activity, determined by reference to the established norm, would become readily identifiable with the result that appropriate political and, if required, military countermeasures could be taken. Conformity with a pattern would serve the confidence-building aspect of a confidence- and security-building regime, while identifying deviations from the norm would be useful for the security-building aspect.

Use of Military Force for Political Intimidation. By requiring states to publish a schedule of activities far in advance, the confidence-building regime we are discussing would inhibit the use of military force for political purposes. Europe has seen too many examples of the use of so-called military exercises for the purpose of political intimidation, for example, Czechoslovakia in 1968 and Poland in 1981. A mandatory confidence-building regime providing for forecasting, notification, observation, and inspection would not prevent such events in the future. But it would raise the political price to a threatening state and, thus, help to deter the threat. And inspection and observation would provide a clearer indication of the intent behind such sudden, large-scale activities. Since uncertainty about intent is a major factor in intimidation, an effective confidence-building regime would help counter intimidation.

Confidence Building and Openness. Requiring states to announce in advance a schedule for the activities of their forces would contribute greatly to predictability and stability. Consider the significance of 35 countries with very different security requirements and political ties agreeing that they would initiate no significant military activities without first announcing and explaining them formally and in detail in advance. Both militarily and politically, establishing the principle of openness and the right of states to know about the military intentions and activities of others—East, West, and neutral and nonaligned—would be of precedent-setting

importance. Military commanders understand, I believe, the stabilizing effect that the correct degree of openness in military affairs affords. They accept the idea that intelligence information can indicate, with a considerable degree of assurance, whether their military activities are routine and nonthreatening in character. The confidence-building regime which we envision would expand openness and, thus, increase this assurance about the nature of activities through overt mutual cooperation. Exaggerated claims for military secrecy belong to the past; real confidence and security building requires that we put outmoded practices behind us.

When we discuss openness among states, we touch upon the fundamental objective of U.S. policy which President Reagan emphasized: a Europe without barriers, where people of all countries can communicate with one another, travel freely, exchange ideas of all kinds, for the enrichment of all. In Stockholm, we deal with military exchange, and the need to find an alternative to secretiveness and confrontation in the military field is, perhaps, particularly evident. But relations at the military level are a reflection of relationships on more basic political, cultural, and economic levels. Stockholm can ease suspicion and increase openness and understanding through a confidence-building regime in the military field, but success there will also contribute to improvement between East and West across the spectrum of the relationship.

The concept of openness, whether in military affairs or in other fields, is an issue of great sensitivity to some of the participants in the Stockholm conference, especially to the Soviet Union. But my impression is that this sensitivity is lessening as a new generation comes to power in the Soviet Union. I am particularly encouraged that the Soviet leadership seems to have accepted the principle of onsite inspection as a necessary element of verifiability, as evidenced by a number of recent statements, including General Secretary Gorbachev's January 15 proposals.

Although there has been no indication yet that the principle has been accepted for risk reduction activities as opposed to arms reductions activities, I see no reason why it should not be; Western inspection and observation proposals in the Stockholm context are less intrusive than elsewhere because they involve dynamic activities which, unlike static ones, do not require entry into sensitive installations.

The Soviet attitude is evolving positively in other areas as well. At the beginning of the conference, the East took a very polemical approach and advanced proposals not for practical, concrete confidence- and security-building measures but, rather, for declaratory measures on no-first-use of nuclear weapons, nuclear-weapons-free zones, reduction of military budgets, and the like, which represented their political agenda for Western Europe. In the past year, the East has gradually adopted a more practical and constructive approach. They have been more forthcoming on important procedural and substantive issues. In October, they joined with the other participants in accepting an informal working arrangement which focused the attention of the conference on specific measures with real military content.

Also in October, during his visit to Paris, Soviet General Secretary Gorbachev accepted the idea of an exchange of annual schedules for military activities—a measure which both NATO and the neutral and nonaligned had proposed. In Geneva last November, Mr. Gorbachev joined President Reagan in asking for an early and successful conclusion of the Stockholm conference. Last month, in his statement of January 15, Mr. Gorbachev reaffirmed the commitment to progress, as President Reagan did on January 21.

Areas of Difference

In sum, the East has moved closer to the approach laid out in the conference mandate, on which the West based its package of proposals. One reason for the change is that NATO was well-prepared for this conference and has been patient and firm in the face of efforts to divert the agenda from military security to political issues. The East does want an agreement which will allow continuation of some kind of European security conference, and they must realize that the only agreement within reach is one which fulfills the mandate criteria and is concrete, practical, militarily significant, and verifiable.

I have already identified verifiability as the essential element of an agreement and an area where East and West have not yet been able to establish common ground. A second area of difference relates to information exchange. The East continues to object to a comprehensive exchange, describing it as an attempt to legalize espionage. The final Eastern position on information, as on inspection, will be a good indicator of just how far they are prepared to accept the concept of openness, which is the underlying premise of any confidence-building regime.

A third problem area has been the question of what types of military activity are to be covered. In our view, the Madrid mandate established what we call the functional approach. That is, air and naval activities are covered when they are functionally related to ground force activities; indeed, such combined arms activities are the only kind which have real military significance in the European context. The East has tried to include so-called independent air and naval activities in the measures under discussion, an attempt which the West has rejected. Now it appears that the East is willing to have an agreement which does not include independent naval activities. That removes a major obstacle in the talks. Inherently unverifiable independent air activities should also be set aside.

Relation to Arms Control, Security, and Human Rights

I believe that the will exists to overcome these obstacles. So let me try to relate success in Stockholm to the larger picture of arms control and East-West relations. The two tracks of arms reduction, on the one hand, and confidence building leading to risk reduction, on the other, are mutually reinforcing. We hope for success in Geneva and in Vienna—significant reduction in nuclear and conventional arms. If we can accomplish these reductions, they will, in themselves, build confidence and, thus, result in a more stable world. In the meantime, successful confidence building can help to pave the way for arms reductions.

The kind of regime we are trying to create in Stockholm would, if complied with, give a political impulse to other negotiations. Stockholm is also breaking new ground in another area. It is the only security forum which includes all the European states, except for Albania. It has stimulated the first serious formal exchange among the neutral and nonaligned states on security-related issues, resulting in the emergence of a common position on the issues before the conference. This, in turn, has made them see more clearly some of the complexities and difficulties involved with the arms reduction efforts, which are also important to them.

Success in Stockholm could have a positive effect on the entire range of East-West relations, as both President Reagan and General Secretary Gorbachev have independently recognized. To cite just one example, it could move the entire Helsinki CSCE process ahead. The CSCE followup meeting, which opens in Vienna in November of this year, will evaluate progress in all aspects of the Helsinki Final Act. That means examining developments in human rights as well as progress in the security field. For the United States and its NATO allies, balance among all 10 principles of the CSCE is essential to the continuation of the process.

Developments on humanitarian and human rights issues in the East since the Madrid review meeting of 1980–83 have not been encouraging. Nor can we point to notable success at the post-Madrid meetings such as the Ottawa human rights forum [Ottawa Human Rights Experts' Meeting] or the Budapest Cultural Forum. We can hope for success at the Bern Human Contacts Meeting later this year, but, in any case, the Vienna conferees will not have a very bright picture to contemplate. A meaningful and politically binding Stockholm agreement, strictly complied with by all participating states, will make it easier for Vienna to decide on continuing the Stockholm security forum in some form after the CSCE review concludes its work.

Conclusion

In conclusion, let me note that our work in Stockholm lacks the drama of dealing with vital nuclear issues, as the Geneva negotiators do. As [NATO Secretary General] Lord Carrington pointed out in a speech to the Swedish Institute of International Affairs last week, the pace of our work has been something less than electric, although he also pointed out that, compared to our MBFR [mutual and balanced force reductions] colleagues in Vienna, we have been almost reckless in our haste. So it is little wonder that our efforts have gone largely unnoticed, both in the media and in our foreign offices. But, as the clock runs out on our deliberations, things are beginning to happen. Keep your eye on us for the 23 negotiating weeks remaining to us, and you may see something interesting—and important—begin to emerge. ■

Election Developments in the Philippines

PRESIDENT'S STATEMENT, JAN. 30, 1986[1]

A special election for President and Vice President will take place in the Philippines on February 7. This election is of great importance to the future of democracy in the Philippines, a major friend and ally of the United States in the Pacific. It comes at a time when the Philippines is struggling with the urgent need to reestablish a political concensus, restructure the economy, and rebuild a sense of military professionalism.

President Marcos has invited the United States to send observers to the election. Because of our respect for the Philippines and our commitment to the sovereign will of a democratic people as expressed through the electoral process, I have decided to send a delegation of official U.S. observers to the Philippines for the election. I would like the delegation to be composed of Members of the Congress from both parties and of distinguished Americans from the private sector.

I also note that the party institutes of both the Republican and Democratic Parties have jointly decided to sponsor an international observer delegation for the election in the Philippines. I am confident that both of these efforts will make a significant contribution to this important event.

The United States left a legacy of democratic institutions in the Philippines earlier in this century. Filipinos believe in elections, as long as they are fair, to resolve their political differences. To safeguard the process, the National Citizens' Movement for Free Elections, or NAMFREL as it is called, will field hundreds of thousands of citizen election observers on February 7. Such citizen participation makes Americans proud to have the Republic of the Philippines as a friend and ally.

A free and fair election, if also followed by a genuine reform effort in the economic and security areas, will assist the Philippines along a path of growth, prosperity, and stability that will benefit the entire region.

The Communist Party of the Philippines, through its military arm, the New People's Army, and its front organization, the National Democratic Front, is pursuing a classic military and political strategy intended to lead eventually to a totalitarian takeover of the Philippines. The communist strategy can be defeated, but defeating it will require listening to and respecting the sovereign voice of the people.

I believe this is an important time for America to respond to the problems of a friend and ally at a critical juncture in its history. If the will of the Filipino people is expressed in an election that Filipinos accept as credible—and if whoever is elected undertakes fundamental economic, political, and military reforms—we should consider, in consultation with the Congress, a significantly larger program of economic and military assistance for the Philippines for the next 5 years. This would be over and above the current levels of assistance we are providing.

PRESIDENT'S STATEMENT, FEB. 11, 1986[2]

The Philippine elections have captured the attention of the American public. At times we need to remind ourselves that this is a Philippine election, not an American election. Yet our interests are deeply affected by these elections—by the results, by the deficiencies of the process, and by what all this means for the future.

President Marcos invited American observers to witness the election; Senator Lugar [Richard G. Lugar, Rep.-Ind.] and Representative Murtha [John P. Murtha, Dem.-Pa.] cochaired an observer delegation at my request. They returned last night. I have heard their preliminary report this morning. Since no definite judgment on the result has yet been rendered by either the official or the unofficial Filipino electoral bodies, it is not appropriate for the United States to make such a judgment at this time.

Nonetheless, two points need to be made.

• First, it is a disturbing fact that the election has been flawed by reports of fraud, which we take seriously, and by violence. This concerns us because we cherish commitment to free and fair elections, and because we believe the

Government of the Philippines needs an authentic popular mandate in order effectively to counter a growing communist insurgency and restore health to its troubled economy.

• And second, the election itself—the obvious enthusiasm of Filipinos for the democratic process and the extraordinary vigor of the campaign—also tell us something. They tell us of the profound yearning of the Filipino people for democracy and, indeed, of the vigor of the underlying forces of pluralism and democracy. Only the communists boycotted the election.

The political process in the Philippines continues. Further it does not end with this election. Our task for the future is to help nurture the hopes and possibilities of democracy, to help the people of the Philippines overcome the grave problems their country faces, and to continue to work for essential reforms.

To help advise me on how the United States can best pursue that task and to assess the desires and needs of the Filipino people, I am asking Ambassador Philip Habib to travel to the Philippines to meet with the leaders of both political parties, with church and government officials, and with representatives of private sector groups.

Americans can never be indifferent to events in the Philippines. Our two countries have too much at stake for that. Our national interests converge. Our peoples bear genuine affection toward each other. Most important, our peoples share democratic aspirations. Those ties between our people will endure.

PRESIDENT'S STATEMENT, FEB. 15, 1986[3]

We have followed with great interest and concern the Presidential and Vice Presidential elections in the Philippines. As the Philippines is a close friend and ally, what happens to this nation and its people is of great importance to the United States.

While maintaining strict neutrality in these elections, we have consistently urged that the process be a fair and credible one leading to a government with the strongest possible mandate. The elections were marked by heartening evidence of the continuing commitment of the Filipino people to the democratic process and the furtherance of a two-party system which should strengthen that process in the future.

Although our observation delegation has not yet completed its work, it has already become evident, sadly, that the elections were marred by widespread fraud and violence perpetrated largely by the ruling party. It was so extreme that the election's credibility has been called into question both within the Philippines and in the United States.

At this difficult juncture, it is imperative that all responsible Filipinos seek peaceful ways to effect stability within their society and to avoid violence which would benefit only those who wish to see an end to democracy. Both sides must work together to make those reforms which are needed to ensure a stable democracy, a truly professional military and a healthy economy.

Our hearts go out to the people of the Philippines. They are at a major crossroads in their history. We are proud of our long association with them and very proud of their passionate devotion to democracy. There are no easy answers. And in the last analysis, they will have to find the solutions themselves. But they will have our help—in any way we can.

WHITE HOUSE STATEMENT, FEB. 22, 1986[3]

President Marcos' Defense Minister, Juan Ponce Enrile, and the acting Chief of Staff of the Armed Forces, General Fidel Ramos, today announced their resignations from President Marcos' government as a result of the fraud in the recent elections. They called on him to step down because his government no longer has a popular mandate.

Minister Enrile has said: "We want the will of the people to be respected. I believe that the mandate of the people does not belong to the regime." General Ramos has said: "It is my duty to see that the sovereign will of the people is respected. I am bothered by my conscience." Minister Enrile, one of President Marcos' oldest and closest political associates, further reported his personal knowledge of vote rigging and manipulation on a massive scale.

These statements strongly reinforce our concerns that the recent Presidential elections were marred by fraud, perpetuated overwhelmingly by the ruling party, so extreme as to undermine the credibility and legitimacy of the election and impair the capacity of the Government of the Philippines to cope with a growing insurgency and a troubled economy.

Many authoritative voices in the Philippines have been raised in support of nonviolence. We support these voices and expect them to be respected. We also support resolution of the issues involved by all the people of the Philippines as quickly as possible.

Ambassador Habib is now returning from the Philippines and will report promptly upon his return.

WHITE HOUSE STATEMENT, FEB. 23, 1986[3]

The American people are watching with great concern and compassion the events unfolding in the Philippines, a longtime friend and ally. The President appealed earlier today to President Marcos to avoid an attack against other elements of the Philippine Armed Forces. Regrettably, there are now reports of an attack. An attempt to resolve this situation by force will surely result in bloodshed and casualties, further polarize Philippine society, and cause untold damage to the relationship between our governments.

The United States provides military assistance to the Philippine Armed Forces in order to strengthen its ability to protect the security of the Philippines, particularly against the serious threat posed by a growing communist insurgency. We cannot continue our existing military assistance if the government uses that aid against other elements of the Philippine military which enjoy substantial popular backing.

The President urges, in the strongest possible terms, that violence be avoided as Filipinos of good will work to resolve the ongoing crisis.

WHITE HOUSE STATEMENT, FEB. 24, 1986[3]

We have received disturbing reports of possible attacks by forces loyal to General Ver against elements of Philippine forces that have come to the support of General Ramos and Defense Minister Enrile. We urge those contemplating such action to stop. Marcos has pledged to refrain from initiating violence, and we appeal to him and those loyal to him, as well as all the other Filipino people, to continue to do so.

Attempts to prolong the life of the present regime by violence are futile. A solution to this crisis can only be achieved by a peaceful transition to a new government.

SECRETARY'S STATEMENT, FEB. 25, 1986[4]

The President is pleased with the peaceful transition to a new Government of the Philippines. The United States extends recognition to this new government headed by President Aquino. We pay special tribute to her for her commitment to nonviolence which has earned her the respect of all Americans.

The new government has been produced by one of the most stirring and courageous examples of the democratic process in modern history. We honor the Filipino people. The United States stands ready as always to cooperate and assist the Philippines as the government of President Aquino engages the problems of economic development and national security.

We praise the decision of President Marcos. Reason and compassion have prevailed in ways that best serve the Filipino nation and people. In his long term as President, Ferdinand Marcos showed himself to be a staunch friend of the United States. We are gratified that his departure from office has come peacefully, characterized by the dignity and strength that have marked his many years of leadership.

It is the Filipino people, of course, who are the true heroes today. They have high expectations for their country and for democracy, and they have resolved this issue nonviolently in a way that does them honor.

[1]Text from Weekly Compilation of Presidential Documents of Feb. 3, 1986.
[2]Text from Weekly Compilation of Presidential Documents of Feb. 17.
[3]Text from White House press release.
[4]Press release 31 of Feb. 26, which also includes the Secretary's question-and-answer session with news correspondents. ■

After the Election in the Philippines

by Paul D. Wolfowitz

Statement before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee on February 20, 1986. Mr. Wolfowitz is Assistant Secretary for East Asian and Pacific Affairs.[1]

I welcome this opportunity to renew our exchange of views with the subcommittee concerning the situation in the Philippines and its implications for U.S. policy.

The Philippines has just held a historic Presidential election. The outpouring of nonpartisan citizen effort to safeguard the ballot process was an inspiring testimonial to the deep yearning for democratic processes to work. There are few nations at any age which can demonstrate such fundamental and idealistic participation to defend democratic principles.

Unfortunately, however, as the President stated on February 15: " . . . it has already become evident, sadly, that the elections were marred by widespread fraud and violence perpetrated largely by the ruling party. It was so extreme that the election's credibility has been called into question both within the Philippines and in the United States." The initial findings of the Presidential observer delegation are consistent with this conclusion. We appreciate the Congress' valuable participation in the observer delegation.

The situation we address today is a difficult and complex one. The validity of the declared outcome has been seriously called into question by responsible observers both in the Philippines and abroad. The Catholic Bishops Conference of the Philippines, after reviewing election developments throughout the archipelago, has described the elections as having been conducted in a fraudulent manner. The Senate, in a resolution passed yesterday, has stated its sense that "the elections in the Philippines were fraudulent and did not fairly reflect the will of the people of the Philippines."

As you know, the President has sent Ambassador Philip Habib to Manila to assess the dynamics of the situation and to advise on how the United States can "help nurture the hopes and possibilities of democracy . . . help the people of the Philippines overcome the grave problems their country faces; and . . . continue to work for essential reforms." The difficult situation which thus now pertains in the Philippines requires that we address our own responses with care and caution. While some things are clear now, many others are not, and we will await the result of Ambassador Habib's consultations, realizing that the situation will continue to be in flux for some time.

This election has permitted the open and direct expression of deeply differing views within Philippine society, but unfortunately it has failed to resolve them in a credible way. The severe damage to the credibility of the election is more tragic because it also demonstrated, in so many ways, the resilience of the democratic tradition in the Philippines.

The election was openly contested; parties were able to organize, criticize, and take their case to the people in rallies and campaign appearances throughout the archipelago. A new political coalition was able, in a short time, to become a major political force. However, now that responsible and moderate groups have been allowed to organize so openly, it will be all the worse if their hopes and aspirations are frustrated.

The commitment of hundreds of thousands of NAMFREL [National Citizens' Movement for Free Elections] volunteers and others to make the system work was inspiring. One member of our team stated that he observed "hundreds of citizens serving as poll watchers and election officials to make the system work. The violence and intimidation was a real tragedy, a betrayal by the few of the many who worked so hard to make it work." Such comments are multiplied many times by the U.S. Embassy officers and international observers who covered almost all of the 75 provinces of the country during the election. There are all too few countries in the world where such citizens' organizations could be formed and assist in monitoring election performance, but that makes the exclusion of NAMFREL workers from many key areas at the last moment all the more deeply disappointing.

The process was commendably open to the world. Hundreds of visas were issued to foreign observers. This is one of the reasons why the election was as free as it was and why we know it was as flawed as it was. But now the expressions of concern it has aroused cannot be ignored.

What Went Wrong?

The systematic disenfranchisement of voters was one of the most significant as well as unexpected developments in the election. Unanticipated to a large degree by the opposition, NAMFREL, or our own observers, this disenfranchisement became apparent throughout the country on election day, but particularly in metro Manila and other urban

centers, in opposition strongholds, and among the middle class in general.

The election experience was different from place to place. Where local authorities tried to carry out the law fairly, and NAMFREL workers were also permitted to function without intimidation, there are reports of almost model election results, sometimes favoring President Marcos, sometimes favoring Mrs. Aquino. In far too many other places, however, fraud intervened. Most serious were the many successful efforts to tamper with the results themselves. We have confirmed reports by our own Embassy and foreign observers of practices ranging from substitution of ballots, simple fraudulent reporting of results, substitution of reporting tallies, discard of any Aquino votes as invalid, and fanciful reporting of results to the canvassing centers either before the alleged vote count had even been completed or, in many cases, using totals far in excess of all registered voters in a district.

The U.S. Role

This is a Philippine problem. Every nation must address in its own way the challenge of developing strong and credible institutions.

Nevertheless, we cannot walk away from our interests and responsibilities. Our influence is not unlimited, but we should use the influence we do have and use it wisely. We intend to be helpful in any way that it is appropriate. Meanwhile, Filipinos need some time to search for viable solutions, but that time must be used well. The problems will not be solved by a return to business-as-usual or by refusing to acknowledge that this was a flawed election.

Some directions are clear. The President's offer in January of significantly increased American assistance if a free and fair election was conducted and the elected government undertook fundamental needed reforms is clearly now in abeyance. But most specific decisions on U.S. policy directions must await Ambassador Habib's return and his assessment.

Nevertheless, as we address the issues before us, some guiding principles are apparent.

• We should make clear that we support the demonstrated Philippine faith in democracy. Americans believe in government by the consent of the governed. The American consensus on this point is clear and should not be disputed. While we may debate specific policies, this should not obscure the bipartisan commitment to this goal.

• A stable and prosperous Philippines under a democratic government is of major importance to the United States. We have a large stake in the bases in the Philippines, but our stake in democracy comes first. Indeed, our interest in the bases and our interest in democracy are complementary, not mutually exclusive. We are convinced that democratic reform is the key to thwarting a communist victory that would end at one stroke both all hopes for democracy in the Philippines and our access to these important facilities.

• We should do everything we can to support the moderate forces which are represented importantly on both sides of the partisan divide in the Philippines and among many nonpartisan groups. The church, civic organizations, many military professionals, and others have demonstrated responsible commitment to viable free institutions and should receive our encouragement.

• We should oppose the use of force and violence that in the long run will benefit only those who do not believe in democratic values. A radical communist insurgency is ready in the wings to take advantage of either a breakdown of public order or popular disillusionment with institutional avenues to achieve change or redress of grievances. It is incumbent on all those who wish a better future for the Philippines to encourage restraint. The present problems will be successfully surmounted neither through martial law nor mob violence.

• Solutions must be Filipino solutions, not American solutions. As President Reagan said February 15: " . . . in the last analysis, they will have to find the solutions themselves. But they will have our help—in any way we can."

Our assessment of the situation is continuing, and major further developments will await decisions to be taken in the light of Ambassador Habib's report to the President. We are maintaining close contact with all responsible elements of the political spectrum.

We recognize that whoever leads the Philippines will need an effective and professional armed forces and will need a revitalized and dynamic economy to provide hope for individual betterment and well-being. Our existing assistance programs are addressed effectively to these objectives. Our assistance does not go to individuals but to support the economic and security needs of the Philippine people. No one should claim that U.S. assistance constitutes a personal endorsement or is for the purpose of supporting any individual's claim to power, either in the Philippines or in dozens of other countries around the world that receive U.S. aid.

The present situation confronts us with some difficult decisions, but we would caution against precipitous action. Our actions have multiple consequences, and we want to act in a way that moves things forward, not in a way that leads to violence and chaos.

We should ask of proposed actions whether they will create incentives for Filipinos to seek solutions or whether they will instead harden and deepen the divisions? Will our actions encourage or discourage the restraint that both sides need to exercise if violence is to be avoided? Will they encourage business-as-usual attitudes, or will they go to the other extreme and contribute to dangerous instability? There are no easy answers to such questions and no course of action now that does not entail some risks. But we need to address these questions, not as an excuse for inaction but to avoid recklessness.

I am aware of the significant concerns which were expressed in your first hearing on this subject in this subcommittee yesterday. We share many of those concerns. However, our decisions on the subject of foreign assistance are highly consequential. We need to get a better feel for the thinking of many elements in the Philippines and will await Ambassador Habib's own assessment on the basis of his intensive consultations there. There are large interests at stake, and, therefore, I would suggest that we pursue further consultations on a bipartisan basis in the days ahead before the committee formally proposes legislation regarding our Philippine aid program. Meanwhile, neither American nor Filipino should make the mistake of claiming that any American actions constitute an endorsement of this seriously flawed election or an American preference for one side over the other in the political drama that continues to play itself out in the Philippines.

As that drama unfolds, it will be particularly important that the integrity of the Philippine Armed Forces be maintained and, indeed, strengthened as much as possible through reform. If the Armed Forces of the Philippines disintegrates, there is only one organized armed force remaining in the Philippines. That is the communist New People's Army. No democratic or moderate leader of any persuasion would survive under those circumstances.

A significant portion of our present assistance to the Philippines is in implementation of the President's commitment at the time of the last U.S.-Philippine review of our Military Bases Agreement in 1983. Just as the Philippines has honored its commitments under that agreement, they expect us to fulfill our related obligations as well. I am confident that we will find the means to continue to do so in an honorable manner.

We recognize that there are no easy answers and that even comments which we perceive as neutral can be exploited or cause dismay among our friends. We will remain engaged, seeking to keep always in mind the principles I have noted above.

The Philippine people and the Philippine nation remain important to the United States and we to them. Powerful forces for democracy and for change have been unleashed. This election has demonstrated the great strength and support of centrists and moderates in the Philippines, but the political center is threatened both by the illegality and fraud of the election and by the forces of radicalism led by the Communist Party of the Philippines.

Thus the election has at this stage actually compounded the problems of the Philippines. As I indicated before this subcommittee in November, an election which is not perceived by the Philippine people as reasonable and fair will lead to increased polarization of the society and a growth in the communist insurgency. We still believe this to be the case.

Nevertheless we do not consider the process to be over. We would like to have your views and hope to work carefully with the Congress in the days ahead to ensure that together we avoid rash or destabilizing action yet remain true to our fundamental principles and long-term interests. As the situation develops in the Philippines, the government there will still need to tackle major problems in the military, in the economy, and in the society. We shall need to determine how we can best help those Filipinos of good faith and encourage them to overcome present crises and build a future of hope and progress for all the people of that great nation. We will want to be part of that endeavor, as is appropriate for a friend and ally.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Commodity Markets and Commodity Agreements

by W. Allen Wallis

Address before the National Coffee Association in Boca Raton, Florida, on February 11, 1986. Mr. Wallis is Under Secretary for Economic Affairs.

This morning I will discuss the International Coffee Agreement (ICA).

The United States has been a party to this agreement since 1962. We have a right to withdraw on 90 days notice, and, in fact, we cannot remain in the agreement after next September unless we obtain explicit authority from Congress to do so.

For about a year we have been studying the advantages of the agreement—not only the direct advantages to the United States but also the indirect advantages through effects on friendly countries. The issues are complex, but we expect to reach a conclusion by spring.

As background for discussing the coffee agreement, I will point out some general characteristics of commodity prices. Then I will consider efforts to control the movement of commodity prices. Finally, I will talk about the ICA itself. I want to emphasize that no decision has been reached about our continued participation and that the decision will not be based on economic considerations alone.

Trends and Characteristics of Commodity Prices

Turning first, then, to trends and characteristics of commodity prices in general: we are experiencing currently an interesting and instructive period in international commodity markets. In recent years, there has been a weakening of the price of internationally traded oil, and it has fallen dramatically in the last few weeks. In recent years, also, there have been substantial drops in the prices of other commodities. Since 1980, the prices of most major commodities, measured in inflation-adjusted dollars, have declined by one-third. As a result, the prices paid by U.S. consumers for internationally traded primary commodities other than fuel, after adjustment for inflation, are lower than at any time since the Second World War.

Coffee provides one of the few significant exceptions to the downward trend in commodity prices. Since the end of 1980, the inflation-adjusted dollar price of coffee has risen almost 50%—or even more, depending on which day you make the calculation.

Among the many influences on commodity prices, one of special importance was the ending of over 15 years of high inflation and the attendant temporary recession in economic activity. Commodity prices are especially sensitive to these economic fundamentals. In addition, a large part of the reason for the weakness of dollar prices of commodities has been the strength of the U.S. dollar. Commodity prices expressed in terms of other major currencies have strengthened as the world economy has recovered. A world index of real commodity prices has risen since 1982, along with steady, though modest, economic recovery outside the United States and strong recovery in the United States.

After correcting for fluctuations in exchange rates, the major determinant of inflation-adjusted commodity prices appears to be the rate of world economic growth. A recent study by Data Resources, Inc., indicates that if in the 24 countries of the Organization for Economic Cooperation and Development (OECD) economic growth is faster than 2.6% annually, commodity prices tend to rise; and if the OECD countries grow more slowly than 2.6%, commodity prices tend to fall.

Specific commodities are subject to their own specific influences, such as the powerful effect that frost and drought have on coffee prices. Those specific influences temporarily obscure the longer term trends, which otherwise would have been about the same for coffee and other special cases as for commodities in general.

These special cases, however, illuminate certain features common to the markets for most commodities. Most commodities have volatile prices; they are highly sensitive to shortages or surges of supply. From a policy standpoint, the volatility of commodity prices is especially significant because it stimulates efforts to control markets in the hope of stabilizing them.

Cartels

The reason for the volatility of the prices of most primary commodities is that they face highly inelastic demand in the short run.

Demand is termed inelastic if a change of the quantity available by a given percentage results in a larger percentage change of the price in the opposite direction. If demand is inelastic, suppliers can obtain more revenue from a smaller supply than they can from a larger supply. The increase in price will more than offset the decrease in sales.

For many commodities, supply, too, is inelastic in that even a large increase in price brings forth only a small increase in quantity. Indeed, unless this is true, it is not possible to increase revenue by raising the price of a commodity whose demand is inelastic. The increase in price will simply elicit increased supply and, thus, restrain the rise in price. In these circumstances, there is a strong incentive for the suppliers to form a cartel and agree among themselves to hold down supply.

A complication to this is that elasticities of both demand and supply increase with time. In the very short run, consumers may face extreme difficulty in reducing consumption, and producers may find it virtually impossible to increase supply. So in the short run, cartels can be effective—at least, they could be in theory if they could discipline their members, something which history shows they seldom can do for long. Each producer has a strong incentive to expand his output surreptitiously and, thus, get a free ride on the restraint of the others. But, in time, all things are possible: consumers find substitutes or learn to do without, and suppliers find new mines, bring new trees to maturity, convert machinery, or train new workers. In the long run, both demand and supply become highly elastic.

Oil is providing us with a classic example. In the early 1970s, as a seemingly insatiable demand for oil rapidly outstripped additions to reserves, the Organization of Petroleum Exporting Countries (OPEC) was able to triple prices. In 1979, after the Iranian revolution, panic buying by consumers enabled OPEC to increase prices a further 160%. The United States assisted the cartel by holding domestic oil prices below international levels and subsidizing the excess in price of imported oil. Energy analysts were predicting a steady increase in the real price of oil and continued dependence on OPEC oil.

The reverse has happened. Why? First, President Reagan decontrolled domestic oil prices, thus halting our subsidy to OPEC. Then, the high international price of oil stimulated three basic responses by consumers and producers.

First, they used oil more efficiently. The amount of oil used in relation to gross national product (GNP) of industrialized countries has dropped 30% in the past 11 years.

Second, substantial additional supplies of non-OPEC oil came on the market.

Third, coal, fission, and gas were substituted for oil, and, to some extent, even wind, sunshine, waterfalls, and geothermal resources.

The long-run price elasticities of demand and supply turned out to be large. OPEC could maintain prices only by reducing its production. Since 1979, demand for OPEC oil has decreased by about 50%. OPEC is facing the problem of all cartels in a falling market: how to share the pain of reduced production and revenues.

There is a similar story for bauxite. For the last 30 years, bauxite has been a principal source of foreign exchange earnings for Jamaica. In the early 1970s, the then-socialist Government of Jamaica sought to draw other nations into a bauxite cartel. When other countries did not join, Jamaica unilaterally raised its prices by imposing a steep export levy. For a time, buyers had no option but to pay the price. Jamaica garnered greatly increased foreign exchange revenues, and the Jamaican Government enjoyed greatly increased revenues. Higher prices, however, stimulated the development of new capacity to produce bauxite in Guinea, Brazil, and Australia. Jamaica, which produced 15 million tons of bauxite in 1974, is now producing less than 6 million tons annually. The international bauxite market is awash with excess capacity, and prices are weak. Jamaica now confronts this weak market hampered by a bloated public sector that owes its existence to tax revenues from bauxite.

These attempts to stabilize the oil and bauxite markets illustrate the general tendency for such attempts to boomerang on producers who attempt them. They illustrate also the importance of the special characteristics of commodity markets that I referred to earlier—inelastic demand and, consequently, volatile prices. These characteristics are a never-ending temptation to governments and other interested parties to intervene in one way or another to influence the course of prices. These characteristics give rise to seductive arguments, effective even in importing countries, favoring more intervention.

In commodity markets, efforts to control prices sometimes can succeed in the short run, but they eventually fail. Then, when the market collapses, the effects on producers are disastrous, and they last a long time because of surplus stocks and excess capacity hanging over the market. The depth and duration of the hardship exceeds whatever benefits were achieved by the temporary reduction in volatility.

International Commodity Agreements

When we consider other forms of intervention, such as international commodity agreements with both producers and consumers participating, we should bear in mind the informational function of a free price system. Prices are a decentralized system of communication and incentives that makes the economy efficient.

- Prices convey information. They tell what is wanted and how much it is wanted in relation to the prices of the things that will be given up to provide it.
- Prices furnish an incentive to adopt the least costly methods of production and, thereby, use resources for their most highly valued purposes.
- Prices determine how income is distributed.

All these points have a bearing on the arguments for and against participating in international commodity agreements and can be used to test the soundness of the arguments.

An international commodity agreement usually has as its principal aim to stabilize the prices of the commodities it covers. On the surface, "stabilize" seems to refer only to reducing the volatility of commodity prices that I discussed a few moments ago. Commodity agreements do, in fact, try to do that. In addition, however, the term "stabilize" often takes on the connotation of "support"—to hold the price higher, on the average, than it would be in a free market. If an agreement does that, it transfers income from consumers to producers, and it obstructs the informational function of prices.

With either meaning of the term "stabilize," but especially with the first (reducing volatility), a commodity agree-

ment attempts to support the price during a temporary downswing by accumulating stocks, either in an official buffer stock or in stocks of producing countries. Then, when the price rises in a year of exceptional scarcity, these stocks are released to the market to mitigate the scarcity and limit subsequent price increases.

There are four main arguments in favor of an international agreement that attempts to stabilize a commodity price.

First, more stable prices smooth out producer incomes and provide better price predictability to consumers, to the mutual benefit of both. Businessmen greatly prefer such predictability.

Second, such agreements usually transfer income from wealthy countries to poor countries, thus providing economic aid that cannot be obtained through regular governmental appropriations.

Third, both of the first two effects increase economic and political stability in the producer countries, which is desired by the U.S. Government and by other governments of developed countries. Most small countries cannot easily diversify their output or otherwise protect themselves against unstable receipts from a major export.

Fourth, a successful commodity agreement protects and furthers the commercial and political interests of the United States and other developed countries in the producing countries and helps achieve better relations overall.

These arguments are all plausible. It is difficult, however, to find any actual experience, systematic data, or valid analysis to support them. In fact, it usually turns out in practice that commodity agreements have effects very different from those intended and expected. There are at least eight reasons for the discrepancy between idealistic intentions and practical reality.

- The reference prices set in these agreements typically are too rigid and do not adequately reflect market conditions.
- Because prices generally are supported at higher than equilibrium levels, suppliers produce more than consumers are willing to absorb.
- Inefficent producers are protected and new entrants are attracted into the market, thus creating even greater oversupply. If there are quotas, new entrants with lower production costs may find it difficult to enter the market.
- Private speculators hold lower stocks due to the price limit defended by the buffer stock. Then they rush to sell their stocks if market trends undercut the viability of the buffer stock. Such sales can quickly overwhelm the buffer stock's capacity.
- Consumers are led by high prices to develop substitutes that they would not use at a lower price.
- When prices are maintained at too high a level, the forces I have mentioned will eventually exhaust the funds available to a buffer stock organization set up to defend the reference price.
- The inevitable collapse of the commodity agreement will result in a sharp drop in price. The large stocks that were accumulated will keep prices depressed for some time. In the long run, therefore, price instability may be even more damaging with international commodity agreements than without them.
- The financial costs of operating these agreements often are substantial.

The current crisis in the tin market provides an example. In this case, the operation of the buffer stock and favorable currency movements kept the nondollar price artificially high, masking both the real trend and the inadequacy of the members' financial support. Eventually, the sleight of hand was no longer possible. When, in 1985, the dollar turned down, the tin price fell, and the buffer stock faced heavy losses on futures contracts. The member countries were unwilling to provide further support, the buffer stock was unable to cover its sudden losses, and tin trading on the London Metal Exchange (LME) was suspended. Negotiations among tin council members, banks, and brokers have not yet found a solution that will allow the LME tin market to reopen.

The disadvantages of commodity agreements are practical and borne out by long experience. Nevertheless, I mentioned earlier the theoretical arguments presented to show that, under certain circumstances, commodity agreements could increase the welfare of both producers and consumers by reducing price variability. While these arguments often seem to be wishful thinking, ideological, or abstract, it is important to take a pragmatic approach and examine carefully whether an actual or proposed commodity arrangement might be beneficial. In that spirit, let's examine the particular case of coffee.

International Coffee Agreement

The ICA differs from other commodity agreements in which the United States has participated in recent years (namely, sugar and rubber) in that it has no buffer stock and no rules governing the accumulation and release of official stocks in producer countries. If all its provisions were fully implemented, however, including the prohibition on sales at discounted prices to nonmember importing countries, it would work in a manner very similar to a buffer stock arrangement. It imposes quotas on exports by producer countries to member importing countries at times of price downswings, but there is no provision for restricting production. If nonmember countries have to pay the same prices for coffee as do member countries, the quotas force the accumulation of stocks that can be sold at a time of scarcity and high prices, such as we have this year. The relaxation and subsequent suspension of quotas as prices rise make the accumulated stocks available to mitigate the scarcity. That is the theory of how it should work.

The U.S. Government is concerned about income levels and income stability in many of the countries that depend heavily on coffee for their export revenues; in fact, most of those countries receive various forms of aid from us directly and indirectly through international organizations to which we are the principal contributor. These points, together with those I set out earlier on the arguments for commodity agreements in general, are the reasons why the United States joined the ICA and are the principal arguments for staying in.

We do not believe, however, that all is well with the coffee agreement. During some periods, the agreement has maintained prices above the appropriate level. To the extent that it supports prices that are above the long-run equilibrium level, the agreement levies a hidden tax on consumers and subsidizes production in exporting countries. There is no precise estimate of the excess cost to consumers caused by the ICA—in fact, the amount obviously varies from year to year and may even be negative in 1986—but some estimates for some years are several billion dollars.

Some argue that we should accept this transfer on the grounds that it provides aid to developing coffee-producing countries. Such "aid," however, is unconditional and indiscriminate. Unlike most economic assistance, this aid can-

not be conditioned on the adoption of sound economic policies or directed to specified purposes, so it does not encourage economic development and reform—more likely the opposite, in fact. Furthermore, such aid goes to all producers—including some countries to which the United States would not offer aid, for example, Cuba and Nicaragua.

Finally, it is unsound public policy to force consumers to provide money for a public purpose that is not subject to congressional appropriation and oversight.

When stocks accumulated in recent years, many members sold coffee at a discount to nonmember countries. Through the operation of the two-tier market, the Eastern bloc has received benefits in the form of cheaper coffee, estimated to average about $110 million per year.

The ICA's pricing policy may well be contrary to the long-term interest of producers. Since 1962, when the United States joined the ICA, coffee consumption per capita in the United States has declined more than 40%. Tea consumption, in contrast, has not changed, and soft drink consumption has more than tripled.

Once a commodity agreement is launched, it requires ever more complex and onerous regulatory mechanisms to ensure that all members abide by their commitments. In the coffee agreement, for example, the problem of "tourist coffee"—nonmember shipments which find their way into the member markets with windfalls to the traders involved—is met with Resolution 329, entailing elaborate control and matching of import and export certificates. Similarly, the response to the problem of discount sales to nonmembers is Resolution 336—which, if enforced, would impose penalties for the practice. The possibility of penalties has become a bone of contention among consuming countries, some of which include traders who profit from the business.

From a strictly theoretical point of view, the ICA might be operated in a manner that does a minimum of violence to the play of market forces. For the past 3 years, the U.S. delegation to meetings of the council has tried to persuade other delegations to put this approach into operation. To that end, we have sought large global quotas so that there would be a wide range in which these quotas would be more than sufficient to allow prices to be set by the free play of market forces. At the minimum prices defended by the quota system—that is, at a composite indicator price of $1.15–$1.20 per pound—we advocated much more stringent quotas to assure that the price stabilization function would be served. We also advocated strict enforcement of provisions against discount sales to nonmember countries, in order to assure that the supplies withheld from the market at times of low prices would be stockpiled and available to cover a crop shortfall—such as is now impending.

An obvious problem is the allocation of export quotas. To stabilize prices effectively, the agreement must allocate quotas according to an exporter's available supply; unfilled quotas must be reallocated to others quickly and efficiently. In fact, however, the rigidity of allocations under the ICA means that some members have difficulty filling their quotas. For others, many of them countries of importance to the United States, the quota allocation is insufficient to market their coffee to member countries, so they must find nonmember outlets for their production. This is the unfortunate outcome of any system of allocating quotas on the basis of export performance of an earlier period. In addition, reallocations of quotas are subject to political bargaining in the producer caucus, with no regard for a country's competitive ability or the political interests of consuming countries. This system causes overexpansion of coffee production in some countries and the languishing of the coffee sector in others, with very real losses of income and development potential. So far, we have made no headway in obtaining procedures for allocating quotas that are responsive to these considerations.

Similarly, we have been frustrated in our attempts to make the operation of the ICA more market oriented. Our adherence to the International Coffee Agreement gives our tacit blessing to what was intended to be a cartel arrangement to control coffee prices worldwide. For the reasons I've outlined earlier, such arrangements are inherently unworkable and carry the seeds of their own demise. In response to the price supports provided by the agreement, there have been large increases in production and reductions in per capita consumption.

This year's special circumstances in the coffee market have eliminated, or at least deferred, the problems of nonmember discount sales and "tourist coffee." We need the stocks which have been built to their present levels (whatever that level is) through years of encouraging production. What appeared a few months ago to be an excessive overhang of stocks now has become a source of reassurance for those concerned about price rises. We will be interested in the degree to which these stocks hold down prices in the next 2 or 3 years. While this is a useful function, offsetting at least in part the effects of excess prices earlier, it is a function that in free markets would be fulfilled at least as well (and probably at less cost) by speculators and brokers.

Although we have made some progress in getting our message across to the other governments, we have been disappointed by the overall results, and we have made it clear that our continued participation is in jeopardy.

I want to emphasize again that the question of continued U.S. participation in the ICA has not yet been decided. Both political and economic considerations must be weighed. We are making a comprehensive analysis, and we are consulting with major producing countries, the ICA, the domestic industry, and other departments of the U.S. Government.

President Reagan has worked to eliminate controls and regulations that are needless economic constraints and to create an environment conducive to private initiative and innovation. If we look at the economic record of the developing nations in the past several years, we find that the top performers are those in which the government has provided a climate where the private sector could prosper. These are the countries where the "magic of the market" has worked—where resources have been allocated to achieve the maximum return. Experience shows that fewer controls, not more, will encourage healthy and viable commodity markets, economies, and societies. ■

Test Results of Soviet Chemical Tracking Agents

DEPARTMENT STATEMENT, FEB. 14, 1986[1]

Last August we determined that Soviet authorities were using the chemical agent NPPD [nitro phenyl pentadien] to monitor the activities of employees at the U.S. Embassy in Moscow. We have conducted extensive tests on this tracking agent. Test results indicate that it has not been used indiscriminately against American personnel but has been employed by Soviet authorities against a specifically targeted, relatively small percentage of official American employees. Fortunately, the results of those tests show that exposure to the quantities of NPPD found does not pose a health hazard. We continue to object to the use of chemicals against U.S. personnel.

A team, led by a representative of the National Institute for Environmental Health Sciences (NIEHS) and including representatives from the Environmental Protection Agency (EPA) and the Center for Disease Control (CDC), went to Moscow and Leningrad in August-September 1985. EPA surveyed for the presence of NPPD, and CDC distributed a health questionnaire to U.S. personnel. NIEHS subsequently conducted a series of tests on the potential biological effects of exposure to NPPD in laboratory animals.

On the basis of these tests, we concluded that exposure to NPPD, particularly at the very low levels found in Moscow, does not carry with it any known health risk. In summary, the very extensive series of medical tests we have conducted shows that NPPD is not a mutagen in mammalian cells. This fact, coupled with the extremely minute exposure dose when NPPD is used as a tracking agent, provides assurance that NPPD will not cause cancer in exposed persons and obviates the need to test NPPD for carcinogenicity. NPPD did not cause birth defects when applied to the skin of laboratory animals, and NPPD is not really absorbed through the skin. If it does enter the bloodstreams, it is rapidly metabolized and excreted from the body.

To determine the extent of exposure to NPPD, the EPA took 436 samples on a random basis from the apartments, automobiles, and offices of approximately 20% of the American community in Moscow and Leningrad. NPPD was not detected in any of these samplings. In separate samplings prior to and after the EPA survey, NPPD was detected in the automobiles or property of a limited number of Embassy employees, who appear to have been specifically targeted by Soviet authorities. In particular, a followup survey, conducted in Moscow in January of this year by the Embassy health unit, concentrated on vehicles of Embassy employees considered to be likely targets. These followup samples were analyzed by an EPA laboratory; they showed that five of the vehicles tested were contaminated.

At this time, we are informing the American community in Moscow and Leningrad of test results. That has already been done as of now. Those employees who appear to have been specifically targeted have been informed.

As we noted in August, evidence suggested that NPPD is only one of several chemicals used by the Soviets. In the course of our investigations into NPPD, we detected traces of a second chemical—luminol—which may be a tracking agent. Luminol is a widely used, commercially produced laboratory chemical. Like NPPD it has been shown to be a mutagen in bacteria. We have asked NIEHS to determine what biological studies, if any, should be pursued. The American community in the U.S.S.R. will be kept advised as further information becomes available.

Although it appears that the use of NPPD and other tracking agents was confined to a small percentage of American personnel specifically targeted by Soviet authorities, we are strongly concerned that any chemical tracking agents have been used against our employees. We will continue to monitor for such chemicals.

[1]Read to news correspondents by Department deputy spokesman Charles Redman. ■

Release of Shcharanskiy From the Soviet Union

JOINT U.S.-F.R.G. STATEMENT, FEB. 11, 1986[1]

President Reagan and Chancellor Kohl welcome the fact that it has been possible to gain the release of Anatoliy Shcharanskiy, a prisoner of conscience. This outcome is the product of close U.S.-German cooperation over an extended period of time. The President has expressed his warm appreciation to Chancellor Kohl for the substantial contribution of the Government of the Federal Republic of Germany to bringing about Shcharanskiy's release. The Federal Chancellor is pleased to contribute substantially to all efforts to improve East-West relations, particularly in the field of human rights.

[1]Made available to news correspondents by Department spokesman Bernard Kalb. ■

1985 Human Rights Report

by Richard Schifter

The following introduction is excerpted from the Country Reports on Human Rights Practices for 1985. *Mr. Schifter is Assistant Secretary for Human Rights and Humanitarian Affairs.*[1]

INTRODUCTION

This report is submitted to the Congress by the Department of State in compliance with Sections 116(d)(1) and 502B(b) of the Foreign Assistance Act of 1961, as amended. The legislation requires human rights reports on all countries that receive aid from the United States and all countries that are members of the United Nations. In the belief that the information would be useful to the Congress and other readers, we have also included reports on countries such as Switzerland, which are not technically covered in the congressional requirement.

In compliance with a new legislative requirement in Section 505(c) of the Trade Act of 1974, as amended by Title V of the Trade and Tariff Act of 1984 (Generalized System of Preferences Renewal Act of 1984), the 1985 reports include additional information on worker rights. While the legislation requires reports on worker rights in developing countries that are beneficiaries under the Generalized System of Preferences, in the interest of uniformity, and to provide a ready basis for comparison, we have continued our practice of applying the same reporting standards to all countries on which we prepare reports.

This year there are 164 separate reports. Conditions in most countries are described up to the end of 1985; for a few countries, significant developments occurring during the first weeks of 1986 are also included. The guidelines followed in preparing the reports are explained in detail in Appendix A. In Appendix B is a discussion of worker rights reporting. Appendix C contains a list of 12 international human rights covenants and agreements. Appendix D is an explanation of the statistical tables following reports on countries which received United States bilateral assistance or multilateral development assistance within the last 3 fiscal years.

Definition of Human Rights

Human rights, as defined in Section 116(a) of the Foreign Asistance Act, include freedom from torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, disappearance due to abduction or clandestine detention, or the flagrant denial of the rights of life, liberty, and the security of person. Internationally recognized worker rights, as defined in Section 502(a) of the Trade Act, include (A) the right of association; (B) the right to organize and bargain collectively; (C) a prohibition on the use of any form of forced or compulsory labor; (D) a minimum age for the employment of children; and (E) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health. (Categories A and B are covered in Section 2b of each report, C in Section 1d, and D and E in the discussion of the economic, social, and cultural situation.)

In addition to discussing the topics specified in the legislation, our reports, as in previous years, cover other internationally recognized human rights and describe the political system and the economic, social, and cultural situation of each country. In other words, these reports deal with the basic standards by which to measure a government's relationship to its people. In applying these standards, we seek to be objective. But the reports unashamedly reflect the American view that the right of self-government is the basic political right, that government is legitimate only when grounded on the consent of the governed, and that government thus grounded should not be used to deny people life, liberty, and the pursuit of happiness. Individuals in a society have the inalienable right to be free from governmental violations of the integrity of the person; to enjoy civil liberties such as freedom of expression, assembly, religion, and movement, without discrimination based on race or sex; and to change their government by peaceful means. The reports also take into account the fact that terrorist and guerrilla groups often violate human rights; such violations are no less reprehensible if committed by violent opponents of the government than if committed by the government itself.

We have found that the concept of economic, social, and cultural rights is often confused, sometimes willfully, by repressive governments claiming that in order to promote these "rights" they may deny their citizens the right to integrity of the person as well as political and civil rights. There exists a profound connection between human rights and economic development; and these reports devote extensive attention to the economic, cultural, and social situation in each country in order to provide the full context in which human rights performance may be judged. Experience demonstrates that it is individual freedom that sets the stage for economic

Section 116(d)(1) of the Foreign Assistance Act provides as follows:

The Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, by January 31 of each year, a full and complete report regarding—

(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

(A) in countries that received assistance under this part, and

(B) in all other foreign countries which are members of the United Nations and which are not otherwise the subject of a human rights report under this Act.

Section 502(B)(b) of the Foreign Assistance Act provides as follows:

The Secretary of State shall transmit to Congress, as part of the presentation materials for security assistance programs proposed for each fiscal year, a full and complete report, prepared with the assistance of the Assistant Secretary for Human Rights and Humanitarian Affairs, with respect to practices regarding the observance of and respect for internationally recognized human rights in each country proposed as a recipient of security assistance.

Section 505(c) of the Trade Act provides as follows:

The President shall submit an annual report to the Congress on the status of internationally recognized worker rights within each beneficiary developing country.

and social development; it is repression that stifles it. Those who try to justify subordinating political and civil rights on the ground that they are concentrating on their economic aspirations invariably deliver on neither. That is why we consider it imperative to focus urgent attention on violations of basic political and civil rights, a position given renewed emphasis in 1985 by the 1984 congressional Joint Resolution on Torture. If these basic rights are not secured, experience has shown, the goals of economic development are not reached either.

United States Human Rights Policy

From this premise, that basic human rights may not be abridged or denied, it follows that our human rights policy is concerned with the limitations on the powers of government that are required to protect the integrity and dignity of the individual. Further, it is in our national interest to promote democratic processes in order to help build a world environment more favorable to respect for human rights and hence more conducive to stability and peace. We have developed, therefore, a dual policy, reactive in the sense that we continue to oppose specific human rights violations wherever they occur, but at the same time active in working over the long term to strengthen democracy. It is in this context that I want to pay tribute to my predecessor, Elliott Abrams, Assistant Secretary of State for Human Rights and Humanitarian Affairs from 1981 to 1985, who played a critical role in helping define a consistent and coherent human rights policy that took into account both our country's national interests and the altruistic sentiments of the American people, who want their government to identify itself with decency, fairness, and justice throughout the world.

Mr. Abrams is also to be credited with helping devise a human rights policy that is both realistic and effective, one that seeks real progress toward our human rights goals by using those means that have the greatest chance of success in a given circumstance. In much of the world, the United States has a variety of means at its disposal to respond to human rights violations. We engage in traditional diplomacy, particularly with friendly governments, where frank diplomatic exchanges are possible and productive. Where we find limited opportunities for the United States to exert significant influence in bilateral relations, we resort to public statements of our concerns, calling attention to countries where respect for human rights is lacking. In a number of instances, we employ a mixture of traditional diplomacy and public affirmation of American interest in the issue.

The United States also employs a variety of means to encourage greater respect for human rights over the long term. Since 1983, the National Endowment for Democracy has been carrying out programs designed to promote democratic practices abroad, involving the two major United States political parties, labor unions, business groups, and many private institutions. Also, through Section 116(e) of the Foreign Assistance Act, funds are disbursed by the Agency for International Development for programs designed to promote civil and political rights abroad. We also seek greater international commitment to the protection of human rights and respect for democracy through our efforts in the United Nations and other international organizations.

Preparation of these annual country reports constitutes an important element of our human rights policy. The process, since it involves continuous and well-publicized attention to human rights, has contributed to the strengthening of an international human rights agenda. Many countries that are strong supporters of human rights are taking steps of their own to engage in human rights reporting and have established offices specifically responsible for international human rights policy. Even among countries without strong human rights records, sensitivity to these reports increasingly takes the form of constructive response, or at least a willingness to engage in a discussion of human rights policy. Experience has thus demonstrated that Congress did indeed act wisely in calling upon the State Department to prepare these reports.

[1]The complete report documents human rights practices in more than 160 countries of the world. It may be purchased for $22.00 (GPO stock no. 052-070-06081-6) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (tel: 202-783-3238). Remittance must accompany order. ■

Narcotics Control in Latin America

by Jon R. Thomas

Testimony before the Task Force on International Narcotics of the House Foreign Affairs Committee on November 12, 1985. Mr. Thomas is Assistant Secretary for International Narcotics Matters.[1]

The committee has asked my bureau to provide testimony on progress in narcotics control in the Andean countries, with an emphasis on Colombian eradication and interdiction efforts, extradition, and the connection between drug traffickers and guerrilla/terrorist groups. Your task force has also asked that we expand this testimony to update the committee on the antinarcotics efforts in Belize. I would like to add Panama to the scope of this hearing, and update you on recent developments in that country, which has also been of interest to the task force.

As part of my submitted testimony, I am including the Colombian section of the Mid-Year Update to our International Narcotics Control Strategy Report. That report contains not only our country-by-country assessments, as of August 1, but also reports on the critical success of our diplomatic initiatives, and I commend it to the committee's consideration.

Colombia

Colombia is increasingly successful in its narcotics control efforts. Certainly the effective and comprehensive marijuana eradication campaign; the cross-border enforcement projects with Peru and Ecuador; the interactions with Brazil, Panama, and Venezuela; the developing intraregional narcotics enforcement communications network which is centered in Colombia; and the continuing search for an effective, comprehensive method of eradicating coca make Colombia not only the leader in South American narcotics control activities but one of the very real bright spots in the expanded international effort of the 1980s.

During my visit to Colombia the week of November 14, we reported to President Betancur the results of the

aerial survey of marijuana cultivation which we assisted the Colombian National Police in conducting in July. The analysis shows that, compared to an estimated 8,500 hectares under cultivation in the same cycle in 1983, only 1,300 hectares were under cultivation in the principal northern growing region in 1985, a decline of 85%.

As Colombia strives toward its goal of eliminating the great majority of the 1985 crop, the eradication campaign continues to set marks by which other efforts will be compared. The Special Anti-Narcotics Unit of the Colombian National Police set all-time records in July and August, including spraying in the principal Santa Marta growing area and also in other areas where traffickers have attempted to increase cultivation. Using surveys, we will assist the Colombians next spring in assessing the degree to which cultivation may have spread to the Gulf of Uraba, as well as Bolivar Department, and other areas.

Colombia remains the principal refining source for cocaine, and its actions with its neighbors to curb trafficking in coca products and precursor chemicals are quite encouraging, as are the tests Colombia continues to conduct with herbicides which might permit aerial eradication of the coca bush, which is so frustratingly difficult to remove by manual labor.

We are consulting closely with Colombian agencies, as well as other departments in our government, on how we might enhance Colombian interdiction capabilities, to compound the pressure on trafficking organizations. We are also sensitive to trafficker efforts to relocate in new growing sites for marijuana and coca and new refinery locations for cocaine, which is why we put so much emphasis on control programs in Brazil, Ecuador, Panama, Belize, and elsewhere.

In our recent communications with the Congress, we have emphasized the importance of achieving our parallel diplomatic goal of increasing the internationalization of this problem. One part of that effort has been to encourage and logistically support regional enforcement actions. The numerous enforcement efforts by Colombia have been particularly encouraging.

Within its own territory, the national police has intensified sweep operations, targetting traffickers, their boats and aircraft, as well as laboratory sites, which have been destroyed along with numerous landing fields. We are enhancing that capability through the provision of additional aircraft. Colombia has extradited seven persons to the United States, a major demonstration of its commitment to narcotics control under the Betancur administration.

And, Colombia is developing a significant role as a leader in regional narcotics control initiatives. The multination radio network among South American enforcement agencies will soon be operational. Colombia has signed an extradition agreement with Venezuela; a joint coca eradication campaign has been conducted with Ecuador; and, Colombia and Peru have engaged quite successfully in a cross-border operation against cocaine traffickers.

While discussing regional initiatives, I want to note the meeting held in Quito last month by our Chiefs of Mission to Andean countries. Assistant Secretary [Elliot] Abrams and I, and other Washington-based officials, value such opportunities for concentrated discussion on regional and country issues, especially issues like narcotics which have such significant cross-border implications. Our Ambassadors confirm that the spirit of regional cooperation which last year prompted Latin American heads of government to issue the Declaration of Quito, and to support the Latin initiative for a new international convention on drug trafficking, continues to be reflected in cooperative enforcement programs such as those undertaken by several countries with Colombia. Undeniably, we face complex, often frustrating challenges in the Andean region, but I must say I was encouraged by the "can do" attitudes our Ambassadors displayed at this meeting.

There are still some dark spots on this otherwise bright Colombian picture. Intimidation, including the murder of judges, continues to challenge the Colombian system of justice, and arrest and conviction rates can be improved. Our concerns about this situation are compounded by evidence that Colombian traffickers are heavily involved in criminal activities in many other countries, actions that range from sponsoring new growing fields to controlling shipments of chemicals to laundering of the vast illicit profits from narcotics trafficking.

The readiness of Colombian traffickers, as well as insurgents with links to traffickers, and political terrorists in general, to resort to violence shocks even veteran observers of Latin American narcotics crime. In April 1984, assassins paid by major traffickers killed the Minister of Justice, Lara Bonilla. Now, this past week, M-19 guerrillas stormed the Palace of Justice. Thankfully, on both occasions, the Betancur government has refused to be intimidated and has responded strongly.

The brutal attack by the M-19 on the Palace of Justice on November 6-7 resulted in the death of the President of the Supreme Court and other justices of the court. We join the government and people of Colombia in shock and outrage at this despicable act. Among the casualties of the case were court records on extradition cases. Fortunately, the records can—and will—be replaced. Sadly, the lives of innocent officials cannot. We are confident that the Government of Colombia will continue its work on the extradition process as the judicial system resumes normal operations.

In sum, the Colombian record of the past 2 years is very encouraging, and deserving of our congratulations. Moreover, the antinarcotics institutions in Colombia are deeply rooted and we expect will be continued after next year's change in government.

Peru

Our Ambassador to Peru, David Jordan, met in September with you, Mr. Chairman (Rep. [Lawrence J.] Smith) and Congressman [Benjamin A.] Gilman (ranking minority member) and I am informed that you share our initial optimism over the early actions and statements of the Garcia administration, especially the new president's actions to thwart corruption by cleaning house and authorizing Peru's commitment to Operation Condor.

There are many bilateral issues for resolution with President Alan Garcia, who took office in July, some of which Ambassador Jordan discussed with you; but in the narcotics sector, the President has been quite adamant about the need to "root out and destroy" narcotics trafficking in Peru.

At the outset, let me dispense with one nonissue. Erroneous press reports to the contrary, the Department has not linked narcotics control assistance to Peru's performance or behavior on other bilateral issues. As this task force knows full well, the linkage runs the other direction: the provision of economic and other assistance is linked to performance on narcotics control. We have agreements providing more than $30 million in narcotics-related assistance, which we continue to expend on the current program, and, in accord

with current statutes, are awaiting Peru's plan for comprehensive coca control programs. We have long sought an understanding with Peru on expansion of the current eradication program, now centered in the Upper Huallaga Valley, to other growing regions. We are prepared to assist that expansion.

Peru has increased the effectiveness of both eradication and enforcement programs. The latest cables from Lima report that 2,576 hectares of coca had been eradicated through the end of September. The eradication program, which has grown from 200 to more than 970 workers, is moving into the Uchiza area, where the flat terrain should permit a faster pace. Using aerial photography provided by INM [Bureau for International Narcotics Matters] for planning, the Peruvians are planning an intensified eradication campaign during November and December, and say that it is possible they will reach the 1985 goal of 6,000 hectares.

In Peru's housecleaning operation, Interior Minister Salinas has dismissed 56 generals and 131 colonels from the investigations police and the Civil Guard, as well as 40 other police officials, with promises of more dismissals.

The latest reports we have on Operation Condor, a joint effort by the Peruvian and Colombian Governments, with U.S. assistance, are that six cocaine laboratory complexes have been seized and destroyed; 11 airstrips have been located, including one paved landing field over 3,000 feet in length, and 8 of these airstrips have been destroyed. The operation seized 1,530 kilos of cocaine paste and base, as well as 4,980 gallons of precursor chemicals, and also seized seven aircraft. An undetermined amount of potassium permanganate, 1,000 gallons of diesel fuel, and a quantity of generators and other equipment were also seized.

These are impressive statistics, but, the job of curtailing cultivation of coca leaf and stopping production of cocaine in Peru is far from complete, and the evidence is that counterefforts may be increasing.

A Guardia Civil trooper was murdered on September 18 while protecting eradication workers near Santa Lucia. The attackers shouted proterrorist slogans, and left a small flag with hammer and sickle near the body; but, given past experience, we don't know whether the attackers were really terrorists or narcotics traffickers who have shown no restraint in using terrorist-style violence.

Protection measures for eradication workers will be increased still further as the government pursues its eradication goal. Because eradication efforts have resulted in intimidation efforts directed against the United States, we are also having to increase security for U.S. personnel in Lima and in the field.

Bolivia

Bolivia remains our greatest current challenge, not only because of the sheer enormity of the coca cultivation, which was estimated at 30,000 to 45,000 hectares in 1984, but because of the long-term difficulty in getting an eradication program started. There have been several occasions since August 1983, when the United States signed an eradication agreement with Bolivia, when the political rhetoric was positive.

We are still cautious in our appraisal; but, I must note we are encouraged today because the new government of President Paz Estenssoro has begun to match the rhetoric of his predecessors with strong actions.

Positive steps are being taken to implement the decree promulgated last July which at last establishes the needed legal basis for undertaking a coca control program, including designation of zones where licit production will be licensed and thereby declaring all other production to be illegal and subject to eradication. On October 28, a new proposal for a comprehensive law on narcotics was introduced in the Chamber of Deputies. The proposed law would create a new Ministry of Narcotics Affairs which would exercise full authority over the police and all other agencies concerned with narcotics. The proposed law would also strengthen the existing decree: it would make judicial review of all narcotics cases mandatory, and it would tighten procedures while strengthening penalties.

Importantly, the dialogue has also changed. The new government is not only quite sensitive to the impact that narcotics production has on decisions by the United States to provide economic and other assistance, but is keenly aware of the negative effects on its own society.

The Interior Ministry has held a series of promising talks with *campesino* leaders from the Chapare region, to discuss the voluntary and involuntary phases of the proposed eradication operation, which could start this month in the Chapara and Yapacani areas. We will advise the Foreign Affairs Committee the day that eradication actually begins.

The Bolivians have also stepped up enforcement activities. On October 25, members of the UMOPAR [rural mobile police] detachment conducted an operation near Cochabamba which resulted in the destruction of five cocaine laboratories. Another five laboratories were destroyed 2 days later.

Ecuador

I want to talk about the new opportunities in Ecuador, but also to use Ecuador to highlight our institutional concern. As I have said on other occasions, only two countries were eradicating narcotics crops in 1981, and in the 1985–86 crop cycles, at least 14 countries are undertaking eradication programs (Mexico, Belize, Costa Rica, Panama, Colombia, Peru, Ecuador, Bolivia, Brazil, Venezuela, Jamaica, Thailand, Burma, and Pakistan). In just the past few months, the marijuana eradication programs in Colombia and Jamaica have intensified; new spraying projects have been undertaken in Belize and Panama; Colombia is preparing for a significant test of methods to spray coca; Burma and Thailand have sharply upgraded their opium poppy eradication programs and Pakistan continues to expand the scope of its ban on poppy production. We have opportunities to contain the spread of narcotics cultivation in South America through new initiatives in Brazil and Ecuador. New governments are giving strong impetus to narcotics control in Peru and Bolivia.

Ecuador is a good example of the dynamics of the narcotics trade. For many years, Ecuador, sited between the growing fields of Peru and the laboratories of Colombia, was a transit country. Now, it has become a source country, and the objective we share with the Febres-Cordero government, which has been especially aggressive on the narcotics issue since taking office in 1984, is to contain that production and trafficking at its current, relatively low level and then eliminate it.

The specific ojectives are to eradicate the estimated 3,000 hectares of coca under cultivation, and to stop the burgeoning traffic in precursor chemicals, which rose from 3,000 to 5,000 metric tons in 1984–85, compared to 10–20 tons in the 1980–83 period. The presence of these chemicals confirms earlier reports that traffickers were attempting to establish a cocaine refining capability in Ecuador; the estimate is that perhaps a dozen shipments of 500 to 1,000 kilograms of cocaine were shipped to the

United States from Ecuador labs in 1984.

I met last month with national leaders of Ecuador and we are actively considering requests from the Embassy to expand sharply our narcotics assistance program in Ecuador. We want to enhance aerial surveillance capabilities as well as eradication resources.

Belize

At the task force's hearing June 27, I expressed my strong hope that the new government of Prime Minister Esquivel would resume aerial herbicidal eradication of the expanding marijuana crop in Belize. In that regard, your (Chairman Smith) concerns were communicated to Prime Minister Esquivel in your letter of July 25.

We are very pleased to report that the Government of Belize undertook a test spraying program, using glyphosate, which ended November 1. This 4-day program caused the eradication of an estimated 1,270 acres of marijuana on 741 cultivation sites in the northern area. This area is the primary marijuana producing zone, where an estimated 70% of the crop is grown. The preliminary assessment is that the acreage eradicated constituted the bulk of marijuana cultivation in the area.

Given the success of this Belizean effort, we are encouraged by the indications that the government is considering a further eradication campaign in January, depending on its analysis of the effects of the chemical on the growing areas.

Panama

In August, staff in my bureau participated with Panamanian officials in overflights of prospective marijuana cultivation zones and found that, in sharp contrast to the less than 100 hectares under cultivation reported in 1984, this year's harvest could be 500 to 600 hectares or even more, unless quick action were taken. We immediately consulted with the Panamanians on an aerial herbicidal eradication program, and offered to provide a spray aircraft and technical assistance. Panama was quick to accept this offer and extend its full cooperation. In October, Panama began herbicidal eradication of this unexpectedly large crop, and reportedly eradicated more than 200 of an estimated 500–600 hectares under cultivation.

This action reconfirms our belief in crop control through aerial eradication, and in the use of the Thrush aircraft which we have now deployed to several countries.

Conclusion

This concludes my prepared remarks on Colombia, Peru, Bolivia, Ecuador, Belize and Panama. I understand that the task force may also ask questions about the mid-year report which you and your staff have been reviewing these past few weeks. Given the number of events which are occurring, including not just a few on the international front, it is appropriate that we take this opportunity to update the committee on the broad spectrum of country and global issues.

I particularly want to focus on one element—the new climate in which we are working at the international level. I have seen many changes in my going on 4 years in the INM and perhaps the most profound has been the realization by other governments that drug trafficking is a threat to their national security and their economic and social well-being. Some countries whose leaders once thought they were immune are now suffering narcotics epidemics. This realization of national risk is spurring efforts for more cooperative bilateral and multilateral enforcement and demand reduction programs.

I cannot over-emphasize the importance of having reached this concurrence of world opinion, this community of interest which I believe has great potential for progress by source country governments.

We have a long way to go before we reach the benefits inherent in these initiatives, but, the great promise for our future is that the affected members of the world community are beginning to act in concert.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Narcotics Control Strategy Report Released

In releasing the State Department's annual International Narcotics Control Strategy Report for 1985, Assistant Secretary of State for International Narcotics Matters, Jon R. Thomas, stated that "1985 was a very productive year for program expansion and 'internationalization' of the narcotics issue. We took the offensive in an increasing number of areas, and the programs we have developed will sustain this greatly improved effort to control production in the months and years to come. For the first time, it was clear to all nations of the world that there was no distinction among producing, consumer, or trafficking nations; all countries share the toll of narcotics trafficking and abuse, and all nations are part of the solution."

Assistant Secretary Thomas said that 1985 saw the expansion of anti-narcotics programs around the world, including eradication campaigns in Colombia, Jamaica, Burma, Thailand, Panama, and Belize. "Five years ago, only two nations were actively engaged in crop eradication. In 1985, 14 countries launched successful eradication campaigns. Colombia, once viewed as one of the most difficult countries in narcotics control, eradicated 85% of the marijuana cultivated along the north coast, Colombia's traditional marijuana growing area. This past year has proven that nations are serious about narcotics control and are willing to exert the necessary political will to get the job done."

Thomas said that one of the most encouraging signs during 1985 was the "internationalization" of the narcotics issue. The spirit of international cooperation on the narcotics issue "was evident everywhere—at the United Nations, in the Organization of American States (OAS), the Association of South East Asian Nations (ASEAN), the European Community, at the economic summit, and at the two historic First Ladies Conferences hosted by Mrs. Reagan. Internationalization of the issue has concrete results, including increased contributions to international narcotics control organizations such as the UN Fund for Drug Abuse Control (UNFDAC), European involvement in crop control projects in South America and Asia, greater recognition of the threat narcotics trafficking poses to

national security, and a higher political profile for the narcotics issue in the international community."

The strategy report is a country-by-country analysis of the narcotics situation in producing and transiting nations and is prepared each year by the Bureau of International Narcotics Matters in the Department of State, in consultation with other bureaus in State, the Drug Enforcement Administration (DEA), and others.

"When we look back at 1985," Assistant Secretary Thomas said, "we can cite many accomplishments. But 1985 was not without drug-related tragedies and crises: the murder of DEA agent Camarena by narcotics traffickers in Mexico, the continuing terrorist violence in Colombia, and the assaults on coca-reduction workers in Peru graphically illustrate that the stakes are very high. The violence that accompanies narcotics trafficking is an unfortunate part of growing success in narcotics control. Production is declining in some areas but remains intolerably high in others. The encouraging news is that governments are not backing down; indeed, despite violent assaults, their commitment to narcotics control has intensified."

Assistant Secretary Thomas noted the following significant developments during 1985.

Fourteen countries are now actively eradicating drug crops, supported by the Bureau of International Narcotics Matters. Four years ago, only two countries were eradicating narcotics crops. In 1985, Panama and Belize began successful marijuana eradication programs.

For the first time, Burma has embarked on a program of aerial eradication of opium. Thailand expanded its opium eradication campaign.

During 1985, 85% of the marijuana cultivated in traditional Colombian growing areas along the north coast was destroyed by aerial eradication.

Among several promising regional efforts at cooperation, Colombia joined with Ecuador in a joint eradication effort and Peru on a joint coca enforcement program.

Jamaica made measurable progress, eliminating one-third of its marijuana crop through manual eradication.

The level of opium and marijuana cultivation in Mexico increased during 1985. While precise estimates of cultivation and production are not yet available, the Mexican Government will conduct an aerial survey to obtain accurate data.

The year 1985 was a critical one in Mexican-U.S. antinarcotics efforts. The kidnap and murder of U.S. DEA agent Camarena, and the subsequent investigation, brought to light severe problems in Mexico's program. High-level meetings between Presidents Reagan and De la Madrid, Attorneys General Meese and Garcia, and Secretary Shultz and Foreign Minister Sepulveda addressed the narcotics issue as a critical bilateral foreign policy issue. By the end of 1985, improvements were underway, including steps toward an aerial survey, attempts to weed out police corruption, and increased cooperation on eradication verification efforts.

Bolivia remains one of the major producers of coca and has only begun steps toward narcotics control. While the pace of eradication progress in Bolivia has been slow, the adoption of stricter narcotics laws and a demonstration eradication program begun at year's end showed that the Bolivian Government was making attempts to bring coca cultivation and trafficking under control.

Peru, meanwhile, destroyed almost 5,000 hectares of coca, and President Garcia has taken important steps to root out corruption among Peruvian military and police.

In Afghanistan opium production is on the upswing, and heroin is now refined in Afghanistan.

In crop control, Pakistan continues to make progress. A slight increase in hectares of opium poppy under cultivation was offset by adverse weather conditions, keeping 1985 levels of production comparable to last year's.

Assistant Secretary Thomas noted that "1986 will be another year of expanded program activity and international cooperation. We will build on the successes of 1985 and address some of the frustrations that we experienced during the past year. Our programmatic tasks for the next year include the strengthening of effective control programs in source countries and countering trafficker moves to new source areas by establishing containment programs in surrounding countries."

Press release of Feb. 21, 1986. ■

Indo-U.S. Joint Commission Meets

AGREED MINUTES, FEB. 6, 1986

The sixth session of the India-United States Joint Commission on Economic, Commercial, Scientific, Technological, Educational, and Cultural Cooperation was held in Washington on February 6, 1986.

George P. Shultz, Secretary of State of the United States of America, and Bali Ram Bhagat, Minister of External Affairs, Government of India, cochaired the meeting, in which they reviewed the activities of the four subcommissions and discussed ways the joint commission could contribute further to the strengthening of relations between the United States and India.

The two cochairmen agreed that the period since the last meeting of the joint commission, in June 1983, was very productive and fulfilled the goal of making 1984 and 1985 years of special emphasis on Indo-U.S. collaboration. The two cochairmen agreed that this achievement was due largely to the special attention given to joint commission activities by President Reagan, Prime Minister Rajiv Gandhi, and the late Prime Minister Indira Gandhi.

The two cochairmen noted the important activities undertaken by the Subcommission on Science and Technology and the wide range of areas in which specialists from both sides had recommended collaborative programs. They agreed that the extension of the science and technology initiative, the initiation of a vaccine action program, and a major research and technology development program underscored the progress being made in strengthening ties between the Indian and American scientific communities.

The cochairmen recognized the "Festival of India" in the United States, inaugurated during the Prime Minister's visit, as an outstanding success. Cultural programs as a part of the "Festival of the United States" in India have also been well received. The cochairmen appreciated the contribution of the Subcommission on Education and Culture to the organization and administration of this unprecedented exchange of cultural programs and artistic exhibitions. The cochairmen emphasized the importance of building on this success and encouraged the Education and Cultural Subcommission's plans to expand exchanges and to establish collaborative programs and seminars in science, education, the arts, and sports. In recognizing that strong ties between Indian and American scholars of the social sciences have been a continuing positive element in Indo-U.S. relations, the cochairmen called on the Subcommission for Education and Culture to recommend means of facilitating such exchanges.

The cochairmen agreed that trade and investment continue to be promising areas for strengthening bilateral relations. They

(White House photo by Terry Arthur)

Foreign Minister Bali Ram Bhagat called on President Reagan at the White House on February 7, 1986. Vice President Bush and Secretary Shultz also attended.

saw the increase in technology transfer as a substantial opportunity for development of trade and technological collaboration. The joint commission welcomed the work of the Economic and Commercial Subcommission in increasing the number of trade missions and in encouraging progress on the important issues affecting economic and commercial ties between the two countries. To further enhance collaboration between Indian and American firms, the cochairmen recommended continued negotiation on a convention for the avoidance of double taxation. They also urged the subcommission, which is to meet in March 1986, to promote understanding of the economic situation in each country so as to facilitate closer cooperation on trade and finance issues.

Noting with satisfaction the growth in bilateral trade, the cochairmen felt that the potential for expansion and diversification of trade needs to be fully realized. In this context, they agreed that the Trade Working Group of the Economic and Commercial Subcommission should meet more frequently to discuss in-depth trade policy issues and measures which would expand bilateral trade and investment. The cochairmen hoped also that promotional measures by both governments and increased business efforts would result in an expansion of bilateral trade and investment. They reaffirmed the faith of their governments in the multilateral trading system and their resolve to strengthen and improve trading rules and expand trade by reducing barriers.

The cochairmen agreed on the need to strengthen the role of multilateral development institutions in support of developing countries. In the context of India's economic development, they recognized the importance of the role of IDA [International Development Association] and the continuing need for India's access to concessional finance.

The joint commission welcomed the progress of the Subcommission on Agriculture. It noted that the subcommission had identified potential collaboration in the new areas of rainfed agriculture, biotechnology, biological control of pests, agrometeorology, germplasm research, conservation and management, and establishment of quality standards for agricultural inputs. The cochairmen agreed that the subcommission should continue its efforts to promote research and development programs in agriculture, with particular emphasis on the problems of rainfed agriculture. The cochairmen urged the subcommission to use the exchanges of the deans of agricultural universities as a resource of ideas for enhancing Indo-U.S. collaboration in agriculture.

In view of the substantial progress in facilitating collaboration in advanced technology, particularly computer technology, the joint commission recommended that the subcommissions continue their support of exchanges and programs involving application of computer technology to education, agriculture, commerce, and the sciences.

The cochairmen shared a deep concern regarding narcotics abuse and agreed that the joint commission should establish a Narcotics Working Group as part of the Economic and Commercial Subcommission. The purpose of the working group will be to promote closer cooperation in the area of narcotics control, building on recent successful collaborative efforts in this field.

The cochairmen expressed satisfaction with the activities of the joint commission since 1983 and in particular with accomplishments of the four subcommissions. They have succeeded in supporting programs and exchanges that contributed greatly to the overall strengthening of relations between the United States and India. They reaffirmed the importance of regular joint commission meetings to evaluate the progress of the subcommissions and to provide direction for future Indo-U.S. cooperation.

Done in Washington on the sixth day of February.

For the United States of America

GEORGE P. SHULTZ

For the Republic of India

BALI RAM BHAGAT ■

Permanent Dictatorship in Nicaragua?

by Elliott Abrams

Taken from a statement before the Subcommittee on Western Hemisphere Affairs of the House Foreign Affairs Committee on March 5, 1986. Mr. Abrams is Assistant Secretary for Inter-American Affairs.[1]

I would like to discuss our policy toward Nicaragua as it affects a complex of issues that has been of particular concern to me during much of my government career—human rights.

We here in Washington have been justly pleased during the last month about the role our government played in supporting developments that have advanced human rights in Haiti and in the Philippines. Those directly involved are probably the only ones who know just how much had to be done to help ensure favorable outcomes. But act they did, and they and you, as Members of Congress, deserve to share in the praise. It is a cause both branches of government have actively supported.

Over the past several years, we have also heard comment, from citizens as well as from Administration officials, about the importance of supporting human rights in Central America. Some truly historic gains have been made in El Salvador and in Guatemala: there has been a lot of credit to share. And I don't think there is a person in this room who has not applauded the progress that has taken place in Argentina, Uruguay, and Brazil over the past 2 years.

I suggest that we should be no less committed to human rights in Nicaragua. That there are major human rights problems in Nicaragua is not at issue. Recent events in Nicaragua—including abuses committed by the armed resistance as well as those committed by the Sandinista regime and its enforces—are summarized in the latest White House *Report on Nicaragua*, dated February 4, 1986.

The question is, what are we going to do about it? These problems are not going to go away by themselves. It is a fact of life that, absent the pressures that alone seem to restrain them, the Sandinistas will not turn about and negotiate away the absolute power they have ardently gathered for the past 6½ years.

The resistance is another fact of life: a fighting force some 20,000 strong—20,000 citizens of Nicaragua who have taken it upon themselves to fight the repressive regime in Managua. There is no turning back for them. It is illusory to assume that peace will come to Nicaragua if we abandon them.

It is equally illusory to assume that military assistance for the democratic resistance will contribute only to human rights abuses. If properly led, trained, and equipped, the armed resistance will be better able to function as a disciplined force during military operations. El Salvador's Army showed that, with reliable U.S. assistance, it can be done. The United States expects the Nicaraguan resistance to follow a code of conduct on the battlefield that will protect noncombatants and prisoners.

The President has specifically designated $3 million of the $100 million request for aid to the Nicaraguan democratic resistance exclusively for the strengthening of the observance and advancement of human rights. Consistent and sustained U.S. backing, combined with strong internal monitoring within the resistance forces themselves, can improve human rights performance and minimize suffering among noncombatants.

Nicaragua is a real problem for us. We must face it. Neither the assault on democracy nor the fight for freedom will wait for the Washington calendar. Neither posturing nor passivity will bring about a solution.

It is never easy to bring about constructive change in this world. It is usually a messy business, fraught with difficult choices. But we have been making the right choices—in favor of democracy and human rights—in the Philippines, in Haiti, in South America, in Guatemala, in El Salvador.

We must stand by the same principles in Nicaragua and support the resistance that is fighting for democracy and human rights.

Or are we prepared to suggest that, unlike Marcos, Duvalier, or some Argentine generals, the Sandinistas have succeeded in consolidating their dictatorship? That they are now free to spread totalitarianism and terrorism to Central and South America from a secure base on the mainland?

We have just now all agreed that permanent dictatorship is not inevitable in Haiti or the Philippines. The question now facing the Congress is whether we are to accept that communist dictatorship will be permanent in Nicaragua.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Continuation of Certain Assistance to Haiti Authorized

DEPARTMENT ANNOUNCEMENT, FEB. 26, 1986[1]

On February 25, Secretary Shultz signed a determination which will permit the obligation of FY 1986 funds for certain forms of assistance to Haiti. This determination is required by Section 705 of the International Security and Development Cooperation Act of 1985. This law requires a Presidential Determination, but authority for that determination has been vested in the Secretary of State by an Executive order.

Because of serious repressive actions taken by the Duvalier government in late 1985 and early 1986, the Secretary had been unable to make this determination. The interruption of U.S. aid due to lack of a determination and the period of unrest during the final months of the Duvalier regime have heightened the need for this assistance.

The Secretary has determined that the National Council of Government (CNG), which assumed power on February 7 when Duvalier departed, has demonstrated willingness to cooperate on illegal emigration and with development programs. The Haitian Army has provided security for the distribution of aid foodstuffs, and the Ministers of Health and Education have indicated commitments to objectives shared by the Agency for International Development (AID) and other donors.

The most significant changes, however, have occurred in the area of human rights and democracy. The CNG has released all political prisoners, restored radio broadcast freedom, and disbanded the oppressive militia, the

Volunteers for National Security (VSN). The CNG President, Gen. Namphy, has publicly promised that the CNG will move quickly to draft a constitution and law on political parties. He has also pledged to organize legislative and presidential elections and has underscored the CNG's commitment to free labor unions and a free press.

Congressional leaders have been notified of the determination this morning and have been provided with a justification for these findings. Copies of this justification are available.

This determination permits us to begin obligating the FY 1986 development assistance, economic support funds, and international military education training funds for Haiti. The FY 1986 operating budget for assistance programs to Haiti projects $22.2 million of development assistance and $2.9 million of economic support funds. An additional $450,000 of military training is to be provided.

[1]Made available to news correspondents by Department spokesman Bernard Kalb. ■

CBI and the U.S. National Interest

by Elliott Abrams

Statement before the Subcommittee on Oversite of the House Ways and Means Committee on February 25, 1986. Mr. Abrams is Assistant Secretary for Inter-American Affairs.[1]

I welcome this opportunity to testify today on the Caribbean Basin Initiative (CBI)—a major priority of the Department of State and the Administration.

The broad bipartisan support that marked the passage of the Caribbean Basin Economic Recovery Act in 1983 reflected the consensus of the Congress and of the American people that U.S. interests require the political and economic well-being of the region. The CBI embodies the U.S. effort to contribute to the region's political stability, social tranquility, and economic growth and development. The CBI is a historic program, central to the achievement of our foreign policy objectives in the region.

Our own national self-interest generates a natural active concern over the stability of a region which is an immediate neighbor—in fact, our third border. Fifty percent of our trade—including most of our oil imports—passes through the Caribbean shipping lanes, including the Panama Canal.

The Caribbean Basin is the second largest source of illegal immigration into this country. Lack of jobs at home is the principal reason. In some Caribbean Basin countries unemployment is as high as 40%. We have a mutual interest that the peoples of the region have the opportunity to find useful employment in their domestic economies rather than being forced to seek jobs elsewhere.

We have a significant and expanding export interest in the region. It constitutes an important proximate market for our goods; last year, the CBI countries together absorbed $6.3 billion of our exports, making them our seventh largest market. (The CBI is a larger market, for example, than the U.S.S.R. plus Eastern Europe, than all of Africa, than France or Italy.) Likewise, we have important investments in the Caribbean Basin, amounting to $5.8 billion in nonfinancial investment (i.e., all industries except banking, finance, and insurance) at the end of 1984 (the latest available data). We share an interest with the people of the region in fostering and preserving a favorable climate for foreign investments—not only to protect existing U.S. investment there but to attract new investment as well.

The United States also has a strong interest in curtailing the production and shipment of narcotics from or through the region to the United States. Prosperous and growing economies afford alternate opportunities and should reduce the incentives for the production and export of narcotics to the United States. Active engagement on the part of governments in fighting narcotics traffic is a disincentive to producers and shippers, and the CBI legislation calls for cooperation in this effort.

These are specific concrete examples of the way in which our national interests are served by the Caribbean Basin Initiative. We have a clear interest in preventing the emergence of a string of hostile states in this area.

The importance of the CBI to our national interest remains unchanged. There is a risk that, since the CBI is no longer new and is off the front pages, it may seem to be a passing fancy. That is not the case. This Administration continues to be strongly committed to promoting the economic development of the Caribbean Basin. Development serves our interest in stability and democracy in the Americas. There can be no clearer sign of the Administration's intent and of the President's personal commitment than the recent visit by the President to Grenada and the statements which he made there.

Moreover, the CBI goes beyond any particular U.S. Administration or personal presidential commitment. It will continue as an important part of U.S. foreign policy for its full 12 years because it reflects the fundamental interests of this nation. It was because of this overarching national interest that the program was passed by strong bipartisan majorities and continues to enjoy broad support.

State Department's Role

As a representative of the Department of State, let me say a few words on the role of the Department in the program; I know that this question is of interest to the committee.

The Department has a principal role in both the policy formulation and implementation of the CBI. As the cochairman of the interagency policy subcommittee, the Department is involved in all aspects of the program direction of the initiative. Department personnel are also active in the subcommittee on implementation and in carrying out the policies agreed upon on an interagency basis. There are six priority areas for the Department's action.

Policy Formulation. The Department systematically analyzes the progress of the CBI and helps define on an interagency basis what our priorities should be in implementing the CBI. U.S. Embassies in the region provide regular analyses and recommendations on how to improve implementation, drawing on contacts not only with host government officials but also with business and labor leaders. In Washington, the Department organizes quarterly conferences with the diplomatic representatives of beneficiary governments to

discuss CBI implementation and policy proposals. Similarly, U.S. Government implementation plans are discussed with key private sector groups representing the United States, the CBI countries, and other cooperating countries. Along with several other U.S. agencies, the Department has sponsored for the past 9 years the annual Miami conference on the Caribbean. This conference brings together the private and public sectors for a thorough 3-day critical analysis of the CBI and, thus, serves as a major input into the policy formulation process; in addition, the conference provides a forum for traders and investors to explore business opportunities in the CBI region.

Policy Reform. The long-term aim of the CBI is to encourage sound economic policies that will effectively mobilize domestic resources to expand and diversify production. At present, many CBI countries still must rely to a large extent on external support, and particularly on concessional aid, to sustain their growth and to expand their productive base. However, our objectives are, first, that as these economies improve their export performance and strengthen their infrastructure, private equity flows will displace official aid flows as the primary external resource; and, second, that external flows become relatively less important as the domestic private sector becomes increasingly vigorous and innovative. In its policy dialogue with regional leaders, the State Department stresses the importance of a vigorous private sector and the need for a favorable environment for investors, both national and foreign. These are the fundamental preconditions for self-sustaining growth.

Each of the 21 beneficiary countries has its own specific program for taking advantage of the opportunities offered by the CBI. In turn, U.S. Embassies, working closely with host government officials, formulate and implement an annual action plan based on the unique conditions in each country. Our embassies also evaluate beneficiary country programs and policies in relation to the eligibility criteria of the Caribbean Basin Economic Recovery Act and work with beneficiary governments to avoid or correct any potential problems in this regard. Supplementing embassy activities, interagency teams of Washington officials have visited beneficiary countries several times to discuss host country and embassy CBI programs and to point out any possible shortcomings in meeting the provisions of the act. These teams also meet with private sector leaders to seek to develop a coordinated approach involving both private and public sectors. The teams also meet with the media to explain Administration programs to the general public.

Economic Assistance. One of the U.S. Government's major efforts in support of the CBI has been a steadily increasing program of economic assistance. Overall, our economic aid to the CBI region has about doubled since the program was announced, from $695 million in FY [fiscal year] 1982 to the $1.5 billion which we are requesting for FY 1987. A large part of this increase is directed to Central American countries, but I emphasize that the Central American program is not growing at the expense of the Caribbean. Our economic assistance to the Caribbean region only, excluding Central America, has increased from $337 million in FY 1982 to $385 million requested for FY 1987.

Not only the total flow to the region but also our objectives, our strategy, and the nature of our programs have been changing in response to the CBI. My colleague from AID [Agency for International Development] will give a detailed explanation of strategy and programs for the region, but I do want to emphasize three specific objectives for our assistance, which strongly support the CBI:

- To promote short-term economic and financial stabilization;
- To encourage production, trade, and investment in nontraditional exports; and
- To enhance production, management, and marketing capacities of the private sector.

Trade and Investment Promotion. The Department cooperates with other U.S. agencies to facilitate trade and investment between the United States and CBI beneficiary countries. This is a major concern for all our embassies in CBI countries. Each has a commercial section, headed either by a Department of Commerce or State official, to work closely with U.S. businesspeople and the host country private sector and government in promoting investment and trade. Frankly, more needs to be done in this area. CBI beneficiary exports to the United States have encountered some problems—as outlined in detail by Ambassador [and U.S. Trade Representative Clayton K.] Yeutter and Under Secretary [of Commerce for International Trade Bruce] Smart. In a related area, two specific measures which we are encouraging governments to take in order to attract additional economic activity (notably in the tourism

Secretary Meets With Contadora Groups

On February 10, 1986, at the Department of State, Secretary Shultz met with the Foreign Ministers of the Contadora countries and the Contadora support countries. Left to right: Jorge Abadia (Panama), Simon Consalvi (Venezuela), Augusto Ramirez (Colombia), Dante Caputo (Argentina), Olavo Setubal (Brazil), Secretary Shultz, Allan Wagner (Peru), Enrique Iglesias (Uruguay), and Bernardo Sepulveda (Mexico).

sector) and to improve the investment climate are the negotiation of tax information exchange agreements, so as to benefit from the CBI's convention tax deduction, and to sign bilateral investment treaties.

Public Diplomacy. Broad public understanding of the CBI's goals are necessary to sustain the program over the long term. Second, potential investors must be informed about the program and the economic and political situation of the CBI countries. The Department has, consequently, given the region and the initiative priority attention in its public diplomacy activities. Department officers have spoken throughout the country on the CBI, either individually or together with other agency representatives, and we expect to expand these activities. In this regard, these hearings, together with other congressional public information activities, are most welcome. The President's recent trip to Grenada, of course, provided unique opportunities to explain to the U.S. and CBI public the purposes of the program and to underscore the U.S. commitment to the initiative. U.S. Embassies, including particularly USIA [United States Information Agency] representatives, reinforce this message by regularly meeting with the host country press and interested groups to discuss CBI implementation.

Multilateral Support. The Department is actively encouraging strengthened multilateral support for the CBI. Because of the committee's special interest in this issue, I would like to describe it in some detail.

Multilateral Support

There are four main targets of our efforts to encourage multilateral participation:

- The countries of the Caribbean rim;
- Other developed countries which take an active role in the region;
- Multilateral institutions; and
- Private sector participation from third countries.

Let us consider these in turn.

Caribbean Rim. When the President announced the initiative in 1982, he noted that four other countries were each intensifying their own efforts in support of economic development in the Caribbean Basin countries through programs which augment and complement the CBI. These efforts have continued.

- *Canada.* The Government of Canada announced its intention to double its bilateral aid to the Commonwealth Caribbean by 1987; it is well on its way to achieving this target. Canadian aid flows have also increased to Central America. Prime Minister Mulroney has also announced plans to implement by mid-1986 a preferential trade arrangement similar to the CBI for the Commonwealth Caribbean. Thus, shortly, we expect the Commonwealth Caribbean countries to have nearly unlimited trade access to the entire North American market.
- *Venezuela and Mexico.* Although these countries face considerable challenges in promoting their own economic development and resolving pressing debt service problems, they have continued their joint oil facility, which offers special credit terms to nine petroleum-importing countries in the basin. These credits may also be converted to long-term development loans under certain conditions. Venezuela has extended assistance to the region and has helped Curacao by leasing the Shell petroleum refinery there for a 5-year period.
- *Colombia.* Colombia has offered special trade credits and technical assistance programs to several governments in the region and is exploring other ways to promote trade and investment. Although of modest scope compared to the U.S. and Canadian programs, the Colombian program is a substantial effort for a developing country and shows the interest of the Colombian Government in playing an active and constructive role in the Caribbean Basin.

Developed Country Participation. Over the past 4 years, the Department has intensified its consultations with key allies on Caribbean Basin policies and programs, with specific attention to the CBI. Examples of expanded multilateral cooperation include:

- The European Communities (EC) have several programs which predate the CBI. The most important program is the Lome convention, which offers trade preferences for imports from the Commonwealth Caribbean countries—duty-free entry into the EC market for most goods produced in the beneficiary countries, as well as specific commodity protocols, some of which offer guaranteed prices for specified quantities of certain commodity exports of the beneficiary countries. The convention also provides for economic aid and other incentives for investment, tourist promotion, training, financial assistance for unforeseen export shortfalls of certain products, and technical cooperation. Department officers and our mission to the European Communities have consulted regularly with the EC member states and the European Commission to strengthen joint activities in the basin. In November 1985 the EC adopted a framework agreement with the Central American countries which makes a new commitment to assist Central America. The EC agreed to double its financial resource flows to the region over the next 5 years. We are exploring ways through which the EC and the United States might work together to promote increased investment and trade with Central America and help strengthen its regional institutions.
- The United Kingdom has organized several investment missions to the region, promoted the opportunities offered by the Lome convention and the CBI for European businesspeople, and sustained its economic development assistance to the region.
- The Federal Republic of Germany has increased its aid flows to the region and is currently exploring ways to work with us to improve the investment environment in the region. It has also participated in joint seminars on the CBI in several German commercial centers.
- France has increased its aid to the region, especially to the east Caribbean, where it recently opened an embassy in St. Lucia. French authorities have collaborated with private sector groups to inform the French business community about the CBI.
- Dutch officials have urged their dependencies in the Netherlands Antilles to make full use of the CBI. They have collaborated in organizing several CBI seminars in Holland.
- Japan has recently intensified its CBI-related activities by increasing trade credits and developmental assistance to the basin and by organizing a joint private/public sector investment mission to several beneficiary countries in March.

Multilateral Institutions. For the past 8 years the U.S. Government has been supporting the Caribbean Group for Cooperation in Economic Development (CGCED), a consultative group led by the World Bank which involves over 30 donor countries and international institutions as well as some 15 Caribbean countries. It aims to strengthen international cooperation with regard to economic assistance to the region and to

promote sound economic policies to improve the environment for investment and trade expansion. The CGCED, in short, performs a role which complements and supports the goals of the CBI. We are now exploring the organization of country-specific consultative groups for Central American countries which would hopefully have a similar complementary role.

Private Sector Cooperation. Private sector groups in some developed countries are active supporters of the CBI. The British West India Committee has been particularly active. For example, it organized a 50-member investment mission to the recent Miami conference on the Caribbean and has hosted a series of seminars on the CBI in Great Britain. The committee now plans to direct its attention to engaging other European business groups in the region. Similarly, the Canadian Association-Latin America and the Caribbean has worked closely with U.S. agencies in promoting the CBI in Canada and in promoting Canadian business contacts with the region.

Improvements in the CBI

What I and other Administration witnesses have outlined represents, in our view, some significant progress under the CBI and a major effort within this Administration and by the other CBI participants to implement the program positively. There are, of course, some problems and issues. This committee has asked for our analysis of what needs to be changed to make the CBI more effective, including recommendations for legislative or administrative changes.

The problem which most concerns me is one which is not susceptible to specific legislative or administrative proposals but which I, nevertheless, want to highlight as an important issue. This is the problem of frustration based on unrealistic expectations. Because this is a dramatic and unprecendented program, popular expectations in the Caribbean Basin have been and remain high. Clearly, the CBI is having an impact, but there is, as yet, little visible difference in living standards in the Caribbean Basin. As a result, we hear a certain amount of impatience with the program and with the economic model which the CBI represents.

How do we deal with this impatience? We must try to channel it into constructive forms. There is a kind of impatience that impels people to act—to attack the obstacles before them with new courage. There is another kind that makes people give up or pronounce their own and others' efforts a failure. That second kind is not only premature; it is tragic and self-fulfilling. That will cause investors to give up on the region also and not even to look at possible opportunities there. But the first kind of impatience is creative and energizing. I hope that the frustrations which we are seeing expressed in the region will impel everyone to reexamine and redouble their efforts.

On the part of the countries of the CBI region, that means a renewed determination to attack outmoded and distorting economic structures which have impeded their growth to date. Many governments have already undertaken programs to adjust their economies. But adjustment is a dynamic, not a static, process; one that requires continuing efforts and new approaches as opportunities develop or economic conditions change. As difficult as many of these adjustments have been and continue to be, they are indispensable. And we are beginning to see in some countries the first fruits of the sacrifices of the past few years, in terms of improved investor confidence and capital flows, increased exports, the restoration of growth, and improved job prospects. These countries must stick to their course, so that the full benefits of structural adjustment policies can be produced.

For our part in the United States, we need, above all, to keep our own economy vibrant and open. Our market and our resources are vast compared to the small economies of the Caribbean Basin, even taken together. But if our own economy falters, our ability to help our neighbors will suffer as well, and, of course, our market will offer fewer opportunities. Therefore, we will continue policies to keep our economy dynamic and innovative.

Above all, we must resist the easy—and terribly destructive—temptation of protectionism. Trying to resolve our problems by closing markets may seem like a solution, but, in fact, it only worsens the original problems by promoting inefficient and costly production. The ultimate solution to our trade problems is to work toward more open markets and more rational economic policies everywhere: in the United States, in the Caribbean Basin, and in the economies of our trading partners throughout the world.

This Administration is committed to an open and fair trading regime. Demonstrations of this commitment include President Reagan's recent decisions to reject the use of quotas on imports of shoes and copper. We are also actively working to organize another round of multilateral negotiations to liberalize further international trade in goods and services.

More specifically, we need to maintain the integrity of the CBI program. Clearly, as times change and as political problems develop on this or that issue, there will be pressures for revisions in the program. However, investors need a reasonable expectation of stability before they commit their capital and energy to a new venture. This Administration understands that and will defend the integrity of the program against changes that would weaken it. Let me emphasize that this is a commitment which comes from the very top. Two months ago, in Miami, Vice President Bush said that: "We in the Administration must, and we will, fight any proposal in any form that would inhibit the free flow of trade from the Caribbean." I ask this committee, which played an indispensable and leading role in securing passage of the CBI program, to also express its commitment to protecting the CBI program against protectionist revisions and preserving its integrity for its full 12 years.

At the same time, we must look for ways to enrich the initiative. And here I finally arrive at some specific actions which we can take administratively or through legislation. Several measures are already being implemented: improved opportunities for U.S. Government procurement and liberalized access for certain garments. Another measure will require legislation: expansion of investment opportunities under Section 936 of the U.S. Internal Revenue Code.

Last November Vice President Bush announced the Administration's decision to waive for CBI countries certain requirements under U.S. law relating to the GATT [General Agreement on Tariffs and Trade] Government Procurement Code. As a result, products exported by CBI countries will have a chance to compete for certain U.S. Government purchases which had previously been closed to them. I want to add today that the U.S. Government has developed a program to help businesses in CBI countries take advantage of these new opportunities by explaining to them the specific procedures and regulations governing U.S. procurement and

offering them practical advice on how to enter this very complex and competitive market.

The President in Grenada announced a program of special importance to the region. We will implement soon a special program to provide greater access to the U.S. market for garments sewn in CBI countries from fabric manufactured and cut to pattern in the United States. This comes in response to repeated requests from CBI leaders emphasizing the importance of the labor-intensive assembly industry to their economies. Further, it responds to the interest of many U.S. investors to locate parts of their textile operations in neighboring countries where they could take advantage of the industrial opportunities there. This reflects the natural economic complementarity of the U.S. and Caribbean Basin economies; it will result in a product which meets consumer needs at an attractive price and is able to compete with products which are totally made outside the United States. It thus preserves jobs in the United States, even while creating jobs and promoting the economic development of our neighbors in the Caribbean Basin.

Another major improvement which is underway is the proposal endorsed by the House for encouraging cooperative production between Puerto Rico and CBI countries. This is an imaginative proposal which originally came from Puerto Rican Governor Hernandez Colon and reflects Puerto Rico's special status as a bridge between the mainland United States and the Caribbean Basin. Under the proposal approved by the House on Section 936 of the U.S. Internal Revenue Code, profits from U.S. investments in Puerto Rico can be further reinvested by the Puerto Rican Government Development Bank in active business assets in CBI countries and still receive a tax credit. This could provide a major boost to CBI countries, which remain starved for investment and capital. I urge the Senate to join the House in approving this provision.

We need also to address the problem of sugar. Since the passage of the domestic support program for sugar, our imports of sugar have been declining and now are about half of what we imported prior to the program. The effects of the declining U.S. sugar quota on CBI countries is difficult to measure precisely, but it is clearly substantial in terms of lost foreign exchange earnings and employment. Sugar is a key export from the region; for example, it accounts for a third of the total foreign exchange earnings of the Dominican Republic.

When he signed the farm bill, the President made very clear his concern about the negative impact of our sugar program on CBI countries. The Administration is now studying several different approaches to mitigate these problems.

I understand the committee and possibly other interested Members may travel to the CBI region sometime this spring to take a firsthand look at what the CBI has accomplished and what needs to be done. I very much welcome such a firsthand exploration by the committee and offer any assistance which we or our embassies could provide to make the trip as productive as possible.

Concluding Overview

The CBI was born full of promise for the future for both us and for the region. Today, 2 years after implementation of the program, we have lived a small part of that future. How far have we come? How far do we have to go to fulfill the promise of more stable and integrated development?

I think the overall answer is simple: we have set a good course, but we have so far to go that the finish is not yet in sight. The challenge before us is great—self-sustaining prosperity built on a solid base of democratic institutions. But the resources which we collectively bring to this task are also great—the energies and talents of governments and private sector leaders in the United States, the Caribbean Basin, and in an impressive number of other countries interested in the region.

Let me review quickly my first question—how far have we come? Looking back over the years since this Administration first proposed the CBI, I see some major accomplishments in responding to our common goals and interests. The most important achievement has been the spread of democracy.

Despite several exceptions with which you are all familiar, the Caribbean Basin is now overwhelmingly characterized by democratic governments chosen as a result of orderly elections that expressed, in their freedom and competitiveness, the will of their respective peoples. There have been some dramatic turnarounds in favor of democracy: the beginning of the democratic process in Haiti; the return of Grenada to democratic institutions; and the opening of the political process in El Salvador, Honduras, and Guatemala to popular choice. There have also been more "routine" elections in countries where democratic practices have long been honored, as in the parliamentary systems in the Caribbean or in Central America's strongest democracy, Costa Rica. My point is that democracy is stronger than ever. The majority of people in the Caribbean Basin now live under political systems which they have themselves chosen.

Self-determination and democracy are achievements of enormous importance in themselves. They are also crucial to the economic future of the region. As Secretary Shultz noted in a major speech to the Miami conference on the Caribbean in December 1984, democracy and development go hand in hand. Despite the difficulties which democracies sometimes have in making decisions, over the long run a lasting and self-sustaining process of economic development can best be built through a system which rests on the consent of the governed and gives people faith in their institutions.

People must have faith in their institutions if there is to be economic growth. The failure of Cuba's command economy can be traced to a failure of Cuba's Marxist government to give people faith in Cuba's future. Cubans increasingly shudder at the bleakness that will prevail even by the year 2000 if the current regime continues. Without freedom, even Castro's call of last year for "10 years of austerity" will not bring a return to economic growth. Castro's eagerness to earn hard currency and "normalize" his relations with the West, thereby regenerating growth, comes from his belief that he can have both growth and the command economy. But he is missing the point, just as the Soviet Union and Nicaragua have: growth cannot come through political tyranny and total bureaucratic control. To reestablish a productive future, Cuba would, indeed, need to normalize relations with the West, but that cannot come without freedom as well.

We can all learn from the mistakes of the command economy. In simple terms, the lesson is that overbureaucratization is the death knell of initiative, investment, and growth.

Let's turn now to a review of economic progress in the Caribbean Basin. Although the region still faces major problems, some of which are beyond the control of the countries themselves, there has been considerable progress on the economic front in recent years. In Central America, the dramatic decline in the region's GNP [gross national product] has been arrested. The Caribbean Basin as a whole (excluding Nicaragua) grew 1%–2% in 1984 and is estimated to have grown modestly again in 1985. We are encouraged at this economic upturn, but we also see it as insufficient over the longer run. Clearly, greater economic progress is needed.

Perhaps the most important achievement of recent years has been a new spirit of private enterprise shared by both governments and the private sector. While it is impossible to quantify this, I believe most people who know the region sense a major change in attitudes. Increasingly, there is an awareness that it is the private sector which is overwhelmingly the source of investment, jobs, innovation, and growth. Increasingly, the role of government is seen as providing a framework within which the private sector can operate efficiently, rather than as the engine of economic activity.

This is a crucial change. For, although attitudes are unquantifiable, they are the basis for people's decisions and actions. If these attitudinal changes continue and grow, then the region ultimately will develop institutions which attract capital and technology, not repel it; which encourage innovation and risk-taking, not capital flight; which foster savings and investment, not decay and decline.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Drug Wars: The New Alliance Against Traffickers and Terrorists

by Elliott Abrams

Address before the Council on Foreign Relations in New York City on February 10, 1986. Mr. Abrams is Assistant Secretary for Inter-American Affairs.

The Council on Foreign Relations is a forum for the discussion of weighty matters, the serious business of foreign policy, global economics, military strategy, and national security. I would guess that few council meetings have been devoted to the subject I want to address today. The drug problem has long been thought to be a matter for the police or for the local TV news or Friday night melodramas.

I want to change that attitude, and I appreciate the opportunity you have given me to do so. For I believe that few issues we face in the areas of foreign policy and national security have a greater and more immediate relevance to the well-being of the American people than international narcotics. The sooner all of us who ponder foreign policy issues recognize the extreme threat posed by international narcotics trafficking to the health of our nation and its neighbors, the sooner will this danger to our families and our children be reduced and eliminated.

Not very long ago, the discussion of drug trafficking consisted mostly of finger pointing. We blamed Latin Americans for indifference to the production and movement of narcotics northward. And they pointed to the United States and its insatiable market as the cause of that traffic. Within our own government, different agencies belittled each other's efforts, and some even claimed that fighting narcotics would "degrade" their mission and should best be left to traditional local and federal law enforcement officials, the "narcs."

There has been a dramatic change. There is a bit of the "narc" in all of us now—from presidents of Latin American democracies, to commanders of U.S. Navy destroyers in the Caribbean, to Assistant Secretaries of State for Inter-American Affairs. There is, of course, still plenty of blame to be laid. Before I finish tonight I will point my own finger at some specific targets, and I hope some of you will be uncomfortable for it. But a significant story of the 1980s in this hemisphere, ourselves very much included, has been the breaking down of old attitudes and jealousies, the upgrading of missions, and precedent-setting cooperation against the traffickers and their guerrilla allies and protectors.

In Washington, the level and productivity of joint narcotics control ventures among government agencies is making bureaucratic history. In exactly the same way, effective cooperation among the Andean countries of South America and Brazil is confounding historical judgments about narrow nationalism and the "traditional" role of the military and police in these countries. I don't know which is more surprising—State Department "narcs" working closely with Drug Enforcement Administration (DEA) "diplomats" or joint Colombian/Peruvian military and police antidrug actions on their common border. I suspect that neither development has been given sufficient public airing.

The new antidrug alliances are a phenomenon almost as important in inter-American politics as the hemisphere's transition from despotism to democracy over the past 10 years. Moreover, sustaining democracy and combating the "narcoterrorist" threat are inextricably linked. That is our view, and it is the view of democratic leaders throughout the hemisphere.

How did this come about? It did not stem primarily from bureaucratic imperatives in Washington or diplomatic approaches in Lima or Bogota. And it did not result from any particular, persuasive public relations campaign. It happened, simply stated, when we discovered ourselves to be victims and began to fight back in self-defense. In effect, we began to see that the pernicious assault of drugs on society is deeply damaging to the security of our families and communities and that defending our national security has to include defending ourselves against drugs.

The Assault on Society

The scourge takes many forms. In northern South America, still the main route of cocaine traffic to the United States, there is a relatively new drug which some call the most damaging such

substance on earth. In Colombia it is called "basuco"—from "base de coca." Basuco is a semirefined coca paste which, when smoked, delivers the "high" of cocaine—and with it the chemical poison of an incomplete refining process. The result is addiction plus the very high risk of severe, permanent brain damage. In one Bogota neighborhood alone, there are an estimated 7,000 juvenile basuco addicts.

Insidiously, the producers of basuco deliberately created a demand for this vicious product and priced it so that whole new segments of society—the young and the poor—could become drug consumers. Basuco has exploded the myth, fostered by traffickers, that the supply merely follows demand; that the traffic only exploits the rich, idle, and perverse gringos and Europeans. In Bolivia and Peru, these same deadly coca-paste cigarettes are known as "pitillos." Bolivian experts suggest a higher per capita incidence of addiction to such drugs in their nation than in the United States.

As the frightening fact emerged that large numbers of their own children were becoming regular users of this terrible and terrifyingly cheap product, authorities and parents in the Andes understood that passive acquiescence in a traffic destined to the distant United States in fact risked the health of their own societies. They have learned that drug-producing countries easily become drug-consuming nations. Something of the traffic always stays behind: this is not a Miami vice alone.

The shock of basuco, and similar revelations about other drugs, were among many over the last several years.

First, there was the economists' conclusion that the so-called economic benefits to producing and trafficking countries reach very few people and are far outweighed by the inflation and other distortions brought on by the traffickers and the money launderers. In Bolivia, for example, reputable, legitimate businessmen (some representing U.S. firms) are finding their backs to the wall, facing bankruptcy as a result of predatory pricing and marketing competition from new firms backed by narcodollar capital. Meanwhile, the construction of condominiums in south Florida does not benefit the Bolivian peasant.

Second, the enormous intimidating and corruptive power of the traffickers surfaced so blatantly that public and political opinion in country after country has recognized the direct menace to democracy itself. The 1984 drug mafia assassination of Colombian Justice Minister Lara and the kidnap-murder in 1985 of DEA agent Enrique Camarena in Mexico were only the most arrogant demonstrations of this subversion of government institutions.

Third, and related, is the mounting evidence of a deadly connection between narcotics traffickers and guerrilla terrorist groups. It is a link that multiplies the capabilities of each. Colombia provides the best examples: guerrilla groups—the FARC [Revolutionary Armed Forces of Colombia], the M-19, and others—have been found protecting cocaine labs and landing strips and facilitating shipments. Last November, when the M-19 terrorists attacked the Supreme Court and murdered nearly half of its judges, their specific behavior—the judges they sought out first, the extradition documents they burned—convinced Colombian authorities that, whatever their so-called political goals, the guerrillas were also working directly for the traffickers. And on top of that, the fact that some of the weapons they used came from the Sandinistas highlights the immensely dangerous connection to international terrorism. Nor are we immune: here in the United States in October 1984, law enforcement agencies uncovered and foiled a rightwing Honduran coup plot financed by drug money.

Changes in Attitude

For all these reasons, the changes in attitude, commitment, and policy among Latin American countries have been profound. Territorial rivalries and nationalist tensions have not disappeared, but Colombia now actively works with Peru and with Ecuador and Venezuela in interdiction. A new regional narcotics telecommunications system will soon be operating in South America. It will connect for drug law enforcement purposes military and national police establishments which not long ago saw each other as potential enemies.

Successful aerial spraying of marijuana in Mexico, Panama, Belize, and Colombia has been followed by important experiments in aerial eradication of coca by the Colombian national police. Colombia has extradited seven individuals, five of its own citizens, all accused of narcotics trafficking, to the United States. The international movement of chemicals used in the cocaine refining process has been severely restricted.

General awareness of the benefits of international cooperation to combat narcotics production and trafficking is increasing. The Organization of American States will hold a special conference in Rio, April 27-28. Many European countries are beginning to look into assisting eradication efforts in Latin America, as they realize that they, too, are targets of the traffickers.

Developments in the United States are running a parallel course. The mythology of cocaine as relatively safe, the only risk being arrest, has been exploded. Concerned Congressmen, like New York Representative Rangel, Chairman of the House Select Committee on Narcotics Abuse and Control, have led a determined and dedicated effort to educate all of us to the dangers of drug abuse and the necessity for international cooperation. First Lady Nancy Reagan has pitched in to help carry the message to the youth of this country. Americans are coming, if slowly, to realize that cocaine does lead to addiction: after five or so uses the odds shift heavily in that direction. The corruptive potentia[1] of drug trafficking is increasingly recognized as something more than prime time script material. And basuco, the deadly partially refined coca from South America, has begun to appear in the United States along with "crack," a more refined, but nearly as deadly, form of the drug.

American antinarcotics activity, both domestic and foreign, has increased rapidly. Perceived sometime rivals like DEA and Customs are collaborating as never before. Similarly, the extradition of accused drug traffickers is not a one-way transit to the United States—we have recently extradited two American citizens to Colombia as part of this effort.

A historic example of teaming-up in our own government is a current massive operation off our southern waters: under the general direction of Vice President Bush, the U.S. Government has undertaken interdiction operations of unprecedented scope cutting across traditional agency divisions. The Vice President's office has provided coordination to the intelligence and interdiction efforts of the Coast Guard, Navy, and Customs with the cooperation of the international community. The State Department, through our embassies in the region, handles the involvement of a number of foreign governments.

A new function has been added to the traditional tasks of Foreign Service officers. Five of our posts in Latin

America and the Caribbean have something called narcotics assistance units charged with administering important programs of assistance and cooperation in the countries where they operate. These "narcodiplomats" are on the sharp edge of this critical warfare. They have been partly responsible for encouraging and helping to channel U.S. funds into the successes of Latin American governments I noted earlier. Some of them seem to be doing better in their liaison with difficult-to-deal-with ranking government officials than are their political and economic section counterparts.

One of my personal contributions to the war against illegal drugs will be to make sure that good "narcodiplomats" move up faster in the Foreign Service. The drug mafia and their guerrilla friends are shooting at these people. Few things that the State Department does contribute so directly to the U.S. national security and welfare than our coordinated war on the narcotics/terrorist combine.

The Continuing Threat

At the same time, we must be honest with ourselves. What we and many governments in the hemisphere are now doing is significant, but it does not mean that drug trafficking is being defeated. In fact, in the aggregate, we have not reduced the flow of cocaine to the United States at all. The price of the drug has gone down over the past few years in major American cities, indicating increased movement of supplies.

Enormous profits are creating sharp incentives for increases in coca acreage and for innovative production, smuggling, and marketing. The pattern of expanding cultivation is clear as one flies over the vast eastern slope of the Andes. Illicit plantings are shifted as eradication programs succeed. As Colombian interdiction, eradication, and extradition increases, the traffickers move their operations to neighboring countries. The traffickers constantly experiment with new chemistry and new smuggling routes. As our and other naval forces interdict drugs in the Caribbean, the traffic flows elsewhere. Cocaine increasingly is being transported through Mexico and across our land border. As old methods of hiding the white powder are unearthed by Customs, new, more sophisticated ways are developed. A recent cocaine shipment from Colombia arrived in a case of realistic plastic imitations of the ubiquitous yam.

Where does that place all of the increased cooperative efforts I have just described? It means that more, much more has to be done. But, at the very least, it also means that very few of the principal actors are now attempting to hide their own inaction by pointing the finger at others. Almost everyone is now in the act together. The experts in our agencies and in other countries are agreeing that interdiction, or eradication, or extradition, or the reduction of demand cannot work if attempted in isolation, one tactic at a time.

The problem is huge; it must be addressed across the board. The resources arrayed against our efforts are staggering. Cocaine is at least a $40-billion-dollar-a-year business. For obvious reasons, exact figures are elusive—it may be twice that. What is clear, is that everyone is affected, everyone is to blame, and everyone is responsible for action.

Shared Responsibilities

This brings me to some finger pointing of my own. Has the American system—and here I refer to more than this or that governmental agency—done its part as a whole? What of a large portion of the media which glamorizes succeeding generations of "designer drugs" (some might call basuco just that)? Or what about those who conclude, in frustration at the slow pace of progress, that the task is "impossible" and therefore not worth attempting?

How genuinely responsible, beyond the strict dictates of the law, are major American banks in making certain they are not involved in the "laundering" of drug money? How many banks represented in this room have been cited recently for failure to report cash transactions of over $10,000? The last list I saw included five banks just here in New York City. Do those bankers who turn a blind eye in order to turn a better profit have any idea what they are doing? To their country? To their communities? To their own children?

How many communities look only toward the fresh tax revenues they will receive (maybe) when the drug barons build mansions or buy condominiums by the beach? And how many lawyers, executives, media stars, and athletes still believe a little "coke" for "recreational use" is OK?

I may sound a little arrogant, but I feel that my colleagues in the State Department, in the uniformed services, and in the drug agencies are doing their part. And I believe that there is a great deal to praise in Central and South America and the Caribbean, where poor governments have made the critical turn against rich, powerful forces imbedded in their own histories and economies.

This commitment is evident in Bolivia, where the democratic government of South America's poorest country has taken initial steps to reduce the substantial cultivation of the coca leaf, a product with almost sacred dimensions through historic ties to the Incas. Just after New Year's Day, the 200 members of the country's only antinarcotics strike force were surrounded and threatened by as many as 17,000 angry peasants because they represented a renewed police presence in Bolivia's largest coca-growing region. The reason? The peasants were beginning to feel the economic effects of the government's assault on a crop for which there is no economic substitute. Incidentally, those 200 strike-force members are supposed to cover an area the size of France.

In less than 6 months in office, the democratic Government of Peru has launched three large-scale interdiction operations, seizing more than 13 metric tons of coca paste and destroying 69 clandestine airports. A major narcotics ring has been broken up and its "godfather" arrested, and 369 senior police officers have been forced into early retirement as part of a "moralization" campaign. Fifty-four percent more coca was eradicated in Peru in 1985 than in 1984.

Corruption and intimidation remain major problems. But, at the very least, most of these governments have stopped insisting that it is our problem and have begun to try to do something about this universal scourge. I believe they deserve more help from us and more private action on our own soil.

Next Steps

What kind of additional help do I think we should provide? One area which deserves to be considered is a major increase in the tools many of these countries require for drug enforcement and interdiction. I am not talking about jet fighters or aircraft carriers; but I am talking about more armored helicopters and troop-carrying aircraft. Why? Because when the police or special military units go after jungle labs today, they are likely to run into assault rifles and machine guns, not Saturday night specials. Better targeted U.S. assistance would serve U.S. national security, and

it would, at the same time, demonstrate that we are listening to what the new, democratic leaders of Latin America are saying—with increasing frequency—about their real national security needs: less for military competition with their neighbors and more for defense against the trafficking and terrorizing enemy within.

Would this mean spending more? I'm not sure. American taxpayers now shell out over $1.5 billion a year, more or less evenly divided between enforcement on the one hand and treatment, prevention, and rehabilitation on the other. And of that amount, less than a $100 million is spent abroad. Those of you who are businessmen will know better than I the costs to your own operations of drug-using employees. Certainly, we could do more, much more, to stop the stuff before it reaches our shores.

Similarly, the ongoing debate in Washington about the proper mix of civilian and military assistance related to the drug war should be accelerated. The time has come—now that Latin America is 90% democratic—for our system to recognize that certain legal restrictions which emerged from another era no longer apply across the hemispheric board. If a national police, responsive to an elected democratic civilian government, can do the job best, then we must be able to allow our own agencies, civilian and military, to assist the police. And if, in a specific country, the military—under democratic civilian control—has the mandate, then that is where our aid should be directed.

I believe that recent history does justify more from us, both as a government and as a people. The statistics and the experiences of what drug abuse is doing to a generation and more of Americans (and Brazilians, Colombians, and Jamaicans) demands that we do more and that we end whatever indifference remains. Attacking the traffic in narcotics is as high a priority as we have in the U.S. Government. I have told my diplomats that, and the Navy is showing it by supporting the Coast Guard's mission.

Now it's the turn of the Council on Foreign Relations and of people like you. It is time to go beyond sitting in judgment on what bureaucrats and foreigners are doing. It is time to join the war against drugs. As Ecuador's president said, in somewhat more colorful terms, during a recent visit to a coca field to observe eradication: "Let's get rid of this garbage."

This is not just a health problem, not just a foreign aid problem, not just a police problem. It is a moral challenge and a national security matter. It threatens democracy in our hemisphere and children in our homes. Let us treat it with the seriousness it deserves. ■

February 1986

The following are some of the significant official U.S. foreign policy actions and statements during the month that are not reported elsewhere in this periodical.

February 5
Ambassador Nitze consults with allies in Europe and Ambassador Rowny consults with allies in Asia in an effort to form a response to the Soviet Union's arms control proposal.

February 6
U.S. vetoes a UN Security Council resolution deploring Israel's interception of a Libyan civilian airliner.

February 11
Shultz meets with Mexican Foreign Minister Sepulveda to discuss mutual interests including Mexico's economic problems.

President Reagan asks Ambassador Habib to go to the Philippines to "assess the desires and needs of the Filipino people."

U.S. arms control adviser Nitze meets with Belgian Foreign Minister Tindeman to discuss Geneva arms control negotiations.

February 12–13
In Geneva, Assistant Secretary Crocker meets with South African Foreign Minister Botha to discuss bilateral and regional affairs.

February 13–14
In Washington, the U.S. and a South Pacific forum delegation hold consultations on the South Pacific Nuclear-Free Zone (SPNFZ) Treaty and its protocols. Subject to decision by the forum heads of government, the protocols may be available for signature by outside states later this year. The U.S. is studying the implications of the treaty and its protocols for the U.S. and overall regional and global security.

February 13
Acting Secretary of State Whitehead and Soviet Ambassador Dobrynin exchange diplomatic notes amending the 1966 Air Transport Agreement. Under the terms of the amended agreement, designated carriers—Pan Am and Aeroflot—will resume direct air service between the U.S. and the U.S.S.R. The cities served are Moscow, Leningrad, Washington, and New York. Service will be inaugurated under the new agreement on April 28, 1986. The terms of the agreement permit each airline to make a maximum of four flights per week to the other country.

February 17
The U.S. and Laos begin a joint excavation of the site of an AC-130 airplane which crashed on March 29, 1972 in Savannakhet Province in southern Laos. Fourteen crew members are unaccounted for in connection with this aircraft.

February 18
The following newly appointed ambassadors presented their credentials to President Reagan: Kyung Won Kim (South Korea), Soesilo Soedarman (Indonesia), Herman Dehennin (Belgium), Arnold T. Halfhide (Suriname), and Bishwa Pradhan (Nepal).

February 19
Deputy Trade Representative Woods announces U.S. intention to tighten enforcement of an order restricting imports of semifinished steel from the European Community (EC) and administration of the U.S.–EC steel arrangement. This action is in response to the EC's "unjustified, unnecessary, and unfriendly retaliation" against U.S. semifinished steel; restrictions implemented Jan. 1 in accordance with the U.S.–EC arrangement. On Jan. 27, the EC announced it would restrict $43 million of U.S. fertilizers, beef fat, paper, and paperboard products effective Feb. 15. ■

Current Actions

MULTILATERAL

Agriculture
International plant protection convention. Done at Rome Dec. 6, 1951. Entered into force Apr. 3, 1952; for the U.S. Aug. 18, 1972. TIAS 7465.
Adherence deposited: Grenada. Nov. 27, 1985.

Commodities—Common Fund
Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.[1]
Ratification deposited: Angola, Jan. 28, 1986.

Cultural Relations
Protocol to the agreement on the importation

of educational, scientific, and cultural materials of Nov. 22, 1950 (TIAS 6129). Adopted at Nairobi Nov. 26, 1976. Entered into force Jan. 2, 1982.[2]
Ratification deposited: France, Jan. 3, 1986.

Customs—Containers
Customs convention on containers, 1972, with annexes and protocol. Done at Geneva Dec. 2, 1972. Entered into force Dec. 6, 1975; for the U.S. May 12, 1985.
Accession deposited: China, Jan. 22, 1986.

Judicial Procedure
Convention on the taking of evidence abroad in civil or commercial matters. Done at The Hague Mar. 18, 1970. Entered into force Oct. 7, 1972. TIAS 7444.
Accession deposited: Monaco, Jan. 17, 1986.[3,4]

Convention on the civil aspects of international child abduction. Done at The Hague Oct. 25, 1980. Entered into force Dec. 1, 1983.[2]
Signature: Spain, Feb. 7, 1986.

Jute
International agreement on jute and jute products, 1982, with annexes. Done at Geneva Oct. 1, 1982. Entered into force provisionally Jan. 9, 1984.
Accession deposited: Austria, Nov. 13, 1985.

Marine Pollution
Protocol relating to intervention on the high seas in cases of pollution by substances other than oil. Done at London Nov. 2, 1973. Entered into force Mar. 30, 1983. TIAS 10561.
Accession deposited: France, Dec. 31, 1985.[3]

Protocol of 1984 to amend the international convention on the establishment of an international fund for compensation for oil pollution damage, 1971. Done at London May 25, 1984.[1]
Signatures: Finland, Nov. 29, 1985; Netherlands, Nov. 27, 1985; Norway, Nov. 28, 1985.

Protocol of 1984 to amend the international convention on civil liability for oil pollution damage, 1969. Done at London May 25, 1984.[1]
Signatures: China, Nov. 22, 1985; Finland, Nov. 29, 1985; Netherlands, Nov. 27, 1985; Norway, Nov. 28, 1985.

Maritime Matters
Convention on the international maritime organization, as amended. Signed at Geneva Mar. 6, 1948. Entered into force Mar. 17, 1958. TIAS 4044, 6285, 6490, 8606, 10374.
Acceptance deposited: Antigua and Barbuda, Jan. 13, 1986.

International convention on standards of training, certification, and watchkeeping for seafarers, 1978. Done at London July 7, 1978. Entered into force Apr. 28, 1984.[2]
Accession deposited: Mozambique, Nov. 15, 1985.

Protocol of 1978 relating to the international convention for the safety of life at sea, 1974 (TIAS 9700). Done at London Feb. 17, 1978. Entered into force May 1, 1981. TIAS 10009.
Accessions deposited: Brazil, Nov. 20, 1985; Ethiopia, Jan. 3, 1986.

Amendments to the international convention for the safety of life at sea, 1974 (TIAS 9700). Adopted at London June 17, 1983.
Enters into force: July 1, 1986.

Nuclear Material—Physical Protection
Convention on the physical protection of nuclear material, with annexes. Done at Vienna Oct. 26, 1979.[1]
Signatures: Liechtenstein, Jan. 13, 1986; Mongolia, Jan. 23, 1986.

Nuclear Weapons—Nonproliferation
Treaty on the nonproliferation of nuclear weapons. Done at Washington, London, and Moscow July 1, 1968. Entered into force Mar. 5, 1970. TIAS 6839.
Accession deposited: Malawi, Feb. 19, 1986.

Pollution
Protocol to the convention on long-range transboundary air pollution of Nov. 13, 1979 (TIAS 10541) concerning monitoring and evaluation of the long-range transmission of air pollutants in Europe (EMEP), with annex. Done at Geneva Sept. 28, 1984.[1]
Ratifications deposited: Canada, Dec. 4, 1985; Turkey, Dec. 20, 1985.

Convention for the protection of the ozone layer, with annexes. Done at Vienna Mar. 22, 1985.[1]
Signatures: Burkina Faso, Dec. 12, 1985; Morocco, Feb. 7, 1986.

Postal—Americas and Spain
Second additional protocol to the constitution of the Postal Union of the Americas and Spain, with general regulations. Done at Managua Aug. 28, 1981. Entered into force Jan. 1, 1982.
Ratification deposited: Uruguay, Dec. 16, 1985.

Red Cross
Geneva convention for the amelioration of the condition of the wounded and sick in armed forces in the field. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3362.

Geneva convention for the amelioration of the condition of the wounded, sick, and shipwrecked members of armed forces at sea. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3363.

Geneva convention relative to the treatment of prisoners of war. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3364.

Geneva convention relative to the protection of civilian persons in time of war. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3365.
Accessions deposited: Comoros, Nov. 21, 1985.

Protocol additional to the Geneva conventions of Aug. 12, 1959 (TIAS 3362, 3363, 3364, 3365), and relating to the protection of victims of international armed conflicts (Protocol I), with annexes. Done at Geneva June 8, 1977. Entered into force Dec. 7, 1978.[1]

Protocol additional to the Geneva conventions of Aug. 12, 1949, and relating to the protection of victims of noninternational armed conflicts (Protocol II). Done at Geneva June 8, 1977. Entered into force Dec. 7, 1978.[1]
Accessions deposited: Comoros, Nov. 21, 1985; Suriname, Dec. 16, 1985; Uruguay, Dec. 13, 1985.
Ratification deposited: Holy See, Nov. 21, 1985.[4]

Refugees
Protocol relating to the status of refugees. Done at New York Jan. 31, 1967. Entered into force Oct. 4, 1967; for the U.S. Nov. 1, 1968. TIAS 6577.
Accession deposited: Equatorial Guinea, Feb. 7, 1986.

Satellite Communications Systems
Convention on the International Maritime Satellite Organization (INMARSAT), with annex. Done at London Sept. 3, 1976. Entered into force July 16, 1979. TIAS 9605.
Accession deposited: Bahrain, Jan. 8, 1986.

Operating agreement on INMARSAT, with annex. Done at London Sept. 3, 1976. Entered into force July 16, 1979. TIAS 9605.
Signature: Bahrain, Jan. 8, 1986.

Sugar
International sugar agreement, 1984, with annexes. Done at Geneva July 5, 1984. Entered into force provisionally Jan. 1, 1985; definitively Apr. 4, 1985.[5]
Accession deposited: Cameroon, Jan. 22, 1986.
Ratification deposited: Jamaica, Jan. 16, 1986.

Telecommunication
International telecommunication convention, with annexes and protocols. Done at Nairobi Nov. 6, 1982. Entered into force Jan. 1, 1984; definitively for the U.S. Jan. 10, 1986.
Ratifications deposited: Belize,[3] Dec. 20, 1985; Chile,[3,4] Dec. 12, 1985; Guyana, Indonesia,[3] Monaco, Paraguay, Vatican City, Dec. 30, 1985; Finland, New Zealand,[6] Jan. 3, 1986; Federal Republic of Germany,[3,4,7] Dec. 6, 1985; India, Iran, Jan. 8, 1986; Kenya, Nov. 29, 1985; Republic of Korea, Nov. 26, 1985; Singapore, Dec. 23, 1985; Spain, Dec. 17, 1985; Thailand, Nov. 13, 1985; U.S.S.R.,[3,4] Dec. 16, 1985.

UNIDO
Constitution of the UN Industrial Development Organization, with annexes. Adopted at Vienna Apr. 8, 1979. Entered into force June 21, 1985
Accession deposited: Grenada, Jan. 16, 1986.

BILATERAL

Antigua and Barbuda
Agreement concerning the disposition of commodities and services furnished in connection with peacekeeping operations for Grenada.

Effected by exchange of notes at St. Johns's Dec. 16, 1985, and Jan. 28, 1986. Entered into force Jan. 28, 1986.

Australia
Agreement concerning trade in certain steel products, with arrangement and related letters. Effected by exchange of letters at Washington Jan. 16, 1985. Entered into force Jan. 16, 1985; effective Oct. 1, 1984.

Austria
Agreement concerning trade in certain steel products, with arrangement and related letters. Effected by exchange of letters at Washington Dec. 19, 1985. Entered into force Dec. 19, 1985; effective Oct. 1, 1984.

Belgium
Agreement extending the memorandum of understanding of June 2, 1980 (TIAS 9800), for the development of a cooperative program in the sciences. Signed at Washington and Brussels Aug. 12 and 26, 1985. Entered into force Aug. 26, 1985; effective June 2, 1985.

Brazil
Agreement amending and extending the agreement of Nov. 17, 1977, as amended and extended (TIAS 8981, 10802), relating to equal access to ocean carriage of government-controled cargoes. Signed at Rio de Janeiro Dec. 19, 1985. Entered into force Dec. 19, 1985.

Cameroon
Treaty concerning the reciprocal encouragement and protection of investment, with annex. Signed at Washington Feb. 26, 1986. Enters into force 30 days following the date on which the parties have notified each other that their constitutional procedures have been completed.

China
Memorandum of understanding concerning the operation of the Landsat system, with annex. Signed at Washington and Beijing July 2 and 8, 1985. Entered into force July 8, 1985.

Costa Rica
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at San Jose Dec. 16, 1985. Entered into force Jan. 29, 1986.

Egypt
Fourth amendment to the grant agreement of Aug. 29, 1979 (TIAS 9632), for the Shoubra El-Kheima thermal power plant. Signed at Cairo Dec. 31, 1985. Entered into force Dec. 31, 1985.

Third amendment to the grant agreement of Sept. 22, 1981 (TIAS 10277), for the irrigation management system project. Signed at Cairo Dec. 31, 1985. Entered into force Dec. 31, 1985.

First amendment to the grant agreement of Sept. 24, 1985, for cash transfer. Signed at Cairo Dec. 31, 1985. Entered into force Dec. 31, 1985.

Ethiopia
Compensation agreement, with agreed minutes. Signed at Addis Ababa Dec. 19, 1985. Entered into force Dec. 19, 1985.

Jamaica
Agreement for sale of agricultural commodities. Signed at Kingston Jan. 15, 1986. Entered into force Jan. 15, 1986.

Mexico
Understanding regarding subsidies and countervailing duties. Signed at Washington Apr. 23, 1985. Entered into force Apr. 23, 1985.

Panama
Cooperative arrangement for the production of topographic maps of Panama, with annexes. Signed at Washington and Panama Jan. 29, 1986. Entered into force Jan. 29, 1986.

Sri Lanka
Agreement amending the agreement for the sale of agricultural commodities of Oct. 23, 1985. Effected by letter and concurrence at Colombo Jan. 10, 1986. Entered into force Jan. 10, 1986.

Sudan
Agreement for sales of agricultural commodities, with annexes. Signed at Khartoum Jan. 26, 1986. Entered into force Jan. 26, 1986.

U.S.S.R.
Agreement extending the agreement of Nov. 26, 1976, as amended and extended, (TIAS 8528, 10531, 10532, 10696) concerning fisheries off the coasts of the U.S. Effected by exchange of notes at Washington July 29, and Sept. 2, 1985.
Entered into force: Dec. 20, 1985.

Agreement amending the air transport agreement and supplementary agreement of Nov. 4, 1966 (TIAS 6135). Effected by exchange of notes at Washington Feb. 13, 1986. Entered into force Feb. 13, 1986.

Yugoslavia
Agreement concerning trade in certain steel products, with arrangement. Effected by exchange of letters at Washington Jan. 14, 1986. Entered into force Jan. 14, 1986; effective Oct. 1, 1984.

Zimbabwe
Memorandum of understanding extending the memorandum of understanding of Sept. 25, 1980 (TIAS 10054), on cooperation in the field of agricultural science and technology. Signed at Harare and Washington Oct. 12 and Nov. 30, 1985. Entered into force Nov. 30, 1985; effective Sept. 25, 1985.

[1]Not in force.
[2]Not in force for the U.S.
[3]With reservation(s).
[4]With declaration(s).
[5]Provisionally in force for the U.S.
[6]Applicable to the Cook Islands and Niue.
[7]Applicable to Berlin (West). ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*19	2/3	Shultz: interview on ABC-TV's "Good Morning, America."
20	2/4	Shultz: statement before the Senate Foreign Relations Committee.
*21	2/4	Shultz: opening remarks at the ceremony for the observance of Black History Month.
22	2/5	Shultz: statement before the House Foreign Affairs Committee.
*23	2/14	Whitehead: remarks at the signing ceremony of the U.S.-U.S.S.R. civil aviation agreement, Feb. 13.
*24	2/18	Shultz: remarks before the international conference on privatization.
25	2/19	Shultz: statement before the Senate Budget Committee.
*26	2/19	Shultz: welcoming remarks before the U.S.-Asia Institute conference.
27	2/21	Release of the International Narcotics Control Strategy Report for 1985.
*28	2/21	Shultz, Casey: remarks at the ceremonial unveiling of the Statue of Liberty centennial commemorative stamp.
*29	2/24	Program for the official working visit of Cameroon President Paul Biya, Feb. 25–28.
*30	2/24	Secretary's meeting with black American educators returning from South Africa.
31	2/26	Shultz: statement and question-and-answer session on the Philippines, White House, Feb. 25.
*32	2/27	Shultz: interview on NBC-TV's "Today Show."
33	2/27	Shultz: statement before the Senate Foreign Relations Committee.
*34	2/28	U.S. and Barbados exchange instruments of ratification of tax convention.

*Not printed in the BULLETIN. ■

INDEX

April 1986
Volume 86, No. 2109

Africa
Sub-Saharan Africa and the United States—Part 1 (Cook) 1
The U.S. and Angola (Crocker) 59
American Principles. America's Agenda for the Future (message to the Congress) 26
Angola
Promoting Positive Change in Southern Africa (Armacost) 53
The U.S. and Angola (Crocker) 59
Arms Control
State of the Union Address (Reagan) 25
The Stockholm Conference and East-West Relations (Barry) 65
Strengthening American Security (Reagan) 18
U.S. Response to Soviet Arms Proposals (Reagan) 64
U.S. Strategic Force Structures: The Challenge Ahead (Nitze) 61
Commodities. Commodity Markets and Commodity Agreements (Wallis) 71
Congress
After the Election in the Philippines (Wolfowitz) 69
America's Agenda for the Future (message to the Congress) 26
CBI and the U.S. National Interest (Abrams) 84
Enhancing Diplomatic Security (Shultz) ... 42
Foreign Policy Challenges (Shultz) 40
International Affairs: FY 1987 Budget (Shultz) 45
Narcotics Control in Latin America (Thomas) 77
Narcotics Control Strategy Report Released 80
Nicaragua: Will Democracy Prevail? (Shultz) 32
1985 Human Rights Report (Schifter, excerpts) 76
Permanent Dictatorship in Nicaragua? (Abrams) 83
State of the Union Address (Reagan) 25
The U.S. and Angola (Crocker) 59
Department and Foreign Service
Enhancing Diplomatic Security (Shultz) ... 42
Test Results of Soviet Chemical Tracking Agents (Department statement) 75
Economics
Commodity Markets and Commodity Agreements (Wallis) 71
International Affairs: FY 1987 Budget (Shultz) 45
State of the Union Address (Reagan) 25
Europe. The Stockholm Conference and East-West Relations (Barry) 65
Foreign Assistance
CBI and the U.S. National Interest (Abrams) 84
Continuation of Certain Assistance to Haiti Authorized (Department announcement) .83
International Affairs: FY 1987 Budget (Shultz) 45
Germany. Release of Shcharanskiy From the Soviet Union (joint U.S.-F.R.G. statement) 75
Grenada. President Reagan's Visit to Grenada (Reagan) 22
Guatemala. Vice President Bush Visits Guatemala and Honduras 31
Haiti
Continuation of Certain Assistance to Haiti Authorized (Department announcement) .83
President's News Conference of February 11 (excerpts) 30
Health. Test Results of Soviet Chemical Tracking Agents (Department statement) 75
Honduras. Vice President Bush Visits Guatemala and Honduras 31
Human Rights
International Affairs: FY 1987 Budget (Shultz) 45
1985 Human Rights Report (Schifter, excerpts) 76
Permanent Dictatorship in Nicaragua? (Abrams) 83
Promoting Positive Change in Southern Africa (Armacost) 53
Release of Shcharanskiy From the Soviet Union (joint U.S.-F.R.G. statement) 75
The Stockholm Conference and East-West Relations (Barry) 65
India. Indo-U.S. Joint Commission Meets (agreed minutes) 81
Libya. President's News Conference of February 11 (excerpts) 30
Military Affairs
State of the Union Address (Reagan) 25
Strengthening American Security (Reagan) 18
U.S. Strategic Force Structures: The Challenge Ahead (Nitze) 61
Namibia
Promoting Positive Change in Southern Africa (Armacost) 53
The U.S. and Angola (Crocker) 59
Narcotics
Drug Wars: The New Alliance Against Traffickers and Terrorists (Abrams) 89
Narcotics Control in Latin America (Thomas) 77
Narcotics Control Strategy Report Released 80
Nicaragua. Nicaragua: Will Democracy Prevail? (Shultz) 32
North Atlantic Treaty Organization. The Stockholm Conference and East-West Relations (Barry) 65
Philippines
After the Election in the Philippines (Wolfowitz) 69
Election Developments in the Philippines (Reagan, Shultz, White House statements) 67
President's News Conference of February 11 (excerpts) 30
Presidential Documents
America's Agenda for the Future (message to the Congress) 26
Election Developments in the Philippines (Reagan, Shultz, White House statements) 67
President Reagan's Visit to Grenada 22
President's News Conference of February 11 (excerpts) 30
State of the Union Address 25
Strengthening American Security 18
U.S. Response to Soviet Arms Proposals .64
Security Assistance
Continuation of Certain Assistance to Haiti Authorized (Department announcement) .83
International Affairs: FY 1987 Budget (Shultz) 45
South Africa. Promoting Positive Change in Southern Africa (Armacost) 53
Terrorism
Drug Wars: The New Alliance Against Traffickers and Terrorists (Abrams) 89
Enhancing Diplomatic Security (Shultz) ... 42
Foreign Policy Challenges (Shultz) 40
International Affairs: FY 1987 Budget (Shultz) 45
Trade. Commodity Markets and Commodity Agreements (Wallis) 71
Treaties. Current Actions 92
U.S.S.R.
Foreign Policy Challenges (Shultz) 40
President's News Conference of February 11 (excerpts) 30
Release of Shcharanskiy From the Soviet Union (joint U.S.-F.R.G. statement) 75
Strengthening American Security (Reagan) 18
Test Results of Soviet Chemical Tracking Agents (Department statement) 75
U.S. Response to Soviet Arms Proposals (Reagan) 64
U.S. Strategic Force Structures: The Challenge Ahead (Nitze) 61
Western Hemisphere
CBI and the U.S. National Interest (Abrams) 84
Drug Wars: The New Alliance Against Traffickers and Terrorists (Abrams) 89
Foreign Policy Challenges (Shultz) 40
Narcotics Control in Latin America (Thomas) 77
Secretary Meets With Contadora Groups .85

Name Index

Abrams, Elliott 83, 84, 89
Armacost, Michael H 53
Barry, Robert L 65
Cook, Philip R., Jr 1
Crocker, Chester A 59
Nitze, Paul H 61
Reagan, President ..18, 22, 25, 26, 30, 64, 67
Schifter, Richard 76
Shultz, Secretary 32, 40, 42, 45, 67
Thomas, Jon R 77
Wallis, W. Allen 71
Wolfowitz, Paul D 69

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

OFFICIAL BUSINESS
Penalty for Private Use $300

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

READEX FICHE

best copy available

86/2110

Department of State bulletin

NEWARK PUBLIC LIBRARY

The Official Monthly Record of United States Foreign Policy/Volume 86/Number 2110

JUN - 4 1986

U. S. GOVT. PUBS.
DEPOSITORY 376

May 1986

LD C
U.S. DOCUMENTS
NEWARK PUBLIC LIBRARY

Sub-S...

South Africa/44

Libya/76, 80

S1.3:

Department of State
bulletin

Volume 86 / Number 2110 / May 1986

Cover:

Gold pendant from the Ivory Coast.

Design by Sally Brennan, Publishing Services, Department of State.

(Photo by Musee de l'Homme)

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

BERNARD KALB
Assistant Secretary for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

SHARON R. LOTZ
Assistant Editor

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

Department of State BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. The BULLETIN is indexed in the Readers' Guide to Periodical Literature.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

CONTENTS

FEATURE

1 Sub-Saharan Africa and the United States — Part 2 (*Philip R. Cook, Jr.*)

The President

28 Central America and U.S. Security
32 Freedom, Regional Security, and Global Peace (*Message to the Congress*)

The Secretary

37 Nicaragua and the Future of Central America
40 The Shape, Scope, and Consequences of the Age of Information

Africa

44 A Review of Recent Events in South Africa (*Chester A. Crocker*)
45 South Africa's Proposal on Namibia and Angola (*White House Statement*)
46 Report on U.S. Actions Toward South Africa (*Message to the Congress*)
47 U.S.-Supported Human Rights Program in South Africa
48 Visit of Cameroon's President (*Paul Biya, President Reagan*)
49 U.S. Emergency Military Assistance to Chad (*Department Statement*)

Arms Control

50 Negotiations on Nuclear and Space Arms (*Paul H. Nitze*)
52 Nuclear and Space Arms Talks Conclude Round 4 (*Max M. Kampelman*)
53 Nuclear Testing Limitations (*President Reagan, Letter to Senate Majority Leader*)
54 MBFR Talks End 38th Round (*White House Statement*)
55 The Promise of SDI (*Paul H. Nitze*)

Canada

57 Visit of Canadian Prime Minister (*Prime Minister Mulroney, President Reagan, White House Statement*)

Department

58 Diplomacy, the Foreign Service, and the Department of State (*Ronald I. Spiers*)

East Asia

63 Americans Missing in Indochina (*John C. Monjo*)

Economics

64 Trade Policy Directions for 1986 (*Clayton Yeutter*)

Europe

69 The CSCE Process and East-West Diplomacy (*Michael H. Armacost*)
72 U.S. Assistance in Support of the Anglo-Irish Agreement on Northern Ireland (*Rozanne L. Ridgway*)
73 Northern Ireland and Ireland Assistance Legislation (*Message to the Congress*)
74 St. Patrick's Day, 1986 (*President Reagan*)
75 NATO Nuclear Planning Group Meets in West Germany (*Final Communique*)
75 Response to Allegations on Case of Soviet Seaman Medvid (*Rozanne L. Ridgway*)

Middle East

76 Libya Fires on U.S. Vessels in International Waters (*White House Statement*)
77 U.S. Proposes Arms Sales to Saudi Arabia (*Department Statement*)

Military Affairs

78 U.S.-West Germany to Cooperate on SDI Research (*Defense Department Statement*)

Nuclear Policy

78 Nuclear Cooperation With EURATOM (*Letter to the Congress*)

Oceans

79 Rights and Freedoms in International Waters (*Department Statement*)

South Asia

79 Afghanistan Day, 1986 (*Proclamation*)

United Nations

80 U.S. Response to Libyan Attack (*Vernon A. Walters, Letter to Security Council*)

Western Hemisphere

81 Assistance for Nicaraguan Democratic Resistance (*Messages to the Congress*)
85 Peace Proposal Offered to Nicaragua (*White House Statement*)
86 Honduras Receives U.S. Assistance to Repel Sandinista Attacks (*Department Statement*)
87 Captured Weapons Displayed at the State Department (*President Reagan*)

End Notes

88 March 1986

Treaties

89 Current Actions

Press Releases

91 Department of State

Publications

92 Department of State
93 Current Documents, 1983 Released
93 Background Notes
93 GPO Subscriptions

Copyright material has been
deleted, not available for
Microfiche Edition.

Sub-Saharan Africa and the United States (Part 2)

U.S. Relations

Although Portuguese, French, Dutch, British, Belgian, and German involvement in Africa preceded that of the United States and exceeded it in scope, U.S. relations with Africa, influenced by our status as a former colony and our absence from the ranks of colonial powers, have long been affected by humanitarian considerations and cultural links. In the 19th and early 20th centuries, following participation in the slave trade, the United States began slowly and more positively to increase its involvement through the activities of missionaries, explorers, and commercial companies. World War II changed American perceptions and shifted U.S. priorities and policies. Africa, the "sleeping giant," was beginning to awaken, bringing the realization that the United States and the rest of the world would soon have to consider its political and economic potential.

Having played a major role in drafting provisions of the UN Charter, which provided the philosophical base for the end of colonialism, the United States welcomed African independence. Since then, the United States has actively cooperated to promote economic development through bilateral and multilateral programs and in supporting enhanced regional security.

Africa is increasingly important to U.S. national interests.

- Africa is a significant factor in multilateral politics. With its bloc of 46 nations (51 with North Africa), Africa can play an important, often decisive, role in international organizations and multilateral meetings.
- The region possesses important natural resources—oil, copper, iron, bauxite, uranium, cobalt, chromium, platinum, manganese, gold, and diamonds.
- Africa offers a growing field for trade and economic cooperation with the United States. The United States needs to buy African raw materials; Africa requires capital investment, new technology, managerial skills, and markets to develop other products.
- The continent is strategically located. Many countries have deep-water ports, good airfields, and controlling positions in relation to major waterways and air corridors. The oil tanker routes from the Persian Gulf to Europe and the Americas pass through African waters. Thus, strategic cooperation with several African states is important to the exercise of U.S. global responsibilities.
- Continuing regional conflicts make sub-Saharan Africa a potential arena for rivalry and confrontation between external powers.
- North-South issues—raised by less developed African and other Third World countries concerned with economic disadvantages—could increase hostility and resentment toward the industrialized democracies; African economic stagnation could lead to greater instability and outside manipulation.
- Africa assumes particular significance for Americans of African descent who are deeply concerned about the continent's problems.

Facing page:
U.S. food aid, Ethiopia.
(Anthony Suau © Black Star)

Information in this two-part article is intended to provide background for study and discussion; it is not designed to be read as a formal statement of U.S. policy, except where the material is specifically described as such. The publication summarizes currently available information and raises relevant questions (some of which admittedly may be unanswerable) as an aid to public discussion of important issues in U.S. foreign policy.

Elements of U.S. Policy

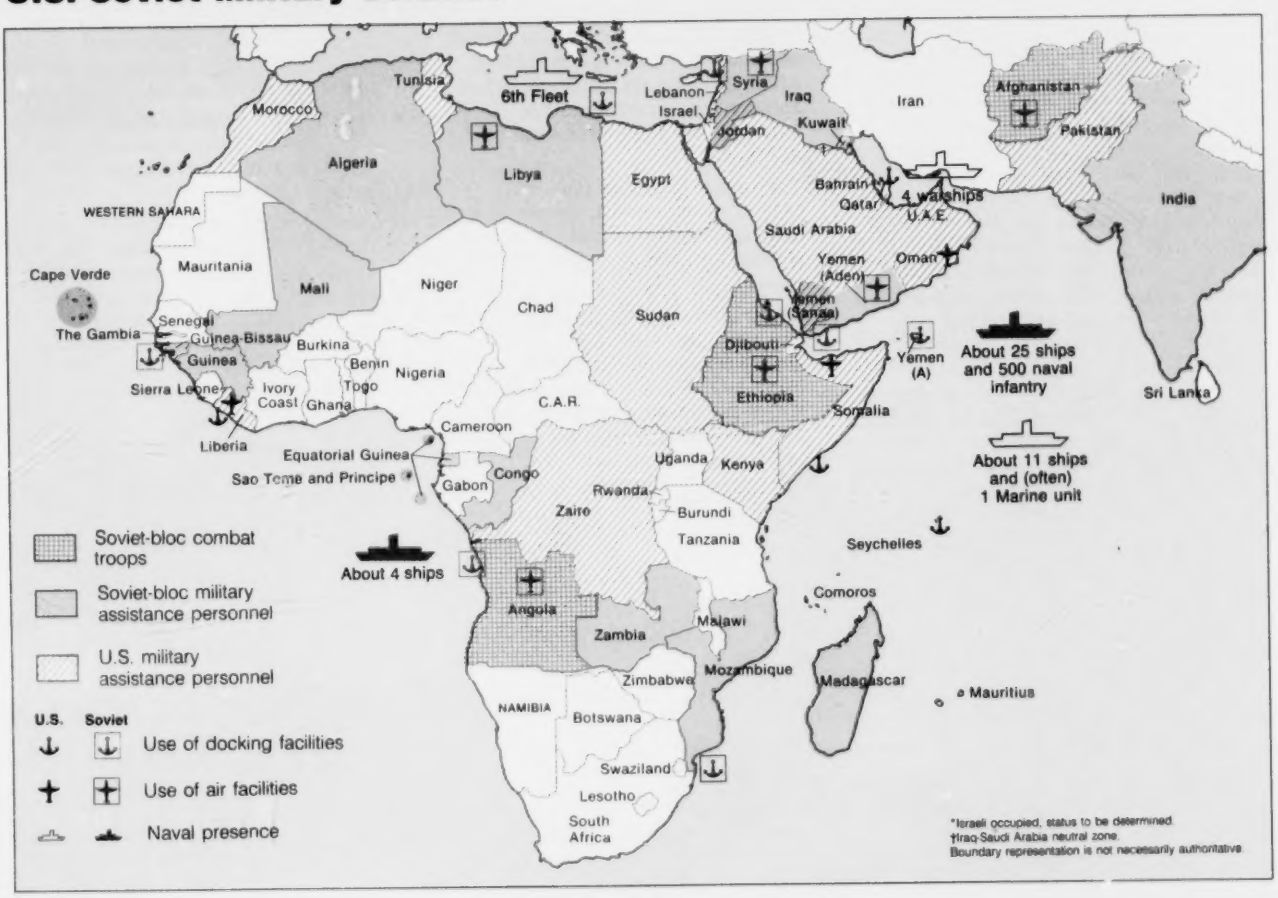
Elements of U.S. foreign policy toward Africa have shifted from time to time, depending on the outlook of various administrations, changing congressional attitudes, and circumstances on the continent itself. However, in the past two decades a broad outline of U.S. policy has emerged that contains the following components.

Maintenance of Mutually Satisfactory Bilateral Political Relations. U.S. interests are compatible with African aspirations, and the United States has made major contributions to African development and stability. A principal U.S. objective in Africa is to maintain a climate of understanding and cooperation while encouraging restraint on the part of outside powers so that African states can devise their own solutions and maintain their independence. An important goal is to develop more constructive relations with those few African countries with which the United States has significant problems.

Opposition to Soviet-bloc Adventurism. The United States has tried to keep Africa from becoming an area of East-West strategic competition and conflict. The Soviets have not been similarly restrained, however. Soviet military advisers and Soviet-supported Cuban troops decisively influenced the outcome of the internal contest for power in Angola. More than 37,000 Cuban soldiers remain in Angola and Ethiopia. This situation generates apprehensions in neighboring countries and contributes to a deterioration of regional stability. Libya, with great quantities of Soviet arms, has supported subversion in many African countries and now occupies part of Chad.

Security Cooperation. Although most African states would prefer to avoid involvement in global political and security issues, it is all but impossible for them to do so when their own

U.S.-Soviet Military Balance



security is affected. Thus it is in the interest of the United States and several African countries to cooperate in helping to ensure regional security. This cooperation may involve U.S. access to African strategic facilities, such as ports and airfields, to help maintain the free flow of oil and other vital goods through the nearby sea routes. It also may include U.S. military assistance, both materiel and training, to African forces. Such assistance remains, nevertheless, a small fraction of our total assistance, which is chiefly economic.

U.S. Support for Civil and Human Rights Throughout Africa. The U.S. Government supports the establishment, maintenance, and extension of full civil and human rights and the rule of law to all peoples throughout the African Continent. The United States has taken the lead in working for a negotiated settlement for independence in Namibia and is encouraging the progressive dismantling of the apartheid system in South Africa. The United States has adopted specific measures against governments responsible for violations of their own citizens' human rights, for example, Uganda, South Africa, the Central African Republic, and Equatorial Guinea. For the most part, however, the United States promotes human rights through private diplomacy, which usually achieves the most direct benefits for the people affected.

Resolution of African Conflicts. Conflicts between or within Africa offer undesirable opportunities for foreign interference that may imperil regional stability and destroy the climate of confidence necessary for economic development and international cooperation. Thus, it is in the interest of the United States and African nations to contribute to the peaceful resolution of disputes.

(Pete Souza, White House)

President Reagan with President Masire of Botswana.

(Cynthia Johnson, White House)

Vice President Bush with Kenyan President Arap Moi.

Economic Cooperation. U.S. policy maintains a twofold approach to the economic crisis in sub-Saharan Africa. The United States provides emergency humanitarian aid to those in urgent need, whether victims of the widespread drought or of violent conflict. To promote long-term development, the U.S. Government seeks to encourage efficient African economic policies and to establish programs—for example, in infrastructure, agriculture, health, and education—that provide the basis for sound economic growth. It also works to expand African and U.S. private-sector economic activities.

Policy Issues

The results of sub-Saharan Africa's first 20 years of independence have been mixed. Some of the former colonies have remained politically stable and have enjoyed economic growth rates above the global average. Among these are Kenya, Ivory Coast, Malawi, Botswana, and Cameroon. Others have experienced coups d'etat resulting in extended periods of military rule. Most African economies, however, have stagnated or declined, with growth rates now far behind the figures for population increase. Long civil wars and insurgencies have plagued some countries (Ethiopia, Chad) and others (Angola and Mozambique) still suffer from the traumatic passage to independence. Many nations have been devastated by natural catastrophes such as the widespread drought. All African nations—even the oil producers—still face a doubtful economic future caused not only by their own misguided policies but also by global inflation and uncertain oil and primary commodity markets. Clearly, the feeling of euphoria that seized Africans upon independence is past. Chastened by experience, sub-Saharan Africa today faces the future sobered by a realization that independence is only one step toward national well-being.

Throughout this turbulent era, the United States, like the African nations themselves, has been learning the realities of the region. Since African independence, the American Government has sought to offer access to scientific, technological, and educational experience and has helped to provide the financial assistance necessary to fund development programs. Although the United States had relatively little experience in Africa before the 1960s, the record of American policy has been largely positive. Africa as a whole has not fallen prey to communism, as some once feared it might. Soviet gains on the continent generally have proved to be transitory, and Soviet opportunities have depended on local turmoil generating a demand for Soviet arms.

Development and stability normally are the first priorities of every African state. African governments are well aware that expanded trade opportunities and development capital, public or private, will come only from the West. Africa has welcomed U.S. assistance, and the majority of African governments have confidence in the good will and intentions of the United States.

Politically, African nations generally have not adopted the Western multiparty democratic model. Only a minority meet U.S. criteria for democracy, and many do not respect the human rights of their citizenry to the degree that most Americans would find desirable. Yet African countries have not followed the Soviet example, despite the Marxist rhetoric of several states. Most are humane but authoritarian or one-party regimes seeking to devise their own formulas for nation-building and development.

Because African nations acutely feel their poverty and disadvantages in the global economy, they differ from the United States on many international economic issues. They also desire greater U.S. participation in commodity support agreements, whereas the United States believes that the free market usually should determine prices and influence supply and demand.

The United States has had a wide range of policy concerns regarding Africa. The following are the principal U.S. policy issues.

The Horn of Africa

The Horn of Africa is strategically located with respect to the Persian Gulf-Southwest Asia region. This northeastern tip, or "Horn," is comprised of Somalia, Ethiopia, and Djibouti. Key neighboring states are Kenya on the south and Sudan on the west. The area's importance has increased as the United States strengthens its ability to protect U.S. interests in the Indian Ocean in the wake of instability in the Middle East. The political-military situation in the Horn is complicated by internal and regional conflicts, instabilities, and tangled external alliances. Somali irredentist claims to neighboring territories inhabited by ethnic Somalis led to an undeclared Somali-Kenyan war in the late 1960s and then to a Somali invasion of Ethiopia's Ogaden region in 1977–78. This invasion was repulsed after massive infusions of Soviet aid and Cuban troops to Ethiopia. In return for their help, the Soviets have acquired naval and air facilities in Ethiopia. The Ethiopian Government also continues to rely primarily on military force to resolve long-festering internal unrest in other regions of the country, particularly the northern province of Eritrea.

A large Soviet-bloc presence, including Soviet advisers and some 7,000 Cuban combat troops, remains in Ethiopia. With large shipments of Soviet arms and a major expansion of its military forces, Ethiopia now has the largest standing army in sub-Saharan Africa. A tripartite pact concluded between Ethiopia, Libya, and South Yemen in August 1981 has been followed by terrorist and guerrilla attacks against Sudan and Somalia. In June 1982, Ethiopian regular troops, supporting a small number of Somali dissidents trained and armed in Ethiopia, attacked several points along the disputed Somali-Ethiopian border. Similar attacks against Somalia have occurred since then. At the end of 1985, Ethiopian forces continued to occupy two small areas of Somali territory. Ethiopia also has provided training safehavens and supplies for Sudanese rebels fighting in southern Sudan.

Over the past year the Horn has been devastated by serious drought and famine. More than 7 million people are affected by this disaster in Ethiopia alone. Many of them seek refuge in neighboring countries, particularly Sudan. The international community has responded generously to emergency needs in the region. The American public, through private contributions, has sent relief groups millions of dollars for food, medicine, and shelter. A major portion of the U.S. Government's aid to Africa is being sent to countries in the Horn, making the United States the largest single donor in the region.

The U.S. presence is not directed against any state in the region, nor do we wish to see any of these states forced to allocate additional resources to military purposes when the economic needs of their peoples are so great. However, African security is not served if Soviet arms, Cuban forces, and Libyan money are combined to destabilize legitimate governments in the Horn. The United States will respond to such threats against friends and legitimate U.S. interests in the region, as illustrated by emergency arms shipments to Somalia at the time of the Ethiopian incursions. At the same time, the U.S. Government works cooperatively for political resolution of the underlying tensions that have long troubled this region and for the improvement of the economic conditions and welfare of all its people.

The United States is pursuing specific policies to advance its overall objectives in the region.

- We provide substantial assistance to the states of the region (more than $300 million in economic assistance and more than $100 million in security assistance in FY 1985); emergency food assistance in FY 1985 exceeded $400 million.
- We have actively engaged with other major bilateral donor states and with the international financial institutions to promote more comprehensive programs to meet the economic problems facing Sudan, Somalia, Djibouti, and Kenya.

Copyright material has been deleted, not available for Microfiche Edition.

- We work diplomatically to encourage better relations among those countries in the region, such as Kenya and Somalia, with which we have close ties.
- We have made clear that we would welcome signs from Ethiopia that it, too, seeks a better structure of relationships in the region and an end to confrontational policies. We are the largest single donor to Ethiopian famine relief.
- We fully respect the sovereignty and territorial integrity of all regional states. We support the OAU position on the acceptance of postcolonial borders in Africa, as well as efforts to negotiate resolutions to specific regional conflicts.

Chad

A large, landlocked country in the center of Africa, Chad has often suffered from internal conflicts based on ethnic and religious differences—with factional leaders using private armies to compete for power—and, more recently, from Libyan aggression. Chad's long civil war began in 1965—just 5 years after its independence from France—with an uprising of northerners against the southern-led government. With the help of France, President Tombalbaye initially was able to repress the insurgency, but eventually the rebels gathered force. Gen. Felix Malloum, a southerner, led a successful coup d'etat in 1975; his government was broadened to include northerners in 1978. The northern Prime Minister, Hissein Habre, attempted a coup in February 1979 that led to fighting among 11 factions.

At this point, the civil war had become so intense that no effective government existed and external observers were obliged to intervene. A series of four international conferences, held first under Nigerian and then under OAU sponsorship, attempted to bring the 11 factions together. At the fourth conference, held in Lagos in August 1979, the Lagos accord was signed establishing a transitional government pending national elections. In November 1979, the National Union Transition Government (GUNT) was created with a mandate to govern for 18 months. Goukouni Oueddei, a northerner, was named President; Abdelkader Kamougue, a southerner, Vice President; and Hissein Habre, Defense Minister.

This coalition proved fragile; in March 1980 renewed fighting broke out between Goukouni's and Habre's forces.

The war dragged on inconclusively until Goukouni obtained the intervention of Libya, which sent more than 7,000 troops to Chad and defeated Habre's forces. These Libyan troops then became an occupation force in Chad. In October 1981, Goukouni responded to regional and international concern over Libya's announced goal of unification with Chad and requested the complete withdrawal of Libyan troops. They pulled back to the contested Aozou Strip in northern Chad, which the Libyans have occupied since 1973, and were replaced by a 3,500-man OAU peacekeeping force from Nigeria, Senegal, and Zaire. The United States gave strong diplomatic backing to the creation of this force and authorized $12 million for its support.

A special summit of the OAU Chad committee in February 1982 called for a process of reconciliation among all the factions, particularly Goukouni and Habre, who had resumed military activities in eastern Chad. Although Habre agreed to participate, Goukouni refused to negotiate. Defying the OAU February 1982 cease-fire, Goukouni ordered GUNT coalition forces to attack Habre. Habre's troops seized the Chadian capital on June 7, 1982. The OAU force remained neutral during the conflict. Habre then asked the peacekeeping force to stay in Chad to oversee the reconciliation process, but the force withdrew when its OAU mandate expired on June 30. Habre established a government emphasizing reconciliation and including representatives of all major Chadian ethnic and regional groups. Goukouni, former President and Vice President Kamougue, and a number of other factional leaders fled the country. In late 1982 they formed a Libyan-supported "government-in-exile" in the Aozou Strip to overthrow the Habre government.

In mid-1983, Libyan-supported rebels launched an offensive against President Habre. They were later supported by Libyan ground and air forces that forced Chadian Government troops to withdraw from Faya Largeau and other northern oases. The military situation stabilized following the introduction of French and Zairian forces. In September 1984, France and Libya announced their agreement to a mutual withdrawal of forces from Chad. All French troops were withdrawn by mid-November, but a substantial number of Libyans remained.

The United States is seriously concerned by the continued Libyan military occupation of northern Chad, which threatens destabilization not only in Chad but also in the entire region. The United States and the majority of the international community—including the United Nations, OAU, and Nonaligned Movement—recognize President Habre's government. In response to a Chadian Government request in mid-1983, President Reagan authorized emergency military assistance amounting to $25 million.

Under Habre's leadership, Chad has achieved a significant measure of unity and purpose despite Libyan aggression. The United States enjoys close ties with the Government of Chad, and we support peaceful efforts aimed at restoring the country's territorial integrity and sovereignty. U.S. policy supplements the lead role assumed by France in assisting the Government of Chad to thwart Libyan aggression and to pursue reconstruction and internal political reconciliation. In FY 1985, the U.S. Government provided substantial amounts of emergency food as well as economic and rehabilitation grant aid to Chad totaling about $55 million.

Southern Africa

The countries of southern Africa—comprising South Africa, Namibia, Botswana, Lesotho, Swaziland, Angola, Zimbabwe, Zambia, Malawi, and Mozambique—are closely interrelated through political, socioeconomic, and cultural ties. It is a region of great mineral wealth, containing several critical resources, and occupies a strategic position along the West's oil supply route. Unfortunately, it has become one of the continent's major areas of political crisis, a region characterized by confrontation, destabilization, and armed strife.

One issue that motivated and united many sub-Saharan countries in their quest for independence still exists in southern Africa: domination by a white minority. For black Africans, colonial and racial issues are critical, while many whites in southern Africa believe their position and even their very survival are threatened. In consequence, conflicts in southern Africa have been particularly bitter—the wars to end colonial rule in Angola and Mozambique, the struggle for independence and the end of white minority rule in Southern Rhodesia (Zimbabwe), and continuing efforts to end South Africa's apartheid system and its control over Namibia.

An atmosphere of polarization envelops the region, providing fertile ground for exploitation by the Soviet bloc. The activity of communist countries consists principally of supplying war materiel, troops, and military support personnel, which only exacerbates the situation. Capital, technology, investment, and trade—rather than military assistance—are the paramount needs of these countries, and they must look primarily to the West for this assistance.

African attention now focuses on two principal issues: terminating South Africa's system of apartheid and achieving independence for Namibia on the basis of UN Security Council Resolution 435. Efforts in Namibia by the South West Africa People's Organization (SWAPO) and in South Africa by the African National Congress (ANC) and the Pan-African Congress (PAC) to achieve these goals by armed struggle, including cross-border guerrilla attacks, have produced violent retaliatory responses from the South African Government. U.S. policy aims to end this cycle of violence, which contributes to instability throughout the region and decreases South Africa's willingness to negotiate.

U.S. Policy. Through frank dialogue and quiet diplomacy with all parties, the Reagan Administration has sought to develop an overall framework for regional security, to bring about the withdrawal of foreign troops from the region, to gain Namibian independence, to hasten positive change in South Africa, and to create an environment in which economic development can flourish. Our policy encourages the active involvement of the U.S. Government and

Copyright material has been deleted, not available for Microfiche Edition.

private citizens or groups with all contending parties in the region. Although the U.S. Government does not regard the situation in southern Africa as satisfactory, the reality is that we can play a substantive role in encouraging peaceful evolution only if we are involved in regional diplomacy and support positive change in South Africa.

This is a role for which the United States is uniquely suited. As leader of the free world, the United States has global interests that require it to be vitally concerned about peace and stability in southern Africa. As a society that has moved with justice and humanity to resolve its own racial problems, the United States has earned the confidence of many black African countries. Thus, the United States aims to help to build bridges of comprehension and confidence between the races in southern Africa that will enable the region to avoid chaos and maintain stability while the inevitable process of evolution takes place.

South Africa. The United States has maintained official relations with South Africa since the establishment of a consulate in Cape Town in 1799. The many ties between the two countries include a shared language and cultural heritage, military cooperation embracing two World Wars and Korea, and important trade and investment relations. Since 1948, however, when the Government of South Africa officially adopted its policy of apartheid, which legally separated the various racial groups, relations with the United States have been troubled.

Apartheid is incompatible with American values and has become increasingly intolerable as our international human rights policy has evolved. President Reagan has called apartheid repugnant, and Vice President Bush said in 1982: "Apartheid is wrong. It is legally entrenched racism—inimical to the fundamental ideals of the United States." Apartheid also is politically disastrous, since it fosters economic, military, and political instability both within South Africa and throughout the region. For both moral and practical political reasons, therefore, several U.S. administrations have sought to move the South African Government away from apartheid and toward a system of government based on participation and consent of all governed. However, although U.S. policy objectives have remained fundamentally the same, the methods for achieving them have differed.

The Reagan Administration inherited a relationship with South Africa that was at its lowest point in recent history. It was characterized by official hostility on both sides, confrontational rhetoric often appearing in public print, and severely strained diplomatic relations. More important, a total stalemate existed on the key issues of a settlement in Namibia and peaceful evolution away from apartheid in South Africa. By contrast, the current policy has worked to reestablish and maintain a relationship with South Africa that will allow effective bilateral communication and thereby enhance U.S. ability to influence South African policies and actions.

The principal issues plaguing southern Africa—apartheid, Namibia, regional security, and economic development—are closely related, and progress, or the lack of it, on one issue affects progress on the others. South Africa is the strongest power in the region, and its cooperation with other southern African nations is essential for progress on any issue. Without such cooperation, the elements within South Africa favoring a more militant policy are strengthened; the climate in South Africa for positive change or for cooperation in economic development worsens in the face of cross-border guerrilla attacks or increased violence in Namibia. At the same time, South Africa's neighbors are less able and willing to participate in constructive regional diplomacy when that government pursues an aggressive regional policy and when hopes fade for sustained reform away from apartheid.

To achieve lasting peace and economic development, the nations of the region must evolve ground rules for cooperation and coexistence. The United States serves as an important catalyst to bring the contending parties together and to reverse the deteriorating regional security situation. Progress has been achieved. We helped to arrange the February 1984 Lusaka accord under which South Africa agreed to withdraw its forces from Angola and the two nations established a Joint South African-Angolan Monitoring Commission to oversee the withdrawal. We also helped South Africa and Mozambique to negotiate the March 1984 nonaggression pact at Nkomati—further evidence of the increased willingness of various parties to resolve their differences through negotiation and to move away from the concept of armed struggle and destabilization.

The many restrictions on trade, travel, and financial assistance and on military, scientific, and nuclear cooperation demonstrate that the United States does not have a normal diplomatic relationship with South Africa. The United States maintains an arms embargo and enforces other restrictions on the sale of equipment to South Africa's military, police, and other agencies enforcing apartheid. However, we believe that progress in obtaining South African cooperation to solve the problems in southern Africa cannot be achieved by further punitive economic actions; these tactics have proved unsuccessful and even counterproductive in the past.

We believe that South African and U.S. interests are best served by encouraging sustained movement away from apartheid. The reforms underway in South Africa in recent years represent a beginning, but the most fundamental aspects of apartheid have not been addressed. We are concentrating on positive steps to support constructive change and those who work for it. With the cooperation of Congress, we have spent more than $10 million in FY 1985 to bring black South Africans to the United States for study; to train black trade unionists; to support the development and growth of small businesses in the black communities; and to support black education within South Africa. In addition, $1.5 million during a 2-year period has been allocated for specific human rights projects. These efforts supplement those of the U.S. business community, which, during the past 8 years, has spent more than $130 million on similar programs to assist the black majority. More than 70% of all black South African employees of U.S.-affiliated private companies in the country are covered by the Sullivan code of fair employment practices.

The United States has been encouraged by some recent evidence of movement away from apartheid in South Africa, including abolition of the Mixed Marriages and Immorality Acts; an end to the Political Interference Act, which prohibited racially integrated political parties; legalization of black labor unions; granting urban residency rights to more blacks; and increasing government spending for black education. In particular, we believe that the vote on November 2, 1983, on the new constitution—in which the white electorate indicated its support of change by a 2-1 margin—demonstrates the readiness of whites to move away from the discredited policy of apartheid. Although the new constitution is basically flawed because it grants only limited political rights to the country's colored and Asian populations and none to the black majority, we believe the vote itself indicates hope for future progress.

Unfortunately, as in the past, these encouraging signs have been accompanied by negative actions by the South African Government, such as the detention of opposition leaders on the eve of the August 1984 elections for the new tripartite Parliament and overreactions to black protests by police resulting in needless deaths, widespread detention, and actions against labor leaders.

Violence in South Africa's townships has been at a high level since the new constitution was inaugurated in 1984. Adding to black unrest have been school boycotts by students protesting inferior education; a nationwide recession, with skyrocketing black unemployment and galloping inflation; imposition of increased rents for black housing by township councils; and killings, bannings, police brutality, and the detention of black leaders, some of whom were later charged with treason. In July 1985, the South African Government declared a state of emergency in 36 magisterial districts to stem this violence. It subsequently announced its willingness to consider changes in laws covering influx control, the pass laws, and citizenship for blacks. If enacted, these reforms would constitute major changes away from apartheid and would continue the liberalization process. However, the government has yet to clarify its intentions or take concrete actions.

Even with these changes, major grievances would remain. There have been official hints and "trial balloons,"

but no significant change has occurred in the "homelands" policy under which blacks are deprived of South African citizenship and relegated to impoverished "homeland" enclaves that have little, if any, potential for independent economic or political viability. It is also unclear whether the central issue—political rights for blacks—will be resolved to the satisfaction of the government and its opponents. Although the government has indicated its willingness to negotiate this issue, many black leaders are skeptical about its sincerity.

As the pace of change increases, so do expectations for further modification, as well as resistance from substantial elements of the white minority. We believe in encouraging the reforms now underway and concentrating on positive steps that back constructive change and those working to achieve it. In doing this, one must keep in mind that the influence of outside powers on the course of events in South Africa is limited; however, it does exist and, when used judiciously, can be successful.

To indicate America's displeasure with the continued high level of violence and the slow pace of reform in South Africa, President Reagan announced in September 1985 further restrictions on U.S. ties with the South African Government. This followed nearly 5 years of consistent, forceful criticism by the President, the Vice President, and the Secretary of State of South Africa's human rights record and growing demands in the United States from Congress and the American public for stronger measures to bring about change in South Africa. The President carefully tailored his actions to avoid punitive measures that would disrupt the country's economy and hurt those South Africans disadvantaged by apartheid and instead focused his actions on the apparatus that enforces apartheid.

The new measures—very similar to those in proposed congressional legislation that had been approved by the House of Representatives, except that they did not contain a ban on new investment—included restrictions on nuclear and computer sales and on bank loans to the South African Government a ban on arms imports from South Africa, a ban on importing Krugerrands, and a requirement that U.S. firms doing business in South Africa adhere to the Sullivan principles or forfeit marketing assistance from the U.S. Government anywhere in the world. The new measures also provided for more official U.S. assistance to black education, black entrepreneurs, black trade unions, and human rights and legal assistance programs.

Sullivan Principles

In 1977 Rev. Leon Sullivan—a Baptist minister in Philadelphia and General Motors Corp. director—formulated a set of principles for fair employment practices in South Africa. He encouraged U.S. companies with investments in South Africa to implement these principles in their South African facilities and thus break down the apartheid regulations which allow discrimination against nonwhite employees. These principles are:

- Nonsegregation of the races in all eating, comfort, and work facilities;
- Equal and fair employment practices for all employees;
- Equal pay for all employees doing equal or comparable work for the same period of time;
- Initiation and development of training programs that will prepare blacks, coloreds, and Asians in substantial numbers for supervisory, administrative, clerical, and technical jobs;
- Increasing the number of blacks, coloreds, and Asians in management and supervisory positions; and
- Improving the quality of employees' lives outside the work environment in such areas as housing, transportation, schooling, recreation, and health facilities.

Namibia. Following World War I, South Africa was given a League of Nations mandate to administer the former German colony of South West Africa (Namibia) until it was ready for independence. After World War II, South Africa, which had treated Namibia as an integral part of its national territory, refused to place it under a UN trusteeship and continued to administer it under South African law, including the apartheid system. In 1966 the UN General Assembly revoked South Africa's mandate, and in 1971 the International Court of Justice stated that South Africa was obligated to terminate immediately its administration of Namibia.

Confronted with a growing insurgency by the South West Africa People's Organization and worldwide disapproval of its refusal to abide by the Court's ruling, South Africa sought to establish an ethnically based structure of self-government in Namibia. In reality, South Africa retained control of the country, and African states and the international community rejected the arrangement as a basis for Namibian independence. In 1977 five Western members of the UN Security Council (the Contact Group—Canada, the Federal Republic of Germany, France, the United Kingdom, and the United States) began an effort to negotiate a solution to the potentially explosive polarization of the region and thereby reduce the possibility for outside exploitation. This Western Contact Group formulated a plan approved in 1978 as UN Security Council Resolution 435 that was provisionally accepted by South Africa, SWAPO, and Namibia's black African neighbors—the front-line states of Angola, Botswana, Mozambique, Tanzania, Zambia, and Zimbabwe.

Under the UN plan, a UN Transitional Assistance Group with civilian and military components would be established in Namibia during the transitional period leading to independence. South African troops would be restricted to base and gradually withdrawn. A constituent assembly would be elected to develop a constitution. Following the election, South African military withdrawal would be completed. After the conclusion of the constituent assembly, independence would be proclaimed.

Although South Africa initially agreed to these principles, it broke off negotiations at Geneva in January 1981. The South African Government seemed to realize the inevitability of Namibian independence but feared that the territory's white and other minorities

would be given insufficient opportunity to express their political wills in a fair constitutional process and that any preindependence agreement to protect them would be abandoned afterward.

Recognizing that Namibian independence was impossible without South Africa's cooperation, the Reagan Administration sought early in its first term to revive the Contact Group initiative, this time on a basis that addressed South African concerns more directly. In September 1981, a new, phased plan for the implementation of Security Council Resolution 435 contained features designed to satisfy all parties, including the following elements:

- Agreement on "constitutional principles" to guide the constitution's drafters and to ensure that the interests of all Namibians were protected;
- Agreement on the composition, size, and operation of the UN Transitional Assistance Group; on the disposition of all troops during the transition period; and on measures relating to UN impartiality; and
- Initiation of the transition procedure in Resolution 435.

Since 1981, the United States and its contact group partners have:

- Obtained South Africa's recommitment to arrangements for bringing about Namibian independence through adherence to Resolution 435—the only internationally acceptable basis for a solution;
- Obtained the agreement of SWAPO, the United Nations, and the concerned neighboring African states to the arrangements negotiated with South Africa; and
- Rejected South Africa's temptation to seek its own "internal" settlement in Namibia, which would have guaranteed many more years of regional turmoil. We consider the South African Government's 1985 action in establishing an interim government for Namibia to be null and void and without standing. It has no significant bearing on our policy, and we have made our position quite clear to the South Africans.

The presence of about 30,000 Cuban combat troops in Angola continues to complicate negotiations over Namibia and contribute to regional instability. Although the removal of these troops is not a requirement of the Namibian independence process under Resolution 435, South Africa has made clear its readiness to proceed only in the context of a parallel commitment to resolve the issue of Cuban troop withdrawal. We believe that this issue must be dealt with as a practical necessity to obtain a durable settlement acceptable to all parties.

Acceptance by South Africa and Angola of a timetable for Cuban troop withdrawal is thus the one remaining issue to be resolved in order to proceed with implementation of the resolution. U.S. diplomacy is actively involved in working out details, based on the Angolan Government's October 1984 agreement to accept Cuban troop withdrawal in the same context as the Namibian settlement. Although much hard work remains, the parties are negotiating, and the United States has been accepted as a mediator. We believe that resolving this issue will have an important impact on southern African security and make a Namibian settlement possible. If we succeed, Africa's last colony will achieve statehood. This, in turn, will help to foster a regional climate conducive to constructive change away from apartheid in South Africa.

In July 1985, the U.S. Congress repealed the Clark amendment which prohibited U.S. aid to antigovernment forces in Angola. Measures subsequently were introduced in Congress to provide humanitarian and military assistance to the antigovernment forces of the National Union for the Total Independence of Angola (UNITA), headed by Dr. Jonas Savimbi. UNITA fought for Angola's independence from Portugal alongside the Popular Movement for the Liberation of Angola, which governs Angola today. The United States views UNITA as a legitimate nationalist organization and supports its struggle against Soviet/Cuban adventurism in Angola. Although the Administration opposes legislatively mandated aid to UNITA, it announced that it would work with the Congress to find effective ways to demonstrate support in a manner consistent with overall U.S. goals in the region.

Mozambique. Mozambique attained its independence on June 25, 1975, after more than 470 years of Portuguese influence and colonial rule. The transition was the culmination of at least a decade of fighting, led principally by the Revolutionary Front for the Liberation of Mozambique (FRELIMO). It was marked by dramatic internal change and upheaval. A one-party socialist state, with close ties to the Soviet bloc, was installed, and some 180,000 out of 200,000 Portuguese settlers, seeing their privileged position undermined, abandoned the country and fled to South Africa, Rhodesia (now Zimbabwe), or back to Portugal. At the same time, more than 60,000 Mozambican refugees who had fled their country returned to Mozambique.

Newly independent Mozambique soon became increasingly involved in the Zimbabwean conflict. It pledged training and transit facilities as well as logistical support to Zimbabwean guerrillas fighting the Rhodesian regime. Rhodesian forces launched retaliatory and preemptive cross-border raids and a de facto state of war existed between the two countries. As part of the war effort, the antigovernment Mozambique Resistance Movement (MRM), later known as MNR or RENAMO, was created with Rhodesian, South African, and ex-Portuguese settler backing.

Postindependence Mozambique's new political, economic, and social policies, coupled with the impact of the continuing Rhodesian conflict and punitive measures taken by South Africa, had a devastating effect on the economy. In 1976, the cost to Mozambique of implementing sanctions against the Rhodesian regime was $165 million, and 10,000 people lost their jobs. Trade between Mozambique and South Africa, amounting to 6.8 million tons in 1973, dwindled to 1.1 million tons by 1981. In 1975, some 118,000 Mozambicans working in South Africa remitted most of their

earnings in gold; by 1977 the number had been reduced to fewer than 45,000, and in 1978 South Africa withdrew its fixed-price gold remittances. By 1983, Mozambique's trade deficit stood at $500 million, and its external debt to noncommunist countries at $1.4 billion. Perhaps most significant, when 90% of the Portuguese settlers precipitously abandoned the country after independence, Mozambique found itself bereft of private capital and both skilled and managerial services.

Following the end of the Rhodesian conflict and the establishment of the new nation of Zimbabwe in April 1980, support for RENAMO was taken over almost entirely by South Africa, which used the organization as a destabilizing force to further its own national interests. Power lines and road and rail bridges were cut, the oil pipeline running into Zimbabwe was sabotaged, and terrorist attacks were made against civilians, including foreign nationals. By 1982 RENAMO was operating in 7 out of Mozambique's 10 provinces, and by 1984 its impact was being felt on the outskirts of Maputo. Meanwhile, South African military forces launched direct, cross-border raids against African National Congress installations in Mozambique in response to actual or potential guerrilla attacks inside South Africa.

To offset the threat first from Rhodesia and later from RENAMO and South Africa, Mozambique sought and received Soviet aid. Following the signing of a Treaty of Friendship in 1977, the Soviets sent advisers and materiel to help Mozambique strengthen its position against an increasingly aggressive Rhodesia. By 1981, an estimated 550 Soviet and East European and 1,000 Cuban military advisers were attached to the Mozambican Army. East Germany virtually controlled the country's security forces, and a plethora of economic projects brought nearly 2,000 Soviet and East German technicians to Maputo and the countryside.

In the early 1980s, when South Africa took over the support of RENAMO, the Soviets increased their military involvement, providing helicopter gunships, advanced surface-to-air missiles, tanks and armored vehicles, artillery, small arms, and ammunition. Soviet naval ships visited Maputo, a number of high-level military exchanges took place, President Machel visited Moscow, and Soviet declarations of military support were made. However, despite the rhetorical and military backing, Soviet training, tactics, and armaments often were of poor quality and proved inadequate to the prosecution of the counterinsurgency war. Mozambique's disappointment with Soviet assistance was heightened by Moscow's refusal to support President Machel's request in late 1980 for association with the Council for Mutual Economic Assistance (the Warsaw Pact's economic community).

It is against this background of military threat from inside and outside, economic collapse, and inadequate support from their Soviet-bloc friends that Mozambique, in 1981 and 1982, began to signal an interest in improved relations with the West. It turned first to Portugal, which welcomed the approach, and in 1982 the United States received clear indications that President Machel wanted improved relations and hoped the United States could help to moderate the ever-increasing military threat from South Africa.

The United States grasped the offer to end the freeze in relations. They had reached a particularly low point in 1981 when Mozambique expelled four members of the U.S. Embassy on charges of spying, and the new Reagan Administration responded by halting the appointment of a new ambassador to Maputo and suspending food shipments. For some time the United States had been disturbed by the growing instability in southern Africa and South Africa's increasingly militant posture. It saw the approach from Mozambique as an opportunity to ameliorate the security situation in the area and to encourage Mozambique to move away from the Soviet and toward the Western camp. These developments paved the way for the March 1984 nonagression pact between South Africa and Mozambique, known as the Nkomati accord. Although the United States has not claimed credit for Nkomati, it is no secret that it helped to bring the two sides together.

If it succeeds, the Nkomati accord, in addition to its specific security provisions and international political implications, could restore the strong pre-1975 economic links between Mozambique and South Africa and, thereby, contribute significantly to economic growth in Mozambique. Under the terms of the accord, each side agreed "not to allow its territory to be used for acts of war, aggression, or violence against the other state." This meant that Mozambique would no longer allow ANC guerrillas to use its territory and that South Africa would expel and end its support for RENAMO. Whether the accord succeeds depends on a variety of factors, not the least of which are South Africa's own internal security situation, Soviet interest in the area, South Africa's ability to exercise control over RENAMO, Mozambique's ability to rebuild its economy, and the degree of interest and involvement by neighbors and outside supporters in Mozambique and RENAMO.

Certainly, current closer relations with the West will help. By the end of 1984, Mozambique finally subscribed to the Lome Convention, which opens the door for Common Market aid, and signed a modified Berlin clause, which permits West German assistance. Mozambique has joined the World Bank and International Monetary Fund, which are preparing to make loans and provide technical assistance to the country. American aid also has increased, particularly for emergency relief efforts in connection with the devastating drought that has embraced much of the country for the past several years. In 1985, U.S. program aid to Mozambique amounted to $15 million; emergency food aid totaled $45.8 million. Meanwhile, Soviet-bloc assistance, both military and other, has tended to remain level.

On the other side of the coin, post-Nkomati developments have shown that there are limits to the South African Government's influence over RENAMO. In January 1985, South Africa's President Botha admitted that "elements inside South Africa" were still helping RENAMO, and, in September 1985, documents captured by Mozambique Government forces revealed continuing South African assistance and contacts.

Certainly, South Africa's willingness to improve relations with Mozambique is affected by conditions within South Africa. When relative calm prevails internally, efforts for improved relations receive more support than at present or during the recent past, when conditions are unstable. Perhaps most important, RENAMO's leadership undoubtedly has objectives that are not always in harmony with those of South Africa and may, in fact, run counter to them, depending on current political considerations.

In any event, although the United States remains concerned that fighting between Mozambican forces and RENAMO has not ceased, there is satisfaction to be gained from increased interest in Mozambique during the past 2–3 years on the part of Western governments and businessmen. Italian assistance, for example, has become sizable, and South Africans are once again exploring business opportunities in Maputo. This appears to be a direct result of Mozambique's willingness to move toward a more neutral position vis-a-vis the West, a move confirmed by the successful visit by President Machel to the United States in September 1985.

Zimbabwe. The United States was actively involved with the British Government in achieving a settlement of the Rhodesian war and in establishing the new nation of Zimbabwe, which became independent on April 18, 1980. Since then, Zimbabwe has sought to improve its domestic and international credibility by balancing the need for change with that of building confidence in its government. The democratic institutions established by the 1980 constitution continue to operate, and parliamentary elections, generally peaceful and fair, were held in June-July 1985.

Zimbabwe inherited a strong and diversified economy with a significant private sector. Although affected by world recession, drought, and socialist rhetoric (which has discouraged new foreign investment), the government of Prime Minister Mugabe holds a respect for market principles and international economic realities. If peace and sound economic policies are maintained, Zimbabwe has the potential to help spark development in central and southern Africa. A healthy and stable Zimbabwe also could provide a positive example for the entire region and enhance chances for stability in this troubled area.

Zimbabwe remains strongly opposed to South Africa's apartheid policy but has not allowed its territory to be used to launch guerrilla attacks against its neighbor. It has accepted responsibility for building peace in the area and approves of its neighbors' efforts to resolve their differences. Zimbabwe maintains official contacts—but not diplomatic representation—with South Africa and has worked for effective coexistence.

The United States contributes substantially to Zimbabwe's economic growth and is, in fact, its largest aid donor. U.S. economic aid since independence totals more than $300 million.

Foreign Assistance and Economic Relations

The U.S. and African governments recognize that an inseparable relationship exists between economics and politics and that the United States and the West are uniquely qualified to respond to Africa's needs. The African nations' principal goal is development, and the United States cooperates with them in their efforts not only because their economic well-being is important to us in human terms but also because it is directly related to African security. In turn, African security and political stability are important to our foreign policy because they affect U.S. national interests. The economic crisis in Africa threatens most of our policy goals, including the search for peace in southern Africa.

In response to the economic crisis and human tragedy in Africa, the United States is providing unprecedented levels of assistance. We are attempting to alleviate the immediate needs of millions of starving people as well as to promote long-term solutions to Africa's economic problems. We are providing assistance through international organizations and bilateral programs and helping private voluntary groups in their efforts to deliver food and other necessities of life. We are now furnishing more than half of all emergency food reaching African famine victims. The United States has not allowed political differences with any government to weaken its determination to provide assistance to those in need. Indeed, we are the largest donor to Ethiopia, a country whose government has been openly hostile to us for several years.

Emergency Famine Assistance

On July 10, 1984, President Reagan announced a major initiative to respond more quickly and effectively to the food needs of the people of Africa and others suffering from hunger and malnutrition. This five-point program includes:

- Prepositioning grain in selected Third World areas;
- Creating a special $50 million presidential fund to allow a more flexible U.S. response to food emergencies;
- Financing or paying ocean and inland transportation costs associated with U.S. food aid in special emergency cases;
- Creating a government task force to provide better forecasts of food shortages and needs; and
- Establishing an advisory group of business leaders to share information on Third World hunger and food production.

The President also announced a comprehensive African Hunger Relief Initiative on January 3, 1985, directing the U.S. Government to provide more than

1.5 million metric tons of emergency food during FY 1985—three times the record amount from the previous year. In FY 1984, the U.S. Government provided $200 million of emergency assistance—including more than 500,000 metric tons of emergency food aid as well as medicine and transport assistance—to 26 African countries. Total food aid to Africa amounted to more than 1.4 million metric tons in FY 1984.

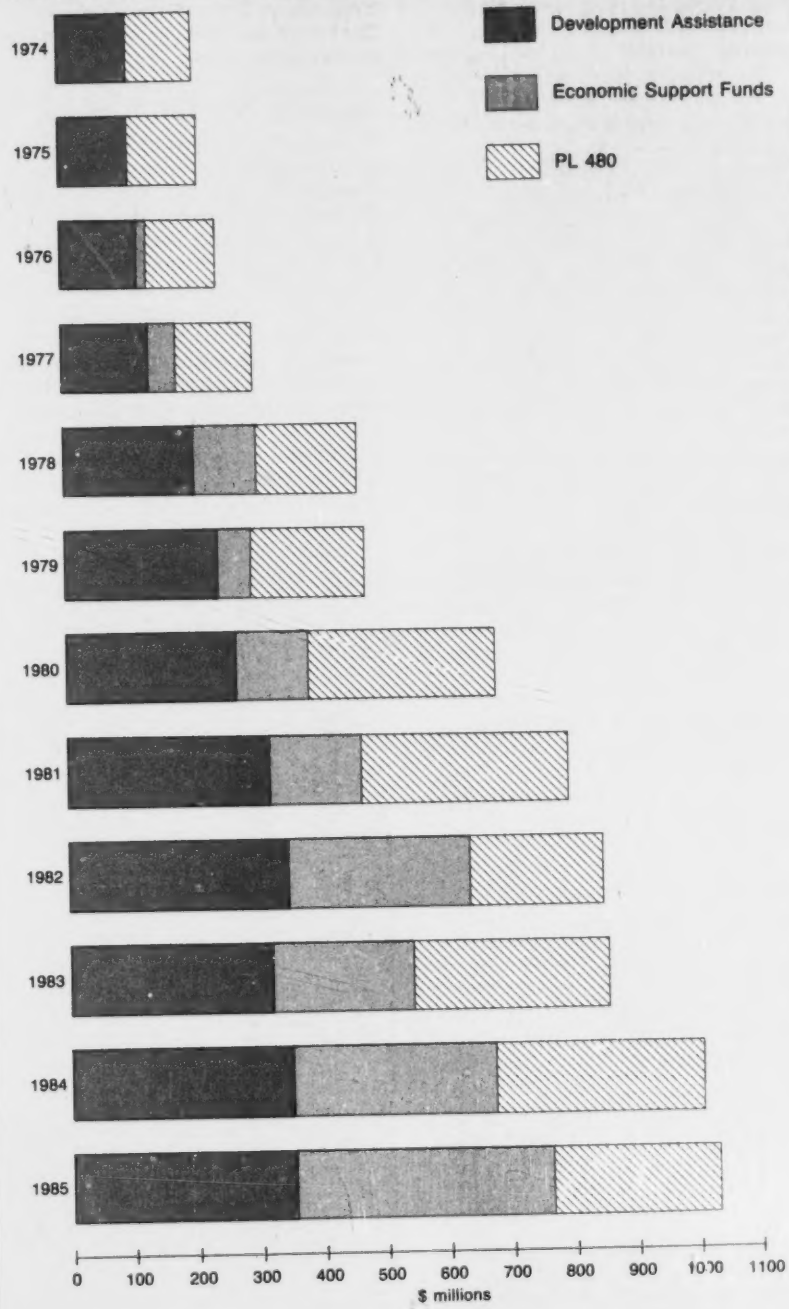
In FY 1985, the U.S. Government delivered 1.8 million metric tons of emergency food assistance to Africa at a cost of $770 million. When added to our regular PL-480 program, we provided African countries with more than 3 million metric tons of food grown in America at a delivered cost of $1.1 billion. Another $109 million of nonfood assistance was provided during the same period. Our entire assistance program in FY 1985—including both regular and emergency assistance—totaled a record $1.9 billion, with almost one-half provided in response to the extraordinary famine conditions that existed on the continent.

U.S. commitment and concern were further highlighted by Vice President Bush during his visit to Sudan, Niger, and Mali in March 1985, his second trip to Africa since he took office in 1981. In order to draw attention to the widespread nature of the drought emergency, the Vice President completed his trip by representing the United States at a special UN conference on the crisis held in Geneva. His message to the international community was that, in spite of all that had been done, more help was needed—needed from all those with the means to assist and needed immediately.

Long-term Assistance

Because the roots of the economic crisis are so deep, the solution will necessarily require resources, time, and commitment. The U.S. Government provided $1.1 billion in regular assistance to sub-Saharan Africa in FY 1985, over five times that provided in FY 1974.

U.S. Economic Assistance to Sub-Saharan Africa, FY 1974–85[1]



[1]Does not include refugee and emergency famine assistance which in FY 1985 amounted to $879 million.

The four major "pillars" of our assistance strategy are: policy reform, strengthening the indigenous private sector, institution-building, and technology transfer.

Our economic policy reform programs seek to create incentives for growth and to enable African farmers as well as businessmen to play a more dynamic role. At the same time, these programs help to develop the technologies, institutions, and human capital required for sustained growth. We have placed increased emphasis on promoting private sector activity in Africa and using private rather than public sector channels to deliver our aid resources to Africa. We are supporting agricultural pricing and marketing reforms, privatization of parastatals, and increased farmer productivity through investments designed to improve technologies, access to markets, productive infrastructure, and the supply of fertilizer and other agricultural inputs.

In FY 1985, the United States launched the African Economic Policy Reform Program, which provides additional and more flexible assistance to African countries undertaking critical policy reforms. In the first year, programs totaling $75 million were developed for Malawi, Mauritius, Mali, Rwanda, and Zambia. Although these programs are still in their initial stages, they already have served as a catalyst for action on the part of donors and the World Bank and moved the reform process more quickly and broadly than would have been the case without our presence.

The policy reform program is a precursor of, and gave impetus to, the creation of a similar World Bank program, the Special African Facility—which, together with bilateral funds available for cofinancing, will have about $1.2 billion to finance policy reform programs in Africa. We have been coordinating our policy reform efforts with the World Bank and, as the Bank's Facility enters an operational phase, it will provide stronger opportunities for cooperation.

"Food for Progress," another policy reform initiative, was announced by President Reagan in January 1985. This would provide food assistance on a multiyear basis to countries desiring to undertake policy reforms in the agricultural sector. The necessary legislative framework and funding for this program are being developed.

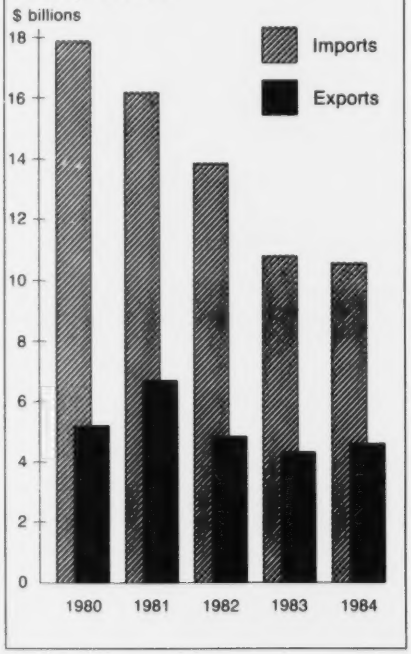
Support for International Efforts

Although the United States has an influential role in mobilizing an effective response to Africa's economic problems, the task is not solely a U.S. responsibility and, in fact, is far too great for the United States to attempt alone. The crisis in Africa touches upon the welfare of the entire world and requires a sustained and coordinated international effort to promote long-term development.

The U.S. Government has intensified efforts to work with other donors and multilateral institutions to encourage African governments to implement policy reforms that will promote growth and development. Through international organizations and U.S. bilateral and regional programs, the United States is supporting agricultural development projects, land reclamation, and other programs to develop agricultural land and to train farmers in soil conservation techniques. The United States particularly supports the critical role of the International Monetary Fund in providing assistance for stabilizing African economies and of the World Bank in promoting economic development.

In the long run, however, primary responsibility must rest with the African nations themselves, whose actions and policies will largely determine how much progress toward long-term development is possible.

U.S. Trade With Sub-Saharan Africa, 1980–84



Trade and Investment

Only a few years ago, many African regimes were either hostile or indifferent to foreign private enterprise. Today, even countries with a Marxist orientation are increasingly eager for trade and investment relations with the West. African leaders are attracted by the fact that American businesses have great expertise in fields important to economic development, such as agribusiness. They also recognize that U.S. private enterprise can provide much of the technical and managerial expertise required to promote economic growth, job creation, and improved standards of living.

However, between 1980 and 1984, sub-Saharan Africa's percentage of total U.S. private direct investment abroad remained constant at 2%—the level prevailing for the past 20 years. During 1980–84, the U.S. trade deficit with the region decreased by about one-half. Besides economic problems, other factors hinder the growth of U.S. business and trade activities in Africa. Despite growing African interest in trade and investment, the investment climate in many countries remains uncertain. Furthermore, many American businesses are indifferent to African markets or assume that opportunities are monopolized by former colonial powers.

The Departments of State and Commerce, the Export-Import Bank, and the Overseas Private Investment Corporation seek to familiarize U.S. businesses with the problems of and opportunities for doing business in Africa, as well as with the available support services. The U.S. Government also encourages U.S. trade and investment abroad through tax and other incentives. At all U.S. Embassies, assisting U.S. businesses is a top priority. The Commerce Department's Foreign Commercial Service is represented in major African commercial centers, including Abidjan, Johannesburg, Lagos, and Nairobi. And the Agency for International Development works to enhance the role of the African private sector in development activities and to build institutions that will promote foreign and domestic business growth.

Appendix

Basic Data Tables

Data presented in the following tables have been assembled by the Bureau of African Affairs, Department of State, to illustrate the diversity and complexity of sub-Saharan Africa. Profiles include selected information on the governments, people, geography, and economy of the 46 independent countries south of the Sahara. Data vary in accuracy and recency, depending on method of collection as well as economic and political considerations. Culled from a variety of sources, the data should not be regarded as definitive or finite and should not be used for accurate country comparisons. They are intended to provide a few basic facts for each country and an order of magnitude by which to gauge demographic changes and economic development.

Dogon rock paintings, Mali. (Eliot Elisofon Archives, Museum of African Art)

Sub-Saharan Africa[1] (Numbered footnotes on p. 25)

Country			Population[3]			Culture			Education		Labor Force		
Familiar Name Official Name *(Earlier Name)*[2]	Capital	Total Sq. Mi.	Est. Total 1985 (mil)	Est. Growth Rate 1984–85 (%)	Life Expectancy (yrs)	Ethnic Groups (%)	Religion (%)	Language	Literacy (%)	Primary Students (% of age group	Total (mil)	% in Agr.	% in Other*
Angola People's Republic of Angola *(Angola)*	Luanda	481,351	8.0	2.7	38	Ovimbundu (38) Kimbundu (23) Bakongo (13) Other (26)	Christian (88) Indigenous (12)	Portuguese Local	20	NA	1.9	60	40
Benin The People's Republic of Benin *(Dahomey)*	Porto-Novo	43,483	4.0	3.1	41	Fons Adjas Baribas Yoruba European	Indigenous (70) Christian (15) Muslim (15)	French Local	20	43	1.5	70	30
Botswana Republic of Botswana *(Bechuanaland)*	Gaborone	220,000	1.1	3.3	50	Tswana (94) Bushmen (5) White (1)	Indigenous (85) Christian (15)	English Setswana	30	93	0.4	75	25
Burkina Burkina Faso *(Upper Volta)*	Ouagadougou	106,000	6.9	2.5	42	Mande Fulani Lobi Gurunsi Mossi Senufo Bobo	Indigenous (65) Muslim (25) Christian (10)	French Local	5	8	2.7	83	17
Burundi Republic of Burundi	Bujumbura	10,747	4.8	2.6	42	Hutu (85) Tutsi (14) Twa (1)	Christian (67) Indigenous (32) Muslim (1)	Kirundi French Swahili	25	29	1.9	93	7
Cameroon United Republic of Cameroon *(French and British Cameroons)*	Yaounde	183,568	9.8	2.7	47	200 groups	Indigenous (55) Christian (30) Muslim (15)	English French Local	65	70	3.0	83	17
Cape Verde Republic of Cape Verde *(Cape Verde Islands)*	Praia	1,557	0.3	2.0	61	Creole (71) African (28) European (1)	Catholic (65) Indigenous (35)	Portuguese Crioulo	37	NA	0.1	NA	NA
Central African Republic Central African Republic *(Central African Empire; Ubangi-Shari)*	Bangui	247,000	2.7	2.8	41	Baya (34) Banda (28) Sara (10) Mandjia (9) Mboum (9) M'Baka (7) European (3)	Christian (50) Indigenous (40) Muslim (10)	French Sangho	20	64	1.3	88	12
Chad Republic of Chad	N'Djamena	496,000	5.3	2.5	39	200 groups	Muslim Christian Indigenous	French Chadian-Arabic	20	37	2.0	85	15
Comoros Comoros Federal Islamic Republic *(Comoros Islands)*	Moroni	863	0.5	2.9	47	Antalote Cafre Makao Other	Muslim (86) Christian (14)	Shaafi-Islam Malagasy French	15	50	0.2	87	13

*Industry, Services, Commerce, and Government

Gross Domestic Product						Imports		Exports			Est. US Econ. Assistance FY 1985 ($ mil)		Government		Country
Annual ($ bil)	Growth Rate (%)	Per Capita ($)	% From Agr.	% From Ind.	% From Other†	Total ($ mil)	From US 1984 ($ mil)	Total ($ mil)	To US 1984 ($ mil)	Leading Exports		Date of Independence	Type	Chief of State and/or Head of Government	Familiar Name
4.2	0	550	29	27	44	1500	103	1600	1010	Oil Coffee Diamonds Iron	1.9	11/11/75	People's Republic	Pres. Jose E. Dos Santos	**Angola**
1.1	-4.2	310	35	16	49	590	13	304	0.3	Palm Products Cotton Peanuts	0.8	8/1/60	Military (Revolutionary Republic)	Pres. (Col.) M. Kerekou	**Benin**
0.7	0	750	11	1	88	740	19	640	57	Diamonds Copper Nickel Beef	11.4	9/30/66	Republic	Pres. Dr. Quett K. J. Masire	**Botswana**
0.9	-1.3	157	35	20	45	230	21	110	0.1	Livestock Peanuts Shea Butter Cotton	15.6	8/5/60	Military Government	Pres. (Capt.) T. Sankara	**Burkina**
1.2	3	255	51	15	34	198	9	79	2	Coffee Tea Cotton Hides	6.0	7/1/62	Republic	Pres. (Col.) J.B. Bagaza	**Burundi**
6.7	5	734	30	9	61	1100	66	1904	721	Crude Oil Cocoa Coffee Timber Aluminum	20.5	1/1/60	Republic	Pres. P. Biya	**Cameroon**
0.1	0	353	NA	NA	NA	68	NA[4]	2	NA[4]	Fish Bananas Salt	2.1	7/5/75	Republic	Pres. A. Pereira	**Cape Verde**
0.6	-2.3	273	35	8	57	137	1	114	3	Diamonds Cotton Timber Coffee	2.0	8/13/60	Republic	Pres. (Gen.) A. Kolingba	**Central African Republic**
0.5	0.6	110	52	14	34	122	16	65	0.1	Cotton Livestock	18.5	8/11/60	Republic	Pres. H. Habre	**Chad**
0.1	-1.0	240	40	34	26	19	0.5	18	2	Oils Vanilla Copra Cloves	0.4	7/6/75	Republic	Pres. Ahmed Abdullah Abderemane	**Comoros**

†Services, Commerce, Mining, and Trade

Country			Population[3]			Culture			Education		Labor Force		
Familiar Name Official Name *(Earlier Name)*[2]	Capital	Total Sq. Mi.	Est. Total 1985 (mil)	Est. Growth Rate 1984–85 (%)	Life Expect-ancy (yrs)	Ethnic Groups (%)	Religion (%)	Language	Lit-eracy (%)	Primary Students (% of age group	Total (mil)	% in Agr.	% in Other*
Congo People's Republic of the Congo *(French Congo)*	Brazzaville	132,000	1.8	3	47	Bakongo Sangha Bateke M'Bochi European	Indigenous (51) Christian (47) Muslim (2)	French Lingala Kikongo	50	90+	0.7	75	25
Djibouti The Republic of Djibouti *(French Territory of Afars and Issas)*	Djibouti	9,000	0.3	2.6	50	Somalis (Issas) Afars French Arab	Muslim (94) Christian (6)	French Somali Afar Arabic	20	NA	0.1	NA	NA
Equatorial Guinea Republic of Equatorial Guinea *(Equatorial Guinea and Spanish Guinea)*	Malabo	10,820	0.3	2.5	45	Fang (80) Bubi (15) Other (5)	Nominally Christian	Spanish Pidgin English Fang	55	70	0.1	86	14
Ethiopia Socialist Ethiopia *(Empire of Ethiopia)*	Addis Ababa	445,000	42.3	0.7	38	Galla (40) Amhara/ Tigrai (32) Sidamo (9) Shankella (6) Somali (6) Other (7)	Muslim (45) Ethiopian Orthodox Christian (40) Indigenous (15)	Amharic Tigrinya Arabic Orominga English	15	23	13.0	90	10
Gabon Gabonese Republic *(Gabon)*	Libreville	102,317	1.0	3.1	44	Fang Eshira Bapounou Bateke	Christian (60) Indigenous (39) Muslim (1)	French Local	65	84	0.3	65	35
Gambia, The Republic of The Gambia *(Gambia)*	Banjul	4,003	0.8	3.5	33	Mandinka (38) Fula (16) Wolof (14) Non-Gambian (10) Jola (9) Serahuli (8) Other (5)	Muslim (85) Christian (14) Indigenous (1)	English Mandinka Wolof Fula	15	14	0.4	75	25
Ghana Republic of Ghana *(Gold Coast)*	Accra	92,100	13.2	3.0	49	Akan Ewe Ga	Indigenous (45) Christian (43) Muslim (12)	English Akan Mole-Dagbani Ewe Ga	30	60	3.7	55	45
Guinea Republic of Guinea *(French Guinea)*	Conakry	246,048	5.7	2.7	45	Fulani Malinke Sousou 15 Smaller Tribes	Muslim (75) Indigenous (24) Christian (1)	French Local	48	34	2.4	82	18
Guinea-Bissau Republic of Guinea-Bissau *(Portuguese Guinea)*	Bissau	14,000	0.9	1.9	35	Balanta Fulani Manjaca Mandinga	Indigenous (65) Muslim (30) Christian (5)	Portuguese Crioulo Local	9	NA	0.3	90	10

*Industry, Services, Commerce, and Government

Gross Domestic Product						Imports		Exports			Est. US Econ. Assistance FY 1985 ($ mil)	Government			Country
Annual ($ bil)	Growth Rate (%)	Per Capita ($)	% From Agr.	% From Ind.	% From Other†	Total ($ mil)	From US 1984 ($ mil)	Total ($ mil)	To US 1984 ($ mil)	Leading Exports		Date of Independence	Type	Chief of State and/or Head of Government	Familiar Name
1.8	3.1	1300	10	15	75	608	12	997	1001	Oil Wood Sugar Tobacco Coffee	1.0	8/15/60	People's Republic	Pres. (Col.) D. Sassou-Nguesso	**Congo**
0.1	NA	400	10	1	89	152	8	66	01	Hides Cattle Coffee	5	6/27/77	Republic	Pres. H.G. Aptidon	**Djibouti**
0.1	0	417	50	2	48	37	< 0.5	13	0.5	Cocoa Coffee Wood Bananas	1.0	10/12/68	Republic	Pres. (Lt. Col.) Obiang Nguema Mbasogo	**Equatorial Guinea**
5	3.7	142	52	14	34	906	174	403	82	Coffee Pulse Hides Meat	44.3	Since Ancient Times	Provisional Military	Chief of State Mengistu Haile-Mariam	**Ethiopia**
3.5	0.7	2742	4	6	90	700	36	2200	680	Petroleum Wood Manganese Uranium	0	8/17/60	Republic	Pres. El Hadj Omar Bongo	**Gabon**
0.1	13.4	190	75	15	10	87	14	66	0.6	Peanuts Palm Fish	4.7	2/18/65	Republic	Pres. Sir D.K. Jawara	**The Gambia**
10.5	−7.2	954	NA	NA	NA	669	46	857	47	Cocoa Minerals Wood	7.6	3/6/57	Provisional Military	Chairman of PNDC Ft. Lt. J.J. Rawlings	**Ghana**
1.5	1.3	276	40	10	50	403	33	537	110	Bauxite Alumina Fruit Coffee	8.6	10/2/58	Republic	Pres. (Col) L. Conte	**Guinea**
.15	−5.1	182	NA	NA	NA	57	NA[4]	9	NA[4]	Peanuts Palm Products Fish	2.5	9/24/73	Republic	Pres. (Brig. General J.B. Vieiria	**Guinea-Bissau**

†Services, Commerce, Mining, and Trade

Country			Population[3]			Culture			Education		Labor Force		
Familiar Name Official Name *(Earlier Name)*[2]	Capital	Total Sq. Mi.	Est. Total 1985 (mil)	Est. Growth Rate 1984–85 (%)	Life Expect-ancy (yrs)	Ethnic Groups (%)	Religion (%)	Language	Lit-eracy (%)	Primary Students (% of age group	Total (mil)	% in Agr.	% in Other*
Ivory Coast Republic of the Ivory Coast *(Ivory Coast)*	Abidjan	124,500	10.1	4.0	47	60 Groups	Indigenous (63) Muslim (25) Christian (12)	French Local	24	75	4.0	85	15
Kenya Republic of Kenya *(Kenya)*	Nairobi	224,900	20.2	4.2	53	Kikuyu (20) Luhya (14) Luo (13) Other (53)	Christian (68) Indigenous (28) Muslim (6)	English Swahili Local	70	83	5.4	80	20
Lesotho Kingdom of Lesotho *(Basutoland)*	Maseru	11,716	1.5	2.5	52	Sotho (<100) Other (<1)	Christian (80) Indigenous (20)	English Sesotho Xhosa Zulu	55	70	0.4	36	64
Liberia Republic of Liberia *(Liberia)*	Monrovia	43,000	2.2	3.3	54	Indigenous Groups (95) American Descend-ants (5)	Indigenous (75) Muslim (15) Christian (10)	English Local	24	50	0.5	70	30
Madagascar Democratic Republic of Madagascar *(Malagasy Republic)*	Antana-narivo	228,000	9.9	2.8	46	Merina Betsileo Cotiers French Indian	Indigenous (52) Christian (41) Muslim (7)	Malagasy French	53	83	3.4	92	8
Malawi Republic of Malawi *(Nyasaland Protectorate)*	Lilongwe	45,747	7.0	3.3	47	Chewas Njanja Tumbuko Lomwe Ya	Christian (75) Muslim (20) Indigenous (5)	Chichewa English Tombuka	25	45	2.4	90	10
Mali Republic of Mali *(French Soudan)*	Bamako	464,873	7.7	2.3	45	Mandé (50) Peul (17) Voltaic (12) Other (21)	Muslim (90) Indigenous (9) Christian (1)	French Bambara	10	28	3.5	73	27
Mauritania Islamic Republic of Mauritania *(Mauritania)*	Nouakchott	419,229	1.7	2.0	42	Arab-Berber (33) Arab-Berber Negroid (33) Negroid (33)	Muslim (100)	Hasanya-Arabic French Toucouleur	17	24	0.5	47	53
Mauritius Mauritius	Port Louis	720	1.6	2.0	69	Indo-Mauritian (68) Creoles (27) Sino-Mauritian (3) Franco-Mauritian (2)	Hindu (52) Christian (31) Muslim (17)	English French Creole Hindi Urdu	61	78	0.3	29	71
Mozambique People's Republic of Mozambique *(Mozambique)*	Maputo	303,769	13.8	2.8	47	Makua Tsonga Other Bantu European	Indigenous (60) Christian (30) Muslim (10)	Portu-guese Local English	14	40	3.2	85	15

*Industry, Services, Commerce, and Government

Gross Domestic Product						Imports		Exports			Est. US Econ. Assistance FY 1985 ($ mil)	Government			Country
Annual ($ bil)	Growth Rate (%)	Per Capita ($)	% From Agr.	% From Ind.	% From Other†	Total ($ mil)	From US 1984 ($ mil)	Total ($ mil)	To US 1984 ($ mil)	Leading Exports		Date of Independence	Type	Chief of State and/or Head of Government	Familiar Name
7.6	1.8	871	25	25	50	1850	65	2450	469	Coffee Cocoa Wood	0	8/7/60	Republic	Pres. F. Houphouët-Boigny	Ivory Coast
5.5	2.1	294	35	15	50	1234	74	922	64	Coffee Tea Meat Sisal	75.4	12/12/63	Republic	Pres. D.T. Arap Moi	Kenya
0.6	-2.0	455	27	8	67	450	12	124	0.7	Wool Mohair Diamonds Labor to South Africa	16.6	10/4/66	Constitutional Monarchy	King—Moshoeshoe II PM—Dr. L. Jonathan**	Lesotho
1.1	-5.0	492	15	60	25	424	97	429	98	Iron Rubber Timber Diamonds	73.1	1847	Republic	Head of State Dr. Samuel K. Doe	Liberia
2.5	1.6	260	40	17	43	356	39	328	71	Coffee Cloves Vanilla Sugar	17.8	6/29/60	Republic	Pres. (Adm.) D. Ratsiraka	Madagascar
1.3	3.0	213	39	9	52	274	3	204	30	Tobacco Tea Ground Nuts Sugar	9.7	7/6/64	Republic	Pres. Dr. H.K. Banda	Malawi
1.0	4.4	138	42	11	47	233	15	146	1	Meat Cotton Fish Peanuts	23.5	9/22/60	Republic	Pres. (B. Gen.) M. Traore	Mali
0.7	NA	460	22	21	57	215	26	275	1	Iron Gypsum Fish	15.8	11/28/60	Military Republic	Pres. (Col.) M.S.A. Ould Taya	Mauritania
1.1	1.2	1053	17	16	67	393	9	363	49	Sugar Tea Textiles Tourism	5.5	3/12/68	Parl. Dem. Under Const. Monarch	Chief of State—Queen Elizabeth II Governor General—Sir S. Ramgoolam	Mauritius
2.7	3.5	220	45	35	20	737	23	385	24	Cashews Cotton Tea Shrimp Labor to South Africa	38.7	6/25/75	People's Republic	Pres. S.M. Machel	Mozambique

†Services, Commerce, Mining, and Trade

**Maj. Gen. Justinus Lekhanya deposed PM Jonathan on January 20, 1986. Lekhanya heads the Governing Military Council.

Country		Population[3]				Culture			Education		Labor Force		
Familiar Name Official Name *(Earlier Name)*[2]	Capital	Total Sq. Mi.	Est. Total 1985 (mil)	Est. Growth Rate 1984–85 (%)	Life Expect-ancy (yrs)	Ethnic Groups (%)	Religion (%)	Language	Lit-eracy (%)	Primary Students (% of age group	Total (mil)	% in Agr	% in Other*
Namibia *(Southwest Africa)*	Windhoek	318,261	1.1	3.0	NA	African (86) European (7) Mixed (7)	Christian (60) Indigenous (40)	Afrikaans English German Local	39	25	0.5	60	40
Niger Republic of Niger *(Niger)*	Niamey	490,000	6.5	3.3	42	Hausa (56) Djerma (22) Fulani (9) Tuareg (8) Other (5)	Muslim (80) Indigenous and Christian (20)	French Hausa Djerma	5	15	2.5	90	10
Nigeria Federal Republic of Nigeria *(Nigeria)*	Lagos	357,000	91.2	3.4	49	Hausa-Fulani Ibo Yoruba	Muslim (47) Christian (34) Indigenous (19)	English Hausa Ibo Yoruba	30	42	40	60	40
Rwanda Republic of Rwanda	Kigali	10,169	6.3	3.7	45	Hutu (85) Tutsi (14) Twa (1)	Christian (74) Indigenous (25) Muslim (1)	French Kinyar-Wanda Kiswahali	37	70	2.7	93	7
São Tomé and Príncipe Democratic Republic of São Tomé and Príncipe	São Tome	372	0.09	0.8	NA	Portuguese-African African Portuguese	Christian (80) Other (20)	Portuguese	50	NA	0.02	70	30
Senegal Republic of Senegal *(Senegal)*	Dakar	76,000	6.8	3.2	44	Wolof (36) Fulani (17) Sere (17) Other (30)	Muslim (80) Christian (5) Other (15)	French Wolof Pulaar Local	10	53	1.7	70	30
Seychelles Republic of Seychelles *(Seychelles Colony)*	Victoria	171	0.07	0.9	66	Seychellois	Christian (98) Other (2)	English French Creole	60	95	0.03	19	81
Sierra Leone Republic of Sierra Leone *(Sierra Leone)*	Freetown	27,925	3.9	2.6	46	Teme Mende	Indigenous (70) Muslim (25) Christian (5)	English Krio	15	NA	1.5	75	25
Somalia Somali Democratic Republic *(British Somalia and Italian Somalia)*	Mogadishu	246,155	7.6	3.0	44	Somali (85) Bantu (14) Other (1)	Muslim (99) Other (1)	Somali Arabic English Italian	10	50	2.2	82	18
South Africa Republic of South Africa *(Union of South Africa)*	Pretoria	472,359	32.5	2.4	66	African (70) White (18) Colored (9) Asian (3)	Christian Hindu Muslim Indigenous	English Afrikaans Zulu Xhosa Sotho Tswana	70	89	10.4	30	70

*Industry, Services, Commerce, and Government

Gross Domestic Product						Imports		Exports			Est. US Econ. Assistance FY 1985 ($ mil)	Government			Country
Annual ($ bil)	Growth Rate (%)	Per Capita ($)	% From Agr.	% From Ind.	% From Other†	Total ($ mil)	From US 1984 ($ mil)	Total ($ mil)	To US 1984 ($ mil)	Leading Exports		Date of Independence	Type	Chief of State and/or Head of Government	Familiar Name
1.5	-7.0	1429	10	6	84	988	4	1320	3	Copper Uranium Diamonds Cattle	0	Pending	International Territory	—	**Namibia**
2.0	-0.8	425	44	10	46	438	2	362	0.5	Uranium Livestock Cowpeas	37.9	8/3/60	Republic	Pres. (B. Gen.) Seyni Kountché	**Niger**
67.0	-4.4	760	25	10	65	12,100	577	10500	2508	Petroleum Cocoa Tin Coal	0	10/1/60	Federal Republic	Pres. Ibrahim Babangida	**Nigeria**
1.5	2.9	270	46	15	39	182	9	114	17	Coffee Cassiterite Tea Pyrethrum	11.4	7/1/62	Republic	Pres. (Maj. Gen.) J. Habyarimana	**Rwanda**
0.03	-10.0	300	40	8	52	20	NA[4]	9	NA[4]	Cocoa Copra Palm	0.3	7/12/75	Republic	Pres. M. Pinto Da Costa	**São Tomé and Príncipe**
2.5	-14.3	400	20	20	60	820	95	498	2	Peanuts Phosphate Fish	47.8	4/4/60	Republic	Pres. A. Diouf	**Senegal**
0.2	-0.2	2270	7	15	78	81	0.5	35	0.3	Tourism Copra Cinnamon	2.3	6/29/76	Republic	Pres. F.R. Rene	**Seychelles**
1.0	0.5	256	32	23	45	126	19	104	39	Minerals Agricultural Products	6.9	4/27/61	Republic	Pres. Dr. S.P. Stevens	**Sierra Leone**
1.9	9.6	375	55	7	38	407	76	101	0.7	Livestock Fruit Hides	70.7	7/1/60	Republic	Pres. (M. Gen.) Said Barre	**Somalia**
79.0	-3.0	2500	7	24	69	14400	2265	18200	2488	Gold Ore Uranium Diamonds Wool Sugar	10[6]	5/31/10	Republic	Pres. P.W. Botha	**South Africa**

†Services, Commerce, Mining, and Trade

Country			Population[3]			Culture			Education		Labor Force		
Familiar Name Official Name *(Earlier Name)*[2]	Capital	Total Sq. Mi.	Est. Total 1985 (mil)	Est. Growth Rate 1984–85 (%)	Life Expect-ancy (yrs)	Ethnic Groups (%)	Religion (%)	Language	Lit-eracy (%)	Primary Students (% of age group	Total (mil)	% in Agr.	% in Other*
Sudan Democratic Republic of the Sudan *(Anglo-Egyptian Sudan)*	Khartoum	967,500	21.8	2.7	47	Black (52) Arab (39) Beja (6) Other (3)	Muslim (70) Indigenous (25) Christian (5)	Arabic English Local	20	50	5.7	78	22
Swaziland Kingdom of Swaziland *(Swaziland)*	Mbabane	6,704	0.7	3.0	47	African (97) White (3)	Christian (57) Indigenous (43)	English SiSwati Zulu	65	90	0.4	53	47
Tanzania United Republic of Tanzania *(Tanganyika and Zanzibar)*	Dar es Salaam	365,608	21.7	3.2	52	Over 130 Groups	Indigenous (34) Christian (33) Muslim (33)	Swahili English	66	87	7.2	83	17
Togo Republic of Togo *(French Togoland)*	Lome	21,853	3.0	3.1	47	Ewe Mina Kabyé	Indigenous (60) Christian (20) Muslim (20)	French Local	18	50	1.2	67	15
Uganda Republic of Uganda *(Uganda)*	Kampala	91,076	14.7	3.2	53	Bantu Nilotic Sudanic	Christian (66) Indigenous (18) Muslim (16)	English Swahili Luganda	52	53	5.8	90	10
Zaire Republic of Zaire *(Belgian Congo)*	Kinshasa	905,063	32.9	2.9	48	Bantu 80 Other Groups	Christian (70) Indigenous (30)	French English Lingala Other	27	90	13.0	75	25
Zambia Republic of Zambia *(Northern Rhodesia)* *(Federation of Rhodesia and Nyasaland)*	Lusaka	290,724	6.8	3.2	47	African (99) Other (1)	Christian (51) Indigenous (48) Muslim (1)	English 70 Local	54	49	2.7	65	35
Zimbabwe *(Zimbabwe Rhodesia)* *(Southern Rhodesia)*	Harare	150,333	8.7	3.3	52	African (96) White (3) Other (1)	Christian (75) Indigenous (24) Other (1)	English Shona Ndebele	50	90	3.4	35	60

*Industry, Services, Commerce, and Government

Gross Domestic Product						Imports		Exports			Est. US Econ. Assistance FY 1985 ($ mil)	Government			Country
Annual ($ bil)	Growth Rate (%)	Per Capita ($)	% From Agr.	% From Ind.	% From Other†	Total ($ mil)	From US 1984 ($ mil)	Total ($ mil)	To US 1984 ($ mil)	Leading Exports		Date of Independence	Type	Chief of State and/or Head of Government	Familiar Name
7.3	−2.6	364	40	6	54	1800	136	790	20	Cotton Gum Arabic Peanuts	214.4	1/1/56	Republic	Chairman (Gen.) Suwar el-Dahab	**Sudan**
0.6	1.7	900	23	33	44	454	0.7	330	23	Sugar Wood Tourism Iron Asbestos	7.6	9/6/68	Monarchy	Queen Regent Ntombi Thawala PM—B. Dlamini	**Swaziland**
4.2	0.6	210	54	13	33	831	44	396	12	Coffee Cotton Sisal Spices	3.9	(Union) 1964	Republic	Pres. Ali Hassan Mwinyi	**Tanzania**
1.0	−3.2	340	27	21	52	290	13	202	35	Phosphates Cocoa Coffee	4.9	4/27/60	Republic	Pres. (Gen.) G. Eyadema	**Togo**
4.8	5.0	355	55	8	37	509	3	380	93	Coffee Tea Cotton	7.8	10/9/62	Republic	Chief of State (Gen.) T.O. Lutwa**	**Uganda**
3.4	3.0	570	16	30	54	1130	82	1611	502	Copper Cobalt Diamonds Coffee	49.1	6/30/60	Republic	Pres. (Marshal) Mobutu Sese Seko	**Zaire**
3.4	1.7	500	14	41	45	1060	91	1030	124	Copper Cobalt Zinc Lead Tobacco	25.0	10/24/64	Republic	Pres. Dr. K.D. Kaunda	**Zambia**
6.6	2.0	870	18	32	50	1430	63.6	1120	71	Tobacco Chrome Textiles Grain	37.6	4/18/80	Parliamentary System	Pres. Dr. C. Banana PM—Robert Mugabe	**Zimbabwe**

†Services, Commerce, Mining, and Trade

**Yoweri Museveni and his National Resistance Army seized power on January 27, 1986. Museveni was sworn in as President on January 29, 1986.

[1]Statistics are drawn from the latest, most reliable data available from a variety of sources, particularly from the Department of State's *Background Notes* and the Central Intelligence Agency's *The World Factbook*, which are periodically updated. Therefore, except where indicated, no specific year can be designated for each category of statistics. Furthermore, current figures do not exist in many cases (indicated by NA—not available), and some data are based on U.S. Government estimates.

[2]The earlier name listing is included to identify for readers unfamiliar with Africa earlier names by which some of the countries have been known. In some cases these names date to preindependence and in other instances relate to previous postindependence regimes. No political significance should be attached to selections, which are based largely on historical perceptions.

[3]Estimated and projected mid-year population and growth rates are from mid-year to mid-year.

[4]Trade statistics with the United States have been combined for the Cabo Verde Islands, Guinea-Bissau, and Sao Tome and Principe. Total 1984 imports from the United States were $29.7 million, and total 1984 exports to the United States were $0.9 million.

[5]Economic assistance includes development assistance, Economic Support Funds, and PL 480 Titles I, II, and III. Refugee and emergency famine assistance, which amounted to $879 million in FY 1985, and military assistance are excluded. Some regional funds for the African economic policy reform program also are not included.

[6]These funds do not go to the South African Government. AID's program in South Africa works directly with regional organizations, private voluntary organizations, local groups, and individuals for the improvement of educational and training opportunities for South Africans disadvantaged by apartheid.

Bibliography

Reference and Introductory

African Bibliographic Center. *Current Bibliography on African Affairs.* New York: Greenwood Periodicals, quarterly editions.

African Encylopedia. London: Oxford University Press, 1974.

Africa South of the Sahara. London: Europa Publications, annual editions.

Africa Today. London: Africa Journal Ltd., 1981.

Balandier, Georges, and Jacques Maquet. *Dictionary of Black African Civilization.* New York: Leon Amiel, 1974.

Bohannan, Paul and Philip Curtin. *Africa and Africans.* Garden City, N.Y.: Natural History Press, 1971.

The Cambridge Encyclopedia of Africa. Cambridge: Cambridge University Press, 1981.

The Cambridge History of Africa. Cambridge: Cambridge University Press, 1984.

Foreign Area Studies, American University. *Area Handbook Series.* Washington, D.C.: U.S. Government Printing Office, various editions.

Legum, Colin, ed. *Africa Contemporary Record: Annual Survey and Documents.* New York: Holmes and Meier, annual editions.

Martin, Phyllis, and Patrick O'Mara, eds. *Africa.* Bloomington, Ind.: Indiana University Press, 1977.

New African Yearbook. London: I.C. Magazines Ltd., 1983–84.

Paden, John, and Edward Soja, eds. *The African Experience.* 3 vols. Evanston: Northwestern University Press, 1970.

(Musee de l'Homme)

Tobacco mortar, Zaire.

Historical and Cultural Background

Bascom, William R. *African Art in Cultural Perspective.* New York: W.W. Norton & Co., 1973.

Curtin, Philip D., et al. *African History.* Boston: Little Brown & Co., 1978.

Davidson, Basil. *Let Freedom Come: Africa in Modern History.* Boston: Little Brown & Co., 1978.

Fage, J.D. *A History of Africa.* Westminster, Md.: Alfred A. Knopf, 1979.

Fanon, Franz. *The Wretched of the Earth.* New York: Grove Press, 1965.

Gibbs, James L., ed. *Peoples of Africa.* New York: Holt, Rinehart and Winston, 1965.

Greenberg, Joseph H. *Essays in Linguistics.* New York: Wenner-Gren Foundation for Anthropological Research, 1957.

_____. *Language, Culture and Communications.* Stanford: Stanford University Press, 1971.

Gregersen, Edgar A. *Language in Africa: An Introductory Survey.* New York: Gordon and Breach, 1977.

Harris, Joseph E. *Africans and Their History.* New York: New American Library, 1972.

Larson, Charles R. *The Emergency of African Fiction.* Rev. ed. New York: Macmillan Press, 1978.

Mbiti, John S. *Introduction to African Religion.* New York: Praeger, 1975.

Murdock, George P. *Africa, Its Peoples and Their Culture History.* New York: McGraw Hill Book Co., 1979.

Posnansky, Merrick. "African Archaeology Comes of Age," *World Archaeology* (Feb. 1982).

Ray, Benjamin C. *African Religions: Symbol, Ritual and Community.* Englewood: Prentice Hall, 1975.

Skinner, Elliott P. *Peoples and Cultures of Africa: An Anthropological Reader.* New York: Natural History Press, 1973.

Soyinka, Wole. *Myth, Literature and the African World.* New York: Cambridge University Press, 1979.

Willet, Frank. *African Art, A Concise History.* New York: Praeger, 1971.

Contemporary Sub-Saharan Africa

Background Notes. Washington, D.C.: U.S. Government Printing Office, updated periodically for each country.

Adam, Heribert, and Herman Giliomee. *Ethnic Power Mobilized: Can South Africa Change?* New Haven: Yale University Press, 1979.

Albright, David E., ed. *Communism in Africa.* Bloomington: Indiana University Press, 1980.

Andemicale, Berhanykun. *The OAU and the UN: Relations Between the Organization of African Unity and the United Nations.* New York: Africana Publishing Co., 1976.

El-Ayouty, Yassin, and I. William Zartman, eds. *The OAU After Twenty Years.* New York: Praeger, 1984.

Berg, Elliot, et al. *Accelerated Development in Sub-Saharan Africa: An Agenda for Action.* Washington, D.C.: World Bank, 1981.

Bienen, Henry. *Armies and Parties in Africa.* New York: Africana, 1978.

Bissell, Richard E., and Chester A. Crocker, eds. *South Africa into the 1980s.* Boulder, Colo.: Westview Special Studies on Africa, 1979.

Carter, Gwendolyn M., and Patrick O'Meara, eds. *International Politics in Southern Africa.* Bloomington, Ind.: University Press, 1982.

Cervenka, Zdenek. *The Unfinished Quest for Unity: Africa and the OAU.* London: J. Friedman, 1977.

Clough, Michael, ed. *Changing Realities in Southern Africa: Implications For American Policy.* Berkeley: Institute of International Studies, University of California at Berkeley, 1982.

Hance, William A. *The Geography of Modern Africa.* Rev. ed. New York: Columbia University Press, 1975.

Kamarck, Andrew. *The Economics of African Development.* Rev. ed. New York: Praeger, 1971.

Kitchen, Helen A. *Africa: From Mystery to Maze.* Lexington, Mass.: Lexington Books, 1976.

_____. *U.S. Interests in Africa.* New York: Praeger, 1983.

_____ and Michael Clough. *The United States and South Africa: Realities and Red Herrings.* Washington, D.C.: Center for Strategic and International Studies, Georgetown University, 1984.

Kuper, Leo. *The Pity of It All—Polarization of Racial and Ethnic Relations.* Minneapolis: University of Minnesota, 1977.

Lowenkopf, Martin. "Mozambique: The Nkomati Accord." Forthcoming, 1986.

Nyerere, Julius K. *Freedom and Unity.* London: Oxford University Press, 1966.

Rosberg, Carl G., and Thomas M. Callaghy, eds. *Socialism in Sub-Saharan Africa: A New Assessment.* Berkeley: Institute of International Studies, University of California at Berkeley, 1979.

Rotberg, Robert. *Namibia: Political and Economic Prospects.* Lexington, Mass.: Lexington Books, 1983.

Study Commission on U.S. Policy Toward South Africa. *South Africa: Time Running Out.* Berkeley: University of California Press, 1981.

Young, Crawford. *The Politics of Cultural Pluralism.* Madison, Wisc.: University of Wisconsin Press, 1976.

Zolberg, Aristide R. *Creating Political Order.* Chicago: Rand McNally and Co., 1966. ■

Part 1, providing a regional profile of sub-Saharan Africa (geography, history, people, political processes, economy, and multilateral organizations) was printed in the April 1986 *Bulletin*. ■

Central America and U.S. Security

President Reagan's address to the nation of March 16, 1986.[1]

My fellow Americans, I must speak to you tonight about a mounting danger in Central America that threatens the security of the United States. This danger will not go away; it will grow worse, much worse, if we fail to take action now. I am speaking of Nicaragua, a Soviet ally on the American mainland only 2 hours flying time from our own borders. With over a billion dollars in Soviet-bloc aid, the communist Government of Nicaragua has launched a campaign to subvert and topple its democratic neighbors.

Using Nicaragua as a base, the Soviets and Cubans can become the dominant power in the crucial corridor between North and South America. Established there, they will be in a position to threaten the Panama Canal, interdict our vital Caribbean sealanes, and, ultimately, move against Mexico. Should that happen, desperate Latin peoples by the millions would begin fleeing north into the cities of the southern United States or to wherever some hope of freedom remained.

The U.S. Congress has before it a proposal to help stop this threat. The legislation is an aid package of $100 million for the more than 20,000 freedom fighters struggling to bring democracy to their country and eliminate this communist menace at its source. But this $100 million is not an additional $100 million. We are not asking for a single dime in new money. We are asking only to be permitted to switch a small part of our present defense budget—to the defense of our own southern frontier.

Gathered in Nicaragua already are thousands of Cuban military advisers, contingents of Soviets and East Germans, and all the elements of international terror—from the PLO [Palestine Liberation Organization] to Italy's Red Brigades. Why are they there? Because, as Colonel Qadhafi has publicly exulted: "Nicaragua means a great thing, it means fighting America near its borders—fighting America at its doorstep."

For our own security, the United States must deny the Soviet Union a beachhead in North America. But let me make one thing plain. I am not talking about American troops. They are not needed; they have not been requested. The democratic resistance fighting in Nicaragua is only asking America for the supplies and support to save their own country from communism.

The question the Congress of the United States will now answer is a simple one: will we give the Nicaraguan democratic resistance the means to recapture their betrayed revolution, or will we turn our backs and ignore the malignancy in Managua until it spreads and becomes a mortal threat to the entire New World? Will we permit the Soviet Union to put a second Cuba, a second Libya, right on the doorstep of the United States?

The Nicaraguan Threat

How can such a small country pose such a great threat? Well, it is not Nicaragua alone that threatens us, but those using Nicaragua as a privileged sanctuary for their struggle against the United States.

Their first target is Nicaragua's neighbors. With an army and militia of 120,000 men, backed by more than 3,000 Cuban military advisers, Nicaragua's Armed Forces are the largest Central America has ever seen. The Nicaraguan military machine is more powerful than all its neighbors combined.

This map [appears on TV screen] represents much of the Western Hemisphere. Now let me show you the countries in Central America where weapons supplied by Nicaraguan communists have been found: Honduras, Costa Rica, El Salvador, Guatemala. Radicals from Panama to the south have been trained in Nicaragua. But the Sandinista revolutionary reach extends well beyond their immediate neighbors. In South America and the Caribbean, the Nicaraguan communists have provided support in the form of military training, safe haven, communications, false documents, safe transit, and sometimes weapons to radicals from the following countries: Colombia, Ecuador, Brazil, Chile, Argentina, Uruguay, and the Dominican Republic. Even that is not all, for there was an old communist slogan that the Sandinistas have made clear they honor: the road to victory goes through Mexico.

If maps, statistics, and facts aren't persuasive enough, we have the words of the Sandinistas and Soviets themselves. One of the highest level Sandinista leaders was asked by an American magazine whether their communist revolution will—and I quote—"be exported to El Salvador, then Guatemala, then Honduras, and then Mexico?" He responded, "That is one historical prophecy of Ronald Reagan that is absolutely true."

Well, the Soviets have been no less candid. A few years ago, then Soviet Foreign Minister Gromyko noted that Central America was "boiling like a cauldron" and ripe for revolution. In a Moscow meeting in 1983, Soviet Chief of Staff Marshal Ogarkov declared: "Over two decades there was only Cuba in Latin America. Today there are Nicaragua, Grenada, and a serious battle is going on in El Salvador."

But we don't need their quotes; the American forces who liberated Grenada captured thousands of documents that demonstrated Soviet intent to bring communist revolution home to the Western Hemisphere.

The Nature of the Sandinista Regime

So, we're clear on the intentions of the Sandinistas and those who back them. Let us be equally clear about the nature of their regime. To begin with, the Sandinistas have revoked the civil liberties of the Nicaraguan people, depriving them of any legal right to speak, to publish, to assemble, or to worship freely. Independent newspapers have been shut down. There is no longer any independent labor movement in Nicaragua or any right to strike. As AFL-CIO [American Federation of Labor and Congress of Industrial Organizations] leader Lane Kirkland has said, "Nicaragua's headlong rush into the totalitarian camp cannot be denied—by anyone who has eyes to see."

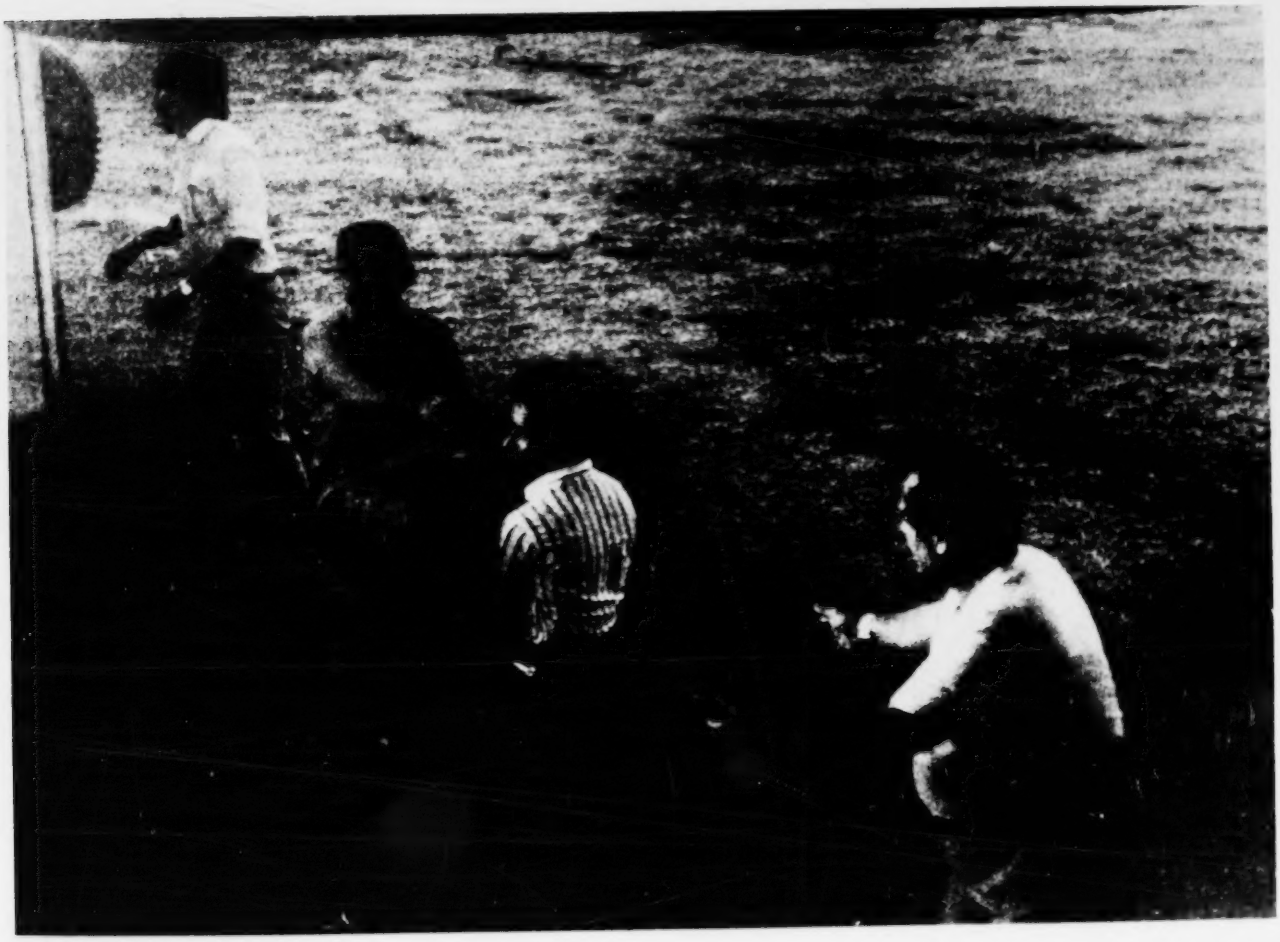
Well, like communist governments everywhere, the Sandinistas have launched assaults against ethnic and religious groups. The capital's only synagogue was desecrated and firebombed—the entire Jewish community forced to flee Nicaragua. Protestant Bible meetings have been broken up by raids, by mob violence, by machineguns. The Catholic Church has been singled out—priests have been expelled from the country, Catholics beaten in the streets after attending Mass. The Catholic primate of Nicaragua, Cardinal Obando y Bravo, has put the matter forthrightly. "We want to state clearly," he says, "that this government is totalitarian. We are dealing with an enemy of the Church."

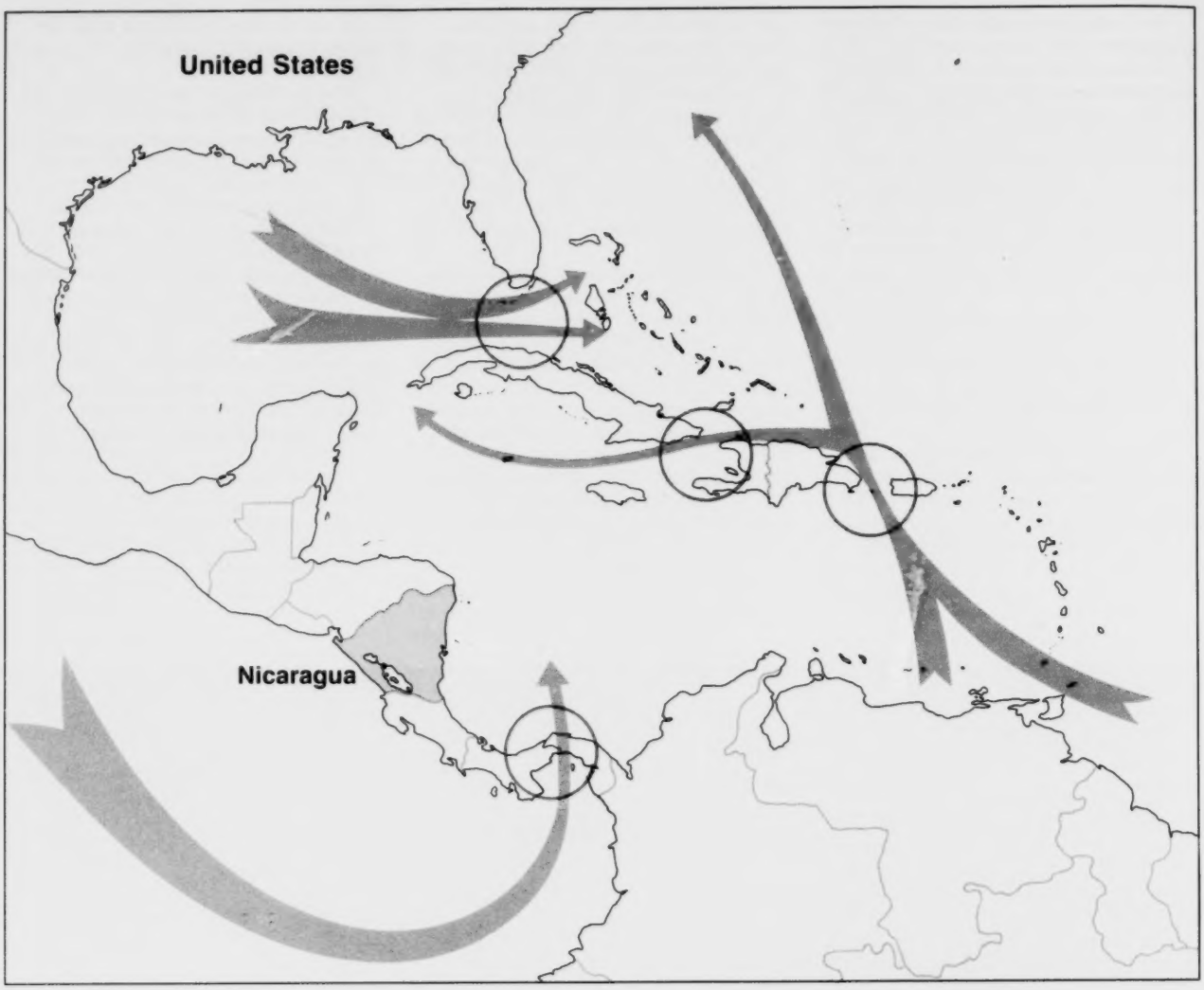
Evangelical pastor Prudencio Baltodano found out he was on a Sandinista hit list when an army patrol asked his name. "You don't know what we do to the evangelical pastors. We don't believe in God," they told him. Pastor Baltodano was tied to a tree, struck in the forehead with a rifle butt, stabbed in the neck with a bayonet—finally, his ears were cut off, and he was left for dead. "See if your God will save you," they mocked. Well, God did have other plans for Pastor Baltodano. He lived to tell the world his story—to tell it, among other places, right here in the White House.

I could go on about this nightmare—the blacklists, the secret prisons, the Sandinista-directed mob violence. But, as if all this brutality at home were not enough, the Sandinistas are transforming their nation into a safe house, a command post for international terror.

The Sandinistas not only sponsor terror in El Salvador, Costa Rica, Guatemala, and Honduras—terror that led last summer to the murder of four U.S. marines in a cafe in San Salvador—they provide a sanctuary for terror. Italy has charged Nicaragua with harboring their worst terrorists, the Red Brigades.

The Sandinistas have even involved themselves in the international drug trade. I know every American parent concerned about the drug problem will be outraged to learn that top Nicaraguan Government officials are deeply involved in drug trafficking. This picture [see below], secretly taken at a military airfield outside Managua, shows Frederico Vaughn, a top aide to one of the nine comandantes who rule Nicaragua, loading an aircraft with illegal narcotics bound for the United States. No, there seems to be no crime to which the Sandinistas will not stoop—this is an outlaw regime.





U.S. Security Interests and the Nicaraguan Democratic Resistance

If we return for a moment to our map [see above], it becomes clear why having this regime in Central America imperils our vital security interests.

Through this crucial part of the Western Hemisphere passes almost half our foreign trade, more than half our imports of crude oil, and a significant portion of the military supplies we would have to send to the NATO alliance in the event of a crisis. These are the chokepoints where the sealanes could be closed.

Central America is strategic to our Western alliance, a fact always understood by foreign enemies. In World War II, only a few German U-boats, operating from bases 4,000 miles away in Germany and occupied Europe, inflicted crippling losses on U.S. shipping right off our southern coast.

Today, Warsaw Pact engineers are building a deep water port on Nicaragua's Caribbean coast, similar to the naval base in Cuba for Soviet-built submarines. They are also constructing, outside Managua, the largest military airfield in Central America—similar to those in Cuba, from which Russian Bear bombers patrol the U.S. east coast from Maine to Florida.

How did this menace to the peace and security of our Latin neighbors and, ultimately, ourselves suddenly emerge? Let me give you a brief history.

In 1979, the people of Nicaragua rose up and overthrew a corrupt dictatorship. At first, the revolutionary leaders promised free elections and respect for human rights. But among them was an organization called the Sandinistas. Theirs was a communist organization, and their support of the revolutionary goals was sheer deceit. Quickly and ruthlessly, they took complete control.

Two months after the revolution, the Sandinista leadership met in secret and, in what came to be known as the "72-Hour Document," described themselves as the "vanguard" of a revolution that would sweep Central America, Latin America, and, finally, the world. Their true enemy, they declared: the United States.

Rather than make this document public, they followed the advice of Fidel Castro, who told them to put on a facade of democracy. While Castro viewed the democratic elements in

Nicaragua with contempt, he urged his Nicaraguan friends to keep some of them in their coalition, in minor posts, as window dressing to deceive the West. And that way, Castro said, you can have your revolution, and the Americans will pay for it.

And we did pay for it. More aid flowed to Nicaragua from the United States in the first 18 months under the Sandinistas than from any other country. Only when the mask fell, and the face of totalitarianism became visible to the world, did the aid stop.

Confronted with this emerging threat, early in our Administration I went to Congress and, with bipartisan support, managed to get help for the nations surrounding Nicaragua. Some of you may remember the inspiring scene when the people of El Salvador braved the threats and gunfire of the communist guerrillas—guerrillas directed and supplied from Nicaragua—and went to the polls to vote decisively for democracy. For the communists in El Salvador it was a humiliating defeat.

But there was another factor the communists never counted on, a factor that now promises to give freedom a second chance—the freedom fighters of Nicaragua.

You see, when the Sandinistas betrayed the revolution, many who had fought the old Somoza dictatorship literally took to the hills and, like the French Resistance that fought the Nazis, began fighting the Soviet-bloc communists and their Nicaraguan collaborators. These few have now been joined by thousands.

With their blood and courage, the freedom fighters of Nicaragua have pinned down the Sandinista army and bought the people of Central America precious time. We Americans owe them a debt of gratitude. In helping to thwart the Sandinistas and their Soviet mentors, the resistance has contributed directly to the security of the United States.

Since its inception in 1982, the democratic resistance has grown dramatically in strength. Today, it numbers more than 20,000 volunteers, and more come every day. But now the freedom fighters' supplies are running short, and they are virtually defenseless against the helicopter gunships Moscow has sent to Managua.

A Crucial Test

Now comes the crucial test for the Congress of the United States. Will they provide the assistance the freedom fighters need to deal with Russian tanks and gunships, or will they abandon the democratic resistance to its communist enemy?

In answering that question, I hope Congress will reflect deeply upon what it is the resistance is fighting against in Nicaragua. Ask yourselves, what in the world are Soviets, East Germans, Bulgarians, North Koreans, Cubans, and terrorists from the PLO and the Red Brigades doing in our hemisphere, camped on our own doorstep? Is that for peace?

Why have the Soviets invested $600 million to build Nicaragua into an armed force almost the size of Mexico's—a country 15 times as large and 25 times as populous. Is that for peace?

Why did Nicaragua's dictator, Daniel Ortega, go to the Communist Party Congress in Havana and endorse Castro's call for the worldwide triumph of communism? Was that for peace?

Some Members of Congress ask me, why not negotiate? That's a good question, and let me answer it directly. We have sought, and still seek, a negotiated peace and a democratic future in a free Nicaragua. Ten times we have met and tried to reason with the Sandinistas. Ten times we were rebuffed. Last year, we endorsed church-mediated negotiations between the regime and the resistance. The Soviets and the Sandinistas responded with a rapid arms buildup of mortars, tanks, artillery, and helicopter gunships.

Clearly, the Soviet Union and the Warsaw Pact have grasped the great stakes involved, the strategic importance of Nicaragua. The Soviets have made their decision—to support the communists. Fidel Castro has made his decision—to support the communists. Arafat, Qadhafi, and the Ayatollah Khomeini have made their decision—to support the communists. Now, we must make our decision. With Congress' help, we can prevent an outcome deeply injurious to the national security of the United States. If we fail, there will be no evading responsibility—history will hold us accountable. This is not some narrow partisan issue; it's a national security issue, an issue on which we must act not as Republicans, not as Democrats, but as Americans.

Forty years ago, Republicans and Democrats joined together behind the Truman Doctrine. It must be our policy, Harry Truman declared, to support peoples struggling to preserve their freedom. Under that doctrine, Congress sent aid to Greece just in time to save that country from the closing grip of a communist tyranny. We saved freedom in Greece then—and with that same bipartisan spirit, we can save freedom in Nicaragua today.

Over the coming days, I will continue the dialogue with Members of Congress, talking to them, listening to them, hearing out their concerns. Senator Scoop Jackson, who led the fight on Capitol Hill for an awareness of the danger in Central America, said it best: on matters of national security, the best politics is no politics.

You know, recently one of our most distinguished Americans, Clare Boothe Luce, had this to say about the coming vote. "In considering this crisis," Mrs. Luce said, "my mind goes back to a similar moment in our history—back to the first years after Cuba had fallen to Fidel. One day during those years, I had lunch at the White House with a man I had known since he was a boy—John F. Kennedy. 'Mr. President,' I said, 'no matter how exalted or great a man may be, history will have time to give him no more than one sentence. George Washington—he founded our country. Abraham Lincoln—he freed the slaves and preserved the Union. Winston Churchill—he saved Europe.' 'And what, Clare,' John Kennedy said, 'did you believe—or do you believe my sentence will be?' 'Mr. President,' she answered, 'your sentence will be that you stopped the communists—or that you did not.' "

Well, tragically, John Kennedy never had the chance to decide which that would be. Now, leaders of our own time must do so. My fellow Americans, you know where I stand. The Soviets and Sandinistas must not be permitted to crush freedom in Central America and threaten our own security on our own doorstep.

Now the Congress must decide where it stands. Mrs. Luce ended by saying: "Only this is certain. Through all time to come, this, the 99th Congress of the United States, will be remembered as that body of men and women that either stopped the communists before it was too late—or did not."

So tonight I ask you to do what you've done so often in the past. Get in touch with your Representative and Senators and urge them to vote yes; tell them to help the freedom fighters—help us prevent a communist takeover of Central America.

I have only 3 years left to serve my country, 3 years to carry out the responsibilities you entrusted to me, 3 years to work for peace. Could there be any greater tragedy than for us to sit back and permit this cancer to spread, leaving my successor to face far more agonizing decisions in the years ahead? The freedom fighters seek a political solution. They are willing to lay down their arms and negotiate to restore the original goals of the revolution, a democracy in which the people of Nicaragua choose their own government. That is our goal also, but it can only come about if the democratic resistance is able to bring pressure to bear on those who have seized power.

We still have time to do what must be done so history will say of us, we had the vision, the courage, and good sense to come together and act—Republicans and Democrats—when the price was not high and the risks were not great. We left America safe, we left America secure, we left America free—still a beacon of hope to mankind, still a light unto the nations.

[1]Text from Weekly Compilation of Presidential Documents of Mar. 24, 1986. ■

Freedom, Regional Security, and Global Peace

MESSAGE TO THE CONGRESS, MAR. 14, 1986[1]

I. America's Stake in Regional Security

For more than two generations, the United States has pursued a global foreign policy. Both the causes and consequences of World War II made clear to all Americans that our participation in world affairs, for the rest of the century and beyond, would have to go beyond just the protection of our national territory against direct invasion. We had learned the painful lessons of the 1930s, that there could be no safety in isolation from the rest of the world. Our nation has responsibilities and security interests beyond our borders—in the rest of this hemisphere, in Europe, in the Pacific, in the Middle East, and in other regions—that require strong, confident, and consistent American leadership.

In the past several weeks, we have met these responsibilities—in difficult circumstances—in Haiti and in the Philippines. We have made important proposals for peace in Central America and southern Africa. There and elsewhere, we have acted in the belief that our peaceful and prosperous future can best be assured in a world in which other peoples, too, can determine their own destiny, free of coercion or tyranny from either at home or abroad.

The prospects for such a future—to which America has contributed in innumerable ways—seem brighter than they have been in many years. Yet we cannot ignore the obstacles that stand in its path. We cannot meet our responsibilities and protect our interests without an active diplomacy backed by American economic and military power. We should not expect to solve problems that are insoluble, but we must not be half-hearted when there is a prospect of success. Wishful thinking and stop-and-go commitments will not protect America's interests.

Our foreign policy in the postwar era has sought to enhance our nation's security by pursuit of four fundamental goals:

- We have sought to defend and advance the cause of democracy, freedom, and human rights throughout the world.
- We have sought to promote prosperity and social progress through a free, open, and expanding market-oriented global economy.
- We have worked diplomatically to help resolve dangerous regional conflicts.
- We have worked to reduce and eventually eliminate the danger of nuclear war.

Sustained by a strong bipartisan consensus, these basic principles have weathered contentious domestic debates through eight administrations, both Democratic and Republican. They have survived the great and rapid changes of an ever-evolving world.

There are good reasons for this continuity. These broad goals are linked together, and they, in turn, match both our ideals and our interests. No other policy could command the broad support of the American people.

A foreign policy that ignored the fate of millions around the world who seek freedom would be a betrayal of our national heritage. Our own freedom, and that of our allies, could never be secure in a world where freedom was threatened everywhere else. Our stake in the global economy gives us a stake in the well-being of others.

A foreign policy that overlooked the dangers posed by international conflicts, that did not work to bring them to a peaceful resolution, would be irresponsible—especially in an age of nuclear weapons. These conflicts and the tensions that they generate are, in fact, a major spur to the continued buildup of nuclear arsenals. For this reason, my Administration has made plain that continuing Soviet adventurism in the developing world is inimical to global security and an obstacle to fundamental improvement of Soviet-American relations.

Our stake in resolving regional conflicts can be simply stated: greater freedom for others means greater peace and security for ourselves. These goals threaten no one, but none of them can be achieved without a strong, active, and engaged America.

II. Regional Security in the 1980s

Our efforts to promote freedom, prosperity, and security must take account of the diversity of regional conflicts and of the conditions in which they arise. Most of the world's turbulence has indigenous causes, and not every regional conflict should be viewed as part of the East-West conflict. And we should be alert to historic changes in the international environment, for these create both new problems and new opportunities. Three such realities must define American policies in the 1980s.

Soviet Exploitation of Regional Conflicts. The first involves the nature of the threat we face. The fact is in the 1970s the challenge to regional security became—to a greater degree than before—the challenge of Soviet expansionism. Around the world we saw a

new thrust by our adversaries to spread communist dictatorships and to put our own security (and that of friends and allies) at risk. The Soviet Union—and clients like Cuba, Vietnam, and Libya—supplied enormous quantities of money, arms, and training in efforts to destabilize and overthrow vulnerable governments on nearly every continent. By the 1970s the long-proclaimed Soviet doctrine of "wars of national liberation" was for the first time backed by a global capability to project military power. The Soviets appeared to conclude that the global "correlation of forces" was shifting inexorably in their favor.

The world now knows the results, above all the staggering human toll. Murderous policies in Vietnam and Cambodia produced victims on a scale unknown since the genocides of Hitler and Stalin. In Afghanistan, the Soviet invasion led to the terrified flight of millions from their homes. In Ethiopia, we have witnessed death by famine and more recently by forced resettlement; and in South Yemen this year, factional killing that consumed thousands of lives in a span of a few days.

These have been only the most horrifying consequences. Other outgrowths of Soviet policies have been the colonial presence of tens of thousands of Cuban troops in Africa, the activities of terrorists trained in facilities in the Soviet bloc, and the effort to use communist Nicaragua as a base from which to extinguish democracy in El Salvador and beyond.

These are not isolated events. They make up the disturbing pattern of Soviet conduct in the past 15 years. The problems it creates are no less acute because the Soviet Union has had its share of disagreements with some of its clients or because many of these involvements have proved very costly. That the Soviet leadership persists in such policies despite the growing burden they impose only testifies to the strength of Soviet commitment. Unless we build barriers to Soviet ambitions and create incentives for Soviet restraint, Soviet policies will remain a source of danger—and the most important obstacle to the future spread of freedom.

In my meetings and other communications with Soviet General Secretary Gorbachev, and in my address before the UN General Assembly last October, I have made clear the importance the United States attaches to the resolution of regional conflicts that threaten world peace and the yearning of millions for freedom and independence—whether in Afghanistan or in southern Africa.

For the United States, these conflicts cannot be regarded as peripheral to other issues on the global agenda. They raise fundamental issues and are a fundamental part of the overall U.S.-Soviet relationship. Their resolution would represent a crucial step toward the kind of world that all Americans seek and have been seeking for over forty years.

Joining Others' Strength to Ours. The second reality that shapes America's approach to regional security is the need to join our own strength to the efforts of others in working toward our common goals.

Throughout the postwar period, our country has played an enormous role in helping other nations, in many parts of the world, to protect their freedom. Through NATO we committed ourselves to the defense of Europe against Soviet attack. Through the Marshall Plan we helped Western Europe to rebuild its economy and strengthen democratic institutions. We sent American troops to Korea to repel a communist invasion. America was an ardent champion of decolonization. We provided security assistance to help friends and allies around the world defend themselves. We extended our hand to those governments that sought to free themselves from dependence on the Soviet Union; success in such efforts—whether by Yugoslavia, Egypt, China, or others—has contributed significantly to international security.

Despite our economic and military strength and our leading political role, the pursuit of American goals has always required cooperation with like-minded partners. The problems we face today, however, make cooperation with others even more important. This is, in part, a result of the limits on our own resources, of the steady growth in the power of our adversaries, and of the American people's understandable reluctance to shoulder alone burdens that are properly shared with others. But most important, we want to cooperate with others because of the nature of our goals. Stable regional solutions depend over the long term on what those most directly affected can contribute. If interference by outsiders can be ended, regional security is best protected by the free and independent countries of each region.

The Democratic Revolution. If American policy can succeed only in cooperation with others, then the third critical development of the past decade offers special hope: it is the democratic revolution, a trend that has significantly increased the ranks of those around the world who share America's commitment to national independence and popular rule.

The democracies that survived or emerged from the ruins of the Second World War—Western Europe, Japan, and a handful of others—have now been joined by many others across the globe. Here in the Western Hemisphere, the 1980s have been a decade of transition to democracy. Today, over 90% of the population of Latin America and the Caribbean live under governments that are democratic—in contrast to only one-third a decade ago. In less than 6 years, popularly elected democrats have replaced dictators in Argentina, Bolivia, El Salvador, Guatemala, Honduras, Peru, Brazil, Uruguay, and Grenada.

In other parts of the world, we see friends and allies moving in the same direction. Earlier in this decade, the people of Turkey fought back a violent assault on democracy from both left and right. Similarly, since the fall of Vietnam, the noncommunist nations of Southeast Asia have rallied together; with prosperous economies and effective, increasingly democratic national governments, they play an increasingly important role on the world stage.

These trends are far from accidental. Ours is a time of enormous social and technological change everywhere, and one country after another is discovering that only free peoples can make the most of this change. Countries that want progress without pluralism, without freedom, are finding that it cannot be done.

In this global revolution, there can be no doubt where America stands. The American people believe in human rights and oppose tyranny in whatever form, whether of the left or the right. We use our influence to encourage democratic change, in careful ways that respect other countries' traditions and political realities as well as the security threats that many of them face from external or internal forces of totalitarianism.

The people of the Philippines are now revitalizing their democratic traditions. The people of Haiti have their first chance in three decades to direct their own affairs. Advocates of peaceful political change in South Africa are

seeking an alternative to violence as well as to apartheid. All these efforts evoke the deepest American sympathy. American support will be ready, in these countries and elsewhere, to help democracy succeed.

But the democratic revolution does not stop here. There is another, newer phenomenon as well. In recent years, Soviet ambitions in the developing world have run head-on into a new form of resistance. Peoples on every continent are insisting on their right to national independence and their right to choose their government free of coercion. The Soviets overreached in the 1970s, at a time when America weakened itself by its internal divisions. In the 1980s the Soviets and their clients are finding it difficult to consolidate these gains—in part because of the revival of American and Western self-confidence but mainly because of the courageous forces of indigenous resistance. Growing resistance movements now challenge communist regimes installed or maintained by the military power of the Soviet Union and its colonial agents—in Afghanistan, Angola, Cambodia, Ethiopia, and Nicaragua.

We did not create this historical phenomenon, but we must not fail to respond to it.

In Afghanistan, Moscow's invasion to preserve the puppet government it installed has met stiff and growing resistance by Afghans who are fighting and dying for their country's independence. Democratic forces in Cambodia, once all but annihilated by the Khmer Rouge, are now waging a similar battle against occupation and a puppet regime imposed by communist Vietnam.

In Angola, Jonas Savimbi and his UNITA [National Union for the Total Independence of Angola] forces have waged an armed struggle against the Soviet- and Cuban-backed Marxist regime, and in recent years UNITA has steadily expanded the territory under its control.

In Nicaragua, the democratic resistance forces fighting against another Soviet- and Cuban-backed regime have been holding their own—despite their lack of significant outside help and despite the massive influx of the most sophisticated Soviet weaponry and thousands of Soviet, Cuban, and Soviet-bloc advisers.

The failure of these Soviet client regimes to consolidate themselves only confirms the moral and political bankruptcy of the Leninist model. No one can be surprised by this. But it also reflects the dangerous and destabilizing international impact that even unpopular Leninist regimes can have. None of these struggles is a purely internal one. As I told the UN General Assembly last year, the assault of such regimes on their own people inevitably becomes a menace to their neighbors. Hence the threats to Pakistan and Thailand by the powerful occupying armies in Afghanistan and Cambodia. Hence the insecurity of El Salvador, Costa Rica, and Honduras in the face of the Nicaraguan military buildup.

Soviet-style dictatorships, in short, are an almost unique threat to peace, both before and after they consolidate their rule—*before*, because the war they wage against their own people does not always stay within their own borders, and *after*, because the elimination of opposition at home frees their hand for subversion abroad. Cuba's foreign adventures of the past decade are a warning to the neighbors of communist regimes everywhere.

The drive for national freedom and popular rule takes different forms in different countries, for each nation is the authentic product of a unique history and culture. In one case, a people's resistance may spring from deep religious belief; in another, from the bonds of ethnic or tribal solidarity; in yet another, from the grievances of colonial rule or from the failure of an alien ideology to contribute to national progress. Our traditions and the traditions of those whom we help can hardly be identical. And their programs will not always match our own experience and preferences. This is to be expected. The real question is: can our policy—of active American support—increase the likelihood of democratic outcomes? I believe it can.

III. The Tools of American Policy

These three realities of the 1980s—the new thrust of Soviet interventionism, the need for free nations to join together, the democratic revolution—are inseparable. Soviet power and policy cannot be checked without the active commitment of the United States. And we cannot achieve lasting results without giving support to—and receiving support from—those whose goals coincide with ours.

These realities call for new ways of thinking about how to cope with the challenge of Soviet power. Since Harry Truman's day, through administrations of both parties, American policy toward the Soviet Union has consistently set itself the goal of containing Soviet expansionism. Today, that goal is more relevant and more important than ever. But how do we achieve it in today's new conditions?

First of all, we must face up to the arrogant Soviet pretension known as the Brezhnev doctrine: the claim that Soviet gains are irreversible; that once a Soviet client begins to oppress its people and threaten its neighbors it must be allowed to oppress and threaten them forever. This claim has no moral or political validity whatsoever. Regimes that cannot live in peace with either their own people or their neighbors forfeit their legitimacy in world affairs.

Second, we must take full account of the striking trend that I have mentioned: the growing ranks of those who share our interests and values. In 1945 so much of the burden of defending freedom rested on our shoulders alone. In the 1970s some Americans were pessimistic about whether our values of democracy and freedom were relevant to the new developing nations. Now we know the answer. The growing appeal of democracy, the desire of *all* nations for true independence, are the hopeful basis for a new world of peace and security into the next century. A world of diversity, a world in which other nations choose their own course freely, is fully consistent with our values—because we know free peoples never choose tyranny.

To promote these goals, America has a range of foreign policy tools. Our involvement should always be prudent and realistic, but we should remember that our tools work best when joined together in a coherent strategy consistently applied. Diplomacy unsupported by power is mere talk. Power that is not guided by our political purposes can create nothing of permanent value.

The two tools of U.S. policy without which few American interests will be secure are our own military strength and the vitality of our economy. The defense forces of the United States are crucial to maintaining the stable environment in which diplomacy can be effective, in which our friends and allies can be confident of our protection, and in which our adversaries can be deterred. And our economic dynamism not only provides the resources essential to sustain our policies but conveys a deeper message that is being better understood all the time, even by our adversaries: free, pluralist societies *work*.

The failure to maintain our military capabilities and our economic strength in the 1970s was as important as any other single factor in encouraging Soviet expansionism. By reviving both of them in the 1980s, we deny our adversaries opportunities and deter aggression. We make it easier for other countries to launch sustained economic growth, to build popular institutions, and to contribute on their own to the cause of peace.

Security Assistance and Arms Transfers. When Soviet policy succeeds in establishing a regional foothold—whether through invasion, as in Afghanistan or Cambodia, or sponsorship of local Leninists as in Nicaragua—our first priority must be to bolster the security of friends most directly threatened. This has been the reason for increasing our security assistance for Pakistan, Thailand, and the friendly democratic states of Central America. U.S. aid to Pakistan has been indispensable in demonstrating that we will not permit the Soviet Union to gain hegemony over all within reach of its growing power. By raising and sustaining aid to El Salvador after the communist guerrillas' failed "final offensive" of 1981, we showed that controversy here at home could not stop us from backing a friendly and democratic government under threat.

Similarly, by providing needed equipment to friends in the Middle East—whether to democratic Israel or to longstanding friends in the Arab world who face clear and present radical threats—we contribute to stability and peace in a vital region of the world.

By supporting the efforts of others to strengthen their own defense, we frequently do as much for our own security as through our own defense budget. Security assistance to others is a security bargain for us. We must, however, remember that states hostile to us seek the same sort of bargains at our expense. For this reason, we must be sure that the resources we commit are adequate to the job. In the first half of this decade, Libyan and Iranian aid to communist Nicaragua, for example, totaled more than three times as much as U.S. aid to the democratic opposition. Soviet assistance to Vietnam, at nearly $2 billion annually, far outstrips U.S. support for any country save those that signed the Camp David peace accords. Soviet support for Cuba is larger still.

Economic Assistance. In speaking of Central America in 1982, I said that "... economic disaster [had] provided a fresh opening to the enemies of freedom, national independence, and peaceful development." We cannot indulge the hope that economic responses alone are enough to prevent this political exploitation, but an effective American policy must address both the short-term and long-term dimensions of economic distress. In the short term, our goal is stabilization; in the long term, sustained growth and progress by encouraging market-oriented reform.

In Central America, for example, the dollar value of our economic aid has consistently been three, four, or five times as much as our security assistance. In 1985 the former totaled $975 million; the latter, only $227 million.

Over the long term, America's most effective contribution to self-sustaining growth is not through direct aid but through helping these economies to earn their own way. The vigorous expansion of our own economy has already spurred growth throughout the Western Hemisphere, as well as elsewhere. But this healthy expansion of the global economy—which benefits us as well as others—depends crucially on maintaining a fair and open trading system. Protectionism is both dangerous and expensive. Its costs include not only the waste of resources and higher prices in our own economy but also the blow to poorer nations around the world that are struggling for democracy but vulnerable to antidemocratic subversion.

Diplomatic Initiatives. Some have argued that the regional wars in which the Soviet Union is embroiled provide an opportunity to "bleed" the Soviets. This is not our policy. We consider these wars dangerous to U.S.-Soviet relations and tragic for the suffering peoples directly involved.

For those reasons, military solutions are not the goal of American policy. International peace and security require both sides in these struggles to be prepared to lay down their arms and negotiate political solutions. The forms of such negotiations may vary, but in all of these conflicts, political efforts (and the improvement of internal political conditions) are essential to ending the violence, promoting freedom and national self-determination, and bringing real hope for regional security.

With these goals in mind, in my address to the UN General Assembly last fall, I put forward a plan for beginning to resolve a series of regional conflicts in which Leninist regimes have made war against their own peoples. My initiative was meant to complement diplomatic efforts already underway. To all of these efforts the United States has given the strongest possible support. We have done so despite the fact that the Soviet Union and its clients have usually resisted negotiations or have approached the table primarily for tactical purposes. We intend, in fact, to redouble our effort through a series of bilateral discussions with the Soviets.

In Afghanistan, we strongly support the diplomatic efforts conducted under UN auspices. We see no clear sign that the Soviet Union has faced up to the necessity of withdrawing its troops, which remains the central issue of the negotiations. But we will persist.

In southern Africa, the recent announcement by the South African Government of a date for the creation of an independent Namibia provides a new test of its own and of the Angolan regime's interest in a settlement that truly begins to reduce the threats to security in this region.

In Central America, President Duarte of El Salvador has offered a bold initiative that would produce three sets of simultaneous peace talks—his own with El Salvador's communist guerrillas; U.S.-Nicaragua bilateral discussions; and an internal dialogue between the communist regime in Nicaragua and the democratic opposition—if the Sandinistas will agree to the latter. My new envoy for Central America, Ambassador Philip Habib, will pursue the Duarte initiative as his first responsibility.

In Cambodia, we support ASEAN—the Association of South East Asian Nations—in its intensive diplomatic efforts to promote Cambodian self-determination and an end to Vietnam's brutal occupation.

Support for Freedom Fighters. In all these regions, the Soviet Union and its clients would, of course, prefer victory to compromise. That is why in Afghanistan, in Southeast Asia, in southern Africa, and in Central America, diplomatic hopes depend on whether the Soviets see that victory is excluded. In each case, resistance forces fighting against communist tyranny deserve our support.

The form and extent of support we provide must be carefully weighed in each case. Because a popularly supported insurgency enjoys some natural military advantages, our help need not

always be massive to make a difference. But it must be more than simply symbolic: our help should give freedom fighters the chance to rally the people to their side. As John Kennedy observed of another nation striving to protect its freedom, it is ultimately their struggle; winning inevitably depends more on them than on any outsiders. America cannot fight everyone's battle for freedom. But we must not deny others the chance to fight their battle themselves.

In some instances, American interests will be served best if we can keep the details of our help—in particular, how it is provided—out of view. The Soviets will bring enormous pressure to bear to stop outside help to resistance forces; while we can well withstand the pressure, small friends and allies may be much more vulnerable. That is why publicity for such details sometimes only exposes those whom we are trying to help, or those who are helping us, to greater danger. When this is the case, a president must be able to work with the Congress to extend needed support without publicity. Those who make it hard to extend support in this way when necessary are taking from our hands an important tool to protect American interests. Other governments that find they cannot work with us on a confidential basis will often be forced not to work with us at all. To hobble ourselves in this way makes it harder to shape events while problems are still manageable. It means we are certain to face starker choices down the road.

Nowhere is this clearer than in Central America. The Nicaraguan communists have actively sought to subvert their neighbors since the very moment they took power. There can be no regional peace in Central America—or wherever Soviet client regimes have taken power—so long as such aggressive policies face no resistance. Support for resistance forces shows those who threaten the peace that they have no military option and that negotiations represent the only realistic course.

Communist rulers do not voluntarily or in a single step relinquish control and open their nations to popular rule. But there is no historical basis for thinking that Leninist regimes are the only ones that can indefinitely ignore armed insurgencies and the disintegration of their own political base. The conditions that a growing insurgency can create—high military desertion rates, general strikes, economic shortages, infrastructural breakdowns, to name just a few—can, in turn, create policy fissures even within a leadership that has had no change of heart.

This is the opportunity that the freedom fighters of the 1980s hope to seize, but it will not exist forever, either in Central America or elsewhere. When the mechanisms of repression are fully in place and consolidated, the task of countering such a regime's policies—both internal and external—becomes incomparably harder. That is why the Nicaraguan regime is so bent on extinguishing the vestiges of pluralism in Nicaraguan society. It is why our own decisions can no longer be deferred.

IV. Regional Security and U.S.-Soviet Relations

My Administration has insisted that the issue of regional security must have a prominent place on the agenda of U.S.-Soviet relations.

We have heard it said, however, that while talking about these issues is a good idea, the United States should not be involved in other ways. Some people see risks of confrontation with the Soviet Union; others, no chance that the Soviets would ever reduce their commitment to their clients.

I challenge both of these views. A policy whose only goal was to pour fuel on existing fires would obviously be irresponsible, but America's approach is completely different. Our policy is designed to keep regional conflicts from spreading and thereby to reduce the risk of superpower confrontations. Our aim is not to increase the dangers to which regional states friendly to us are exposed but to reduce them. We do so by making clear to the Soviet Union and its clients that we will stand behind our friends. Talk alone will not accomplish this. That is why our security assistance package for Pakistan—and for Thailand and Zaire—is so important, and why we have increased our help to democratic states of Central America. We have made clear that there would be no gain from widening these conflicts. We have done so without embroiling American forces in struggles that others are ready to fight on their own.

Our goal, in short—indeed, our necessity—is to convince the Soviet Union that the policies on which it embarked in the 1970s *cannot work*. We cannot be completely sure how the Soviet leadership calculates the benefits of relationships with clients. No one should underestimate the tenacity of such a powerful and resilient opponent.

Yet there are reasons to think that the present time is especially propitious for raising doubts on the Soviet side about the wisdom of its client ties. The same facts about the democratic revolution that we can see are visible in Moscow. The harmful impact that Moscow's conduct in the developing world had on Western readings of its intentions in the last decade is also well known. There is no time in which Soviet policy reviews and reassessments are more likely than in a succession period, especially when many problems have been accumulating for some time. General Secretary Gorbachev himself made this point last year when he asked American interviewers whether it wasn't clear that the Soviet Union required international calm to deal with its internal problems.

Our answer to this question can be very simple. We desire calm, too, and—even more to the point—so do the nations now embroiled in conflict with regimes enjoying massive Soviet support. Let the Soviet Union begin to contribute to the peaceful resolution of these conflicts.

V. Conclusion

I have often said that the tide of the future is a freedom tide. If so, it is also a peace tide, for the surest guarantee we have of peace is national freedom and democratic government.

In the long struggle to reach these goals, we are at a crossroads. A great deal hangs on America's staying power and steadfast commitment.

- If America stays committed, we are more likely to have diplomatic solutions than military ones.
- If America stays committed, we are more likely to have democratic outcomes than totalitarian ones.
- If America stays committed, we will find that those who share our goals can do their part and ease burdens that we might otherwise bear alone.
- If America stays committed, we can solve problems while they are still manageable and avoid harder choices later.
- And if America stays committed, we are more likely to convince the Soviet Union that its competition with us must be peaceful.

The American people remain committed to a world of peace and freedom. They want an effective foreign policy, which shapes events in accordance with

our ideals and does not just react, passively and timidly, to the actions of others. Backing away from this challenge will not bring peace. It will only mean that others who are hostile to everything we believe in will have a freer hand to work their will in the world.

Important choices now rest with the Congress: whether to undercut the President at a moment when regional negotiations are underway and U.S.-Soviet diplomacy is entering a new phase; to betray those struggling against tyranny in different regions of the world, including our own neighborhood; or to join in a bipartisan national endeavor to strengthen both freedom and peace.

I have no doubt which course the American people want.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Mar. 17, 1986. ■

Nicaragua and the Future of Central America

Secretary Shultz's address before the Veterans of Foreign Wars on March 3, 1986.[1]

In recent years, around the world, we have seen the yearning for freedom take extraordinary forms. Last week, the world watched as the people of the Philippines rose up to claim their democratic rights and recapture their democratic heritage.

We saw in the Philippines a government increasingly at odds with its own people. We saw a Catholic Church, a middle class, moderate opposition parties, the business community, the media, and other segments of society increasingly disaffected from their government. We saw an election in which the government was shaken by the vigor of the opposition's campaign and sought by fraud to perpetuate itself in power. We can be thankful that as his moral authority slipped away, President Marcos had the wisdom and courage to step down peacefully.

Today, we see similar phenomena in a country much closer to home—Nicaragua. But with a striking difference: it's *far worse* in Nicaragua. There, opposition parties have been systematically harassed and intimidated, including by violence or threat of violence; independent media are not merely hampered but censored or shut down; the Catholic Church has been stifled or abused for being a voice of democratic conscience. The secret police have rounded up leaders of private sector, labor, and church organizations, subjecting them to interrogations and threats. A massive military buildup by the Soviet Union and Cuba threatens not only the regime's internal opponents but all neighboring countries as well. And the regime—after a manipulated election over a year ago—is clearly determined to maintain itself in power by whatever brute force is necessary.

In the Philippines, the forces of democracy were able to rally, organize, compete for and, eventually, win power peacefully, despite the flawed election, because it was, at bottom, a pluralist democratic political system. In Nicaragua, once the communist regime consolidates its power, the forces of democracy will have no such hope. A Leninist regime seeks a monopoly of power and the strangulation of all independent institutions. The church, the independent media, the business community, the middle class, and democratic parties are all severely beleaguered and struggling for their very survival. Thousands of the regime's opponents—estimated at as many as 20,000—have been driven to take up arms to resist the communist attempt to consolidate a totalitarian system.

For historical, moral, and strategic reasons, the United States took a direct interest in the progress of Filipino democracy. For similar reasons, we are deeply concerned with the hopes for democracy in Nicaragua. After 6½ years, it is clear that, without our help in strengthening the Nicaraguan democratic opposition, hope for democracy in Nicaragua is doomed and progress elsewhere in Central America could be undone.

Subversion Abroad

Despite our efforts to coexist with, and even aid, the revolutionary leadership that overthrew the dictator Somoza in 1979, the strategic threat posed by the Nicaraguan communists has grown steadily. Today, the country is home to some 200 Soviet advisers, some 7,500 Cubans, and assorted personnel from East Germany, Bulgaria, Libya, and the Palestine Liberation Organization (PLO). You can see who its friends are.

Nicaragua's military machine has no parallel in the history of Central America. Since 1981, the country has received more than half a billion dollars in Soviet arms shipments, including tanks and other heavy armaments that, in the context of Central America, are clearly not defensive. By the end of 1980, Nicaragua's Armed Forces were twice as large as the Somoza National Guard at its height. By the end of 1982, the army of the Nicaraguan communists had doubled again. Today, Nicaragua has some 60,000 troops on active duty and 60,000 more in reserves. Honduras, by contrast, has 21,000 troops; Costa Rica, the oldest democracy in Latin America, has no army. No other country in Central America has as many tanks and armored vehicles as Nicaragua.

Only Nicaragua has one of the most sophisticated attack helicopters in the world, the Soviet-built Mi-24 HIND.

Why such a formidable buildup? [Interior Minister] Tomas Borge gave the answer in 1981. "This revolution," he said, "goes beyond our borders."

What do these words mean? Look at the record. Almost immediately, the communists in Nicaragua joined with Salvadoran communists to prevent democratic reforms in El Salvador. They armed guerrillas who maintained their central headquarters in Managua until late 1983. (Incidentally, they moved not long after our liberation of Grenada). And they still maintain radio transmitters, training facilities, R&R camps, and major logistics support facilities in Nicaragua.

But for the Nicaraguan communists, subverting El Salvador has not been enough. Nicaragua has also been equipping, training, organizing, and infiltrating guerrillas and agents into Honduras. It has launched direct attacks into that country using its regular armed forces.

Costa Rica is another target. The Nicaraguan communists have used their diplomatic presence in Costa Rica to conduct bombings and assassinations; they have financed, equipped, and trained Costa Ricans for subversive activities; and they have conducted cross-border incursions almost at will.

They are also involved in Colombia. Many of the arms with which the M-19 terrorists attacked the National Palace of Justice have been traced to Nicaragua. And what were the M-19 terrorists after? Just those Justices trying drug traffickers. It should be no surprise to find that the Nicaraguan communists are involved in this criminal activity.

Think about the pattern that emerges from this record. It is violent. It is indiscriminate, aimed at democracies and even Contadora peacemakers. And it is intimately tied to Cuban and Soviet military power. These efforts at subversion and infiltration are facilitated by the regime's close relations with terrorists from across the globe. It has issued Nicaraguan passports to radicals and terrorists from the Middle East, Latin America, and Europe. Groups with a known presence in Nicaragua include the Basque ETA terrorists, the German Baader-Meinhof gang, the Italian Red Brigades, and the Argentine Montoneros. Alvaro Baldizon, a high-ranking Sandinista who defected in 1985, reported that Interior Minister Borge is personally involved in cocaine smuggling from Colombia to the United States. Videotapes by a DEA [Drug Enforcement Administration] informer on the ground in Nicaragua show at least one other regime official personally supervising the loading of a narcotics shipment for the United States.

Agents of the PLO working in Central America and Panama use Nicaragua as their base of operations. Their ties to the PLO are particularly strong. Some were trained in PLO camps in the 1960s and 1970s. Some have even participated in PLO hijackings.

The Nicaraguan communists have another benefactor in the Middle East: Libya. By the time they took power in 1979, they had developed a direct relationship with Qadhafi. And Qadhafi has obligingly sent them arms. One shipment labeled "medicines" was intercepted by accident in Brazil in April 1983; authorities found about 84 tons of arms, explosives, and other military equipment.

Repression at Home

By betraying their promises of pluralism, the Nicaraguan communists have forced the citizens of Nicaragua to take up arms once again. Like Somoza, they don't seem to listen to anyone who isn't armed. And, like Somoza, they seek to blame outside forces for the resistance of their own people to their policies.

The Nicaraguan communists like to say that covert U.S. support created the resistance; that their opponents are all agents of the CIA [Central Intelligence Agency] and heirs of Somoza. This is nonsense. It was their repression that in 1979, 1980, and 1981 destroyed the coalition that overthrew Somoza and sparked the resistance. In 1979, 1980, and 1981, the United States was providing aid to the Government of Nicaragua, not to the resistance.

From mid-1984 until late in 1985—well over a year—the U.S. Government provided no aid to Nicaraguan resistance forces. During that time, the resistance grew by 50%, roughly from 10,000 to 15,000. So much for the theory that the resistance is a creature of U.S. cash.

Who are these Nicaraguans who are willing to risk their lives against the communist security apparatus? The resistance fighters are overwhelmingly rural youths. Most are between 18 and 22 years old. They are fighting to defend their small plots of land, their churches and, in some cases, their indigenous cultures. Some joined the resistance rather than be forced by the Nicaraguan communists to fight against their friends and neighbors. In defending their families and communities, these young Nicaraguans are fighting for self-determination above all else.

Their leaders are more likely to come from urban areas and have more diverse occupations and backgrounds. They include both former National Guardsmen and former Sandinista fighters, but most are civilians from the very groups the communists claim to represent: peasants, small farmers, urban professionals, and students. One was a primary school teacher; another, an evangelical pastor.

An analysis of the backgrounds of the 153 most senior military leaders of the largest resistance group last November shows that 53% were civilians, 27% served in the National Guard, and a full 20% were former comrades-in-arms of the communists themselves.

The evidence irrefutably confirms that the Nicaraguan resistance is the product of a popular, pervasive, and democratic revolt.

A Tide of Democracy

Historians will detect an irony in the changing course of Latin American tyranny throughout these years. While Nicaragua was trading one dictatorship for another, strongmen elsewhere in the region were falling in rapid succession. In the past decade, elected civilian governments have replaced authoritarian regimes in Argentina, Bolivia, Brazil, Ecuador, El Salvador, Grenada, Guatemala, Honduras, Peru, and Uruguay. Over 90% of the people of Latin America now enjoy self-government, as opposed to less than one-third 10 years ago.

The contrast between communist rule in Nicaragua and the political trend in the rest of Latin America could not be more dramatic. After centuries of struggle, self-government has taken root. Now, Nicaragua is not only the odd man out; its policies of militarism and subversion place all the region's hopes for democracy at risk.

No one is more aware of that risk than the leaders of Latin America. For years, they have been searching for a way of defusing the threat from Nicaragua. Indeed, the central purpose of the Contadora negotiations is to ensure that military tensions created by the Nicaraguan regime's behavior can be overcome peacefully and democratically without the widening conflict the Nicaraguan communists seem bent on provoking.

Not surprisingly, the communists have consistently torpedoed these negotiations. In 1984, the United States pursued direct negotiations with Managua in an attempt to help the Contadora nations negotiate a settlement. Nine rounds of talks were held over 5 months. But the Nicaraguan communists proved mainly interested in manipulating the bilateral talks to short-circuit the Contadora process.

They have also refused the proposal of the country's Roman Catholic bishops, made in their 1984 Good Friday pastoral letter, to negotiate with all Nicaraguans—armed and unarmed, inside Nicaragua and outside of it. The democratic resistance called for a cease-fire and agreed to negotiations mediated by the Catholic Church. The regime refused. So the dialogue that counts the most—the internal dialogue between the regime and its opponents—is stymied by the regime's intransigence. The communists know what they want and have no intention of changing.

Nicaragua's neighbors are well aware of the regime's intentions. So are we. And we are profoundly concerned with the threat Nicaragua poses to the security and well-being of other Latin American nations. We have been deeply involved with encouraging democracy throughout Central and South America, supporting free elections and giving moral and economic support to democratic governments and democratic forces. And like our democratic neighbors, we don't want to see these gains rolled back by Nicaraguan subversion.

Just 2 weeks ago, I met with representatives from the eight nations involved in the Contadora negotiations. They are committed, as we are, to political solutions. But there is no mistaking their grave concern about Soviet and Cuban support for Nicaragua's attempts to undermine regional stability.

U.S. Policy

Our objectives in Nicaragua, and the objectives of our friends and allies, are straightforward. We want the Nicaraguan regime to reverse its military buildup, to send its foreign advisers home, and to stop oppressing its citizens and subverting its neighbors. We want it to keep the promises of the coalition government that followed Somoza's fall: democratic pluralism at home and peaceful relations abroad.

The United States and its friends have sought these objectives through diplomacy. We continue to believe that a negotiated settlement represents the ultimate hope for peaceful change in Nicaragua. But all serious efforts at negotiation have been blocked by the Nicaraguan communists. They believe that they can continue their domestic oppression and foreign aggression with impunity, and they continue to regard their military might as their guarantee of success. The United States has the power to help Nicaraguan freedom fighters convince the communists that their course is disastrous. We must give them help before it is too late. And when we do that, we increase our leverage in support of our diplomatic objectives.

Our goals are limited and reasonable. They are also essential for our values and our security and those of our neighbors. We must consider many options. Some are so stern that we hope never to resort to them. The United States does not want its own military directly involved in Nicaragua. So far, we have not had to consider this option, because we know there is another way of discouraging the regime from its destructive course. That is why we support the democratic resistance.

Military help for the democratic resistance will give the Nicaraguan communists an incentive to negotiate seriously—something they have yet to do. They did not negotiate with the Carter Administration when the United States was Nicaragua's largest supplier of aid. And they did not negotiate seriously either with us or with their neighbors when the Congress suspended all aid to the resistance 2 years ago. On the contrary, in the fall of 1984, instead of bringing their political opponents back into the political process through competitive elections, they imported assault helicopters from the Soviet Union.

The resistance finds itself at a critical juncture. They have proven themselves by their extraordinary growth and by the desperate measures to which the regime has been driven to combat them. But the Soviet, Cuban, and Eastern-bloc military buildup confronts them with unfair odds. If *we* fail to help the forces of democracy, these forces will suffer severely—not because their cause lacks merit but because the communists will have shown more determination than we.

A strengthened democratic resistance is the only way to force the Nicaraguan communists to halt subversion in this hemisphere; it is the only way to counter their stifling tyranny at home.

Power and diplomacy must go hand in hand. That is a lesson we should have learned by now. Diplomacy without leverage is impotent. Whether in arms control negotiations with the Soviet Union or in the resolution of regional conflicts, diplomacy works best when our opponents realize they cannot win military victory or unilateral advantage. Sometimes we have forgotten that lesson and paid the price.

That is the lesson we are seeking to apply in Nicaragua today: we are trying to convince the communist regime that a military option does not exist. Only stout internal resistance by the Nicaraguan people can pressure the regime into seeking national reconciliation and fulfilling the democratic promise of 1979.

Consequences of Inaction

If we do not strengthen the resistance, our worry in the future will be a very different one—a far more serious one. Our worry will then be a Soviet and Cuban base on the mainland of Latin America, a regime whose consolidated power will allow it to spread subversion and terrorism throughout the hemisphere.

Nor is that all. If the Nicaraguan communists succeed in consolidating their power and in destroying the democratic resistance, their victory would immediately boost radical forces everywhere that rely on violence, militarism, and terrorism to achieve their ends—particularly in Latin America. Radicalism will seem irresistible; the forces of moderation and democracy will be disheartened. *All* the countries in Latin America, who *all* face serious internal economic problems, will see radical forces emboldened to exploit these problems for their own destructive ends.

A communist victory in Nicaragua would also have global repercussions for U.S. policy. It would severely damage our credibility with adversaries who would test our mettle and with those around the world who rely on us for support in their battles against tyranny. If democratic aspiration is snuffed out in Nicaragua, then where can we claim to nurture it or protect it? If an armed aggressor on our own doorstep is allowed to have its way, despite enormous opposition inside the country and out, then how can our reputation for deterring aggression be credible in places farther removed?

The bipartisan Kissinger commission put it starkly in its 1984 report, listing the possible consequences of a failure to contain the present conflict in Central America. The consequences included:

- A series of developments which might require us to devote large resources to defend the southern approaches to the United States, thus reducing our capacity to defend our interests elsewhere....
- A proliferation of Marxist-Leninist states that would increase violence, dislocation, and political repression in the region.
- The erosion of our power to influence events worldwide that would flow from the perception that we were unable to influence vital events close to home.

Whose Vision?

This brings me to my final point. In the long run, the debate over military aid to the Nicaraguan resistance is no partisan affair. It is a debate over what moral and political principles shall inspire the future of this hemisphere, over whose vision will be allowed to prevail. One vision—the vision of democrats throughout the Americas—calls for economic progress, free institutions, and the rule of law. The other is a vision of two, three, many Nicaraguas—a hemisphere of burning churches, suppressed newspapers, and crushed opposition.

The Nicaraguan dictatorship may soon have the power to dog the resistance to its death. The United States *now* has the power to prevent that tragic outcome. Will we allow this hemisphere to be taken hostage by totalitarians? That is the question that the Congress faces. For the security of our own country and of the young democracies who turn to us for support, we should give the Nicaraguan people what they need to struggle for the freedoms that were denied them by Somoza and then snatched from them by an armed communist minority.

[1]Press release 35. ■

The Shape, Scope, and Consequences of the Age of Information

Secretary Shultz's address before the Stanford University Alumni Association's first International Conference in Paris on March 21, 1986.[1]

I'm always pleased to be in Paris. And I'm especially pleased to be here when the centennial celebration of the Statue of Liberty is only a few months away. That engineering marvel of the 19th century is an apt symbol of my theme tonight—the relationship between the advance of technology and the advance of liberty. For 100 years, that statue has been a beacon to mankind and a testimony to the unbreakable bond between our nations. On behalf of Americans everywhere, I extend our appreciation and deepest affections to France.

I'm also pleased to be speaking as the Secretary of State from Washington to an audience of ex-Californians, Parisians, and other Europeans at a meeting organized by Stanford University. Tonight's gathering is an appropriate setting for my subject: the shape, scope, and consequences of the age of information. Geography and borders have always constrained everyday life. Today, the information revolution is undermining their ancient dictates. It is shifting the balance of wealth and strength among nations, challenging established institutions and values, and redefining the agenda of political discourse.

The information revolution promises to change the routine of our planet as decisively as did the industrial revolution of the past century. The industrial age is now ending. In some places, it has already passed. The United States and most of the free nations in the developed world are already seeing how the age of information is transforming our economies. A century ago, we moved from an agricultural to an industrial phase in our development. Today, we remain agriculturally and industrially productive; but the basis of our economy is shifting rapidly from industrial production to information-based goods and services. Our economic indices—such as productivity and the structure of employment—are being decisively altered by our entry into the new age.

Yet these changes have been so pervasive, and their pace so rapid, that we have been unable to comprehend them in their full scope. We are very much like the leaders of the early 19th century as they tried to grasp the unfolding consequences of industrialization. No one has taken the full measure of our own new age. But if we are to seize the opportunities and understand the problems that this new phase of technological transformation will bring, we must try to grasp both its particulars and its broad outlines.

Dimensions of the New Age

What is the information age? The answers to that question are as numerous as the age itself is pervasive. There is, most obviously, a scientific dimension. Our thinking about our physical environment is changing with unprecedented speed. That change has been reflected most dramatically in our technological prowess—particularly in the development, storage, processing, and transfer of information. While the industrial age found its proper symbol in the factory, the symbol of the information age might be the computer, which can hold all the information contained in the Library of Congress in a machine the size of a refrigerator. Or its proper symbol may be a robot, a machine capable of supplementing age-old manual labor and liberating human beings from the most arduous and repetitive of tasks. Or perhaps its symbol is the direct broadcast satellite, which can send television programs directly into homes around the globe.

This list does not begin to capture the variety or capacity of these new technologies. Indeed, these are only the beginnings of what will be far-reaching and profound technical developments. Two decades from now, our computers will be 1,000 times more powerful than they are today. In a few short years, the most advanced technology of 1985 will seem as obsolete to us as the transistor—which made its debut some 40 years ago—seems today. Our scientific advances are affecting everything from the biological sciences to national defense. The President's Strategic Defense Initiative (SDI), with its promise of making deterrence more stable by reducing reliance on offensive nuclear weapons, is one dramatic example of the impact of intellectual and scientific change on our ways of dealing with the world. SDI can well be described, in fact, as a gigantic information processing system.

The economic dimension of this new age is just as revolutionary as its scientific and technological counterparts. Information, as Walter Wriston observed years ago, is our new international standard. Fortunes rise and fall according to its dissemination. With the advent of "real time" transfers of information, an announcement made in the Rose Garden can be reflected 2 minutes later in the stock market in Singapore. The information age is bringing a new conception of economic efficiency not just to entrepreneurs, and not just to corporations, but to the entire global market.

These and other economic consequences of the new age are transforming the way nations trade with one another. They are bringing new uncertainties to the marketplace and to the politics of regulation. Across the globe, the foreign policy agenda reflects new economic disputes as developing and advanced nations alike struggle to come to grips with transborder data flows, technology transfers, satellite transmissions, and the crowding of the radio spectrum. Some of these disputes are between governments. Others are between governments and private corporations. U.S. computer manufacturers, for example, are now disputing with several European governments over the issue of transborder data transfers. The U.S. companies believe that they should be allowed to compile data and have market access rights, while some governments believe that the data should be centrally controlled. Like the technologies themselves, the disputes created by the permeability of geographical borders to information flows are growing at a rapid rate.

Yet, these economic disputes are only one example of the effects of information technologies on international relations. The proliferation of information has also sparked new concerns over national security. Information is intrinsically neutral. It can be used for multiple purposes, good and bad. Governments everywhere are finding it harder to control the flow of sensitive information in the critical areas of intelligence and national defense. In free countries, where openness is valued in its own right, we must be careful not to underestimate the ability of others to manipulate new technologies for repressive purposes. In the TWA hijacking and in other such incidents, for instance, terrorists exploited our open system of mass communication to create a global forum for their brutal acts.

The social dimension of the information age may seem more intangible, but it is equally profound. More than 6 million American homes now have personal computers. By 1990, according to some estimates, half of all our households—and an untold number of our schools, offices, and factories—will be computerized. The impact of that change on our young people is already extraordinary. Their attachment to now commonplace video games and to video cassettes is a symbol of adaptation to the new age. Whole generations are now growing up with the computer, taking it for granted, understanding its languages, and using it with ease. What does their nonchalance imply? I was thinking of this recently as I watched my granddaughter play with a computerized toy. To her generation, the technologies of tomorrow will be as integral to her lifestyle as the telephone is to ours.

Nor is the social revolution limited to the most developed countries. Television, for example, lets people see how others live in distant countries and invites comparison. The information revolution is raising expectations not only in advanced nations but in corners of the world that have little experience of high technology itself.

These various dimensions—technological, economic, political, and social—are only a few ways of describing what the information revolution is about. Today, in the middle of the 1980s, the outlines of some broader implications are also becoming clear. I would like to reflect on some of the deeper economic and political challenges that the new age is bringing to us and then say a few words about America's response to them.

The Challenge to Individuals

First of all, any nation that wants to profit from the information revolution must understand where innovation comes from. In this era of rapid technological change, the pace of obsolescence is accelerating as never before. Innovation—and risktaking—are more than ever the engines of progress and success. This is true both in the economic marketplace and in the marketplace of ideas. So the challenge of economic success in this new age is, in large part, a challenge to the individual entrepreneur.

For obvious reasons, the free nations of the world are best positioned to meet this challenge. By their very nature, they guarantee the individual freedom that is necessary to the entrepreneurial spirit. And they have the confidence in their citizenry to encourage, rather than stifle, technological development.

In the United States, inventors, innovators, and entrepreneurs are symbols of our pioneering tradition. Our nation grew because there were enterprising Americans willing to take economic risks. A few statistics from our recent economic recovery tell the story. Last year over 666,000 new corporations were established in the United States—nearly 100,000 more than in 1981. Of these, some 50,000 failed—a dramatic measure of entrepreneurial spirit and the willingness to take risks.

We have also generated over 9 million new jobs in the past 5 years, reflecting the commercialization of new technologies. Our tax system encourages the economic risks that lead to innovation. In 1983 alone, we committed over $2.8 billion in venture capital to start-up costs. Public and private institutions alike encourage us to try the untried, to adapt ourselves to the unaccustomed.

And Americans as consumers are familiar and comfortable with technological innovation. Our fascination with gadgets and new products is legendary. From the days of the first automobile, Americans have been willing and eager for the novel, the improved, the latest model.

So we are disposed, as a people, to encourage entrepreneurship and to accept innovative technologies.

We have our qualms, of course. Like all other peoples, we have been sensitive to the impact of technological advance on the workplace—to the dislocations that follow from the replacement of manual labor. But, more than most nations, we tend to have confidence in our ability to resolve the social dilemmas that changing technologies present. Silicon Valley is only one symbol of our dedication to risk and reward. To us, the information age represents a new avenue to economic growth, an opportunity to do what we do best: to explore, to innovate, and, ultimately, to succeed.

The United States is far from alone, of course, in the development of new information technologies. France has pioneered the remarkable MINITEL system—a keyboard and TV screen linked to the phone system that now gives nearly 3 million subscribers instantaneous access to more than 1,200 different data bases, banking and financial services, press hookups, and educational and cultural channels. Such information technology gives the individual enor-

mous personal outreach, expanding to global limits his access to information, ideas, and personal services.

Free Trade: The Challenge to the Free World

Success in the information age depends on more than our own innovation and entrepreneurship. The new age also presents us all with a global challenge. New technologies circumvent the borders and geographical barriers that have always divided one people from another. Thus, the market for these technologies depends to a great extent on the openness of *other* countries to the free flow of information.

Open markets allow comparative advantage to express itself. The United States, as a country that seeks to explore and trade in technological services, has always opposed international attempts to stifle the workings of the information revolution. In our view, every country willing to open itself to the free flow of information stands to benefit.

Some critics have charged us with simple self-interest. The United States, they say, urges open trade because it is so well positioned to profit from it. They point out that American research, development, and marketing can compete favorably with those of other countries.

The interesting thing about this charge is that it captures a truth, but it expresses that truth exactly backwards. The United States does not advocate free trade because we are adept at pioneering technologies; we are adept at them *because* the dedication to freedom is intrinsic to our political culture. By maintaining that dedication throughout our history, we have been the pioneers of change both at home and abroad—in the agricultural phase of our development, in our industrial phase, and now, in the age of information.

Opposition to open trade is sometimes linked to a charge of cultural imperialism. The more international markets are open, it is said, the more smaller countries will be flooded with American movies and American television and radio programs—resulting in a kind of "cultural imperialism." I find this view ironic. If any nation would seem to be vulnerable to the widespread import of information and news from other cultures, it is the United States itself. As a nation of immigrants, we are the most international society on earth. Our cultural heritage—not to mention our cuisine—has been shaped by Asians, Europeans, Africans, and Latin Americans; by Christianity, Judaism, Islam, Buddhism, Hinduism; by almost every religious and ethnic influence imaginable. We urge would-be cultural imperialists to take note: the United States, with our international heritage, represents the largest market in the world for information from other cultures.

That international heritage is already encouraging foreign entrepreneurs. The Spanish International Network, for example, which is programed *outside* the United States, now has over 200 broadcast and cable outlets in our country. The United States does not fear an influx of information from other countries. On the contrary, we welcome it. And our reasons for welcoming it go beyond any simple adherence to the free flow of ideas and to open markets, beyond even the economic benefits that open trade would surely bring us. Those reasons go to the heart of the broad philosophical and political questions that the age of information has raised anew for all of us.

Fundamental Freedoms

The information age poses profound *political* challenges to nations everywhere. As any economist knows—or, for that matter, any alumnus of the Stanford Business School—the laws of economics do not exist in a vacuum. Even the most commonplace decisions—such as where to open a plant and when—must take into account social and political realities as well as economic considerations. Likewise, the freedom that makes America's economic success possible does not stand on its own; it is an integral part of our political system. So is the intellectual freedom that makes innovation and entrepreneurship possible.

The relationship between individual rights and economic dynamism is fundamental. The United States has seen that truth at work in our early agricultural age, in our age of industry, and in today's era of information. The Model T, the Wright brothers' plane, the telephone, the movie reel, the transistor radio, the VCR [video cassette recorder], the personal computer—these and other innovations have shaped and revolutionized our society. They have spread prosperity not just to an elite but to everyone. Thus, they mark the success of our democracy and the progress of our freedom. They are the material symbols of our dedication to individual choice, free enterprise, open markets, free scientific inquiry—indeed, to the very idea that the freedom of the individual, not the power of the state, is the proper foundation of society.

The same is true of free governments everywhere. The technological and economic successes of the entire free world are direct consequences and incontrovertible proof of the benefits that flow from self-government. The more the West dedicates itself to its freedoms, the stronger it becomes—both politically, as an attractive and viable alternative to statism, and economically, as a dynamic and expanding system of material productivity that brings benefits on a mass scale. In an era of technological revolution, our rededication to the liberty that makes innovation possible is imperative.

That rededication has strategic importance as well. The information revolution is already shifting the economic balance between East and West. The leaders of closed societies fear this shifting economic base, and for good reason. First, they are afraid that information technologies will undermine the state's control over its people—what they read, watch, hear, and aspire to. In most of these countries, familiar means of communication like the mimeograph machine and photocopier are already kept under lock and key. The specter of direct broadcast satellites alarms their leaders even more. In Moscow, they're paying up to 300 rubles—that's $450—for black market videotapes smuggled in from the West.

East-bloc leaders also fear that they will be unable to compete with the research, development, and marketing of information age technologies. Here, too, they are right to be worried. The incentive to improve information technology is unlikely to come from countries in which the pen is regarded as an instrument of subversion. The science and technology of the future will be directly tied to access to information, for the important scientific ideas will come from the accumulation and manipulation of data bases.

So these regimes face an agonizing choice: they can either open their societies to the freedoms necessary for the pursuit of technological advance, or they can risk falling even farther behind the West. But, in reality, they may not have a choice. The experience of the Chinese communists, who are now trying to release the talents of a billion people, will continue to be a fascinating test of whether a once-closed society can be opened.

That is why the promise of information technology is so profound. Its development not only strengthens the economic and political position of democracies: it provides a glimmer of hope that the suppressed millions of the unfree world will find their leaders forced to expand their liberties. But that is not all. If totalitarian leaders do loosen their grip in order to compete with the free countries, they may find themselves, in that process, contributing dramatically to an improvement in relations between East and West. That easing of tensions would benefit not only the Soviet Union and the United States but the nations across the globe whose destinies are linked to the East-West conflict.

The developing world, too, stands to benefit from an expanded flow of information. Some of these nations are already seizing their opportunities. I notice that Barbados, for instance, advertises to potential investors by emphasizing that it has a sophisticated telecommunications system. Other countries are using information technologies to enhance their agricultural or industrial capacities. With the aid of modern communications, Colombia now markets fresh-cut flowers in New York City. Developing countries that profited from the "green revolution" know that information modernization offers the vast promise of integration into the world economy.

Nations throughout the developing world must decide how to view these new international markets. If they fear outside influences and seek to restrain technological trade, they will only fall farther behind the developed world and increase the gulf between us. If, on the other hand, they remain open, they will find themselves rewarded with rare opportunities for developing their material and human resources and for accelerating their movement toward modernization.

In the industrially advanced world, the information revolution is already transforming the multinational corporation. Today, sophisticated communications enable people from across the oceans to work together with the same efficiency of those who work across town. In the coming years, we can expect to see new supranational corporate entities whose employees are drawn from all corners of the world. That's one possible consequence of the shrinking importance of geography. Another is that the developing nations will have access as never before to data and communications in the advanced nations—access that could only increase the efficiency with which developing nations use their resources.

A Test of Principle

Because of the information revolution, all nations—free and unfree, developing and developed—must confront a key challenge that I have already mentioned: the way nations trade with one another. None of the opportunities before us will bear fruit unless the free nations can agree to open rather than restrictive trade in these revolutionary products and services.

This same challenge is also affecting our diplomacy. Technologies are being transformed even as we negotiate over their transfer abroad. The United States has pressed strongly for a new round of multilateral trade negotiations in the GATT [General Agreement on Tariffs and Trade] to ensure that key issues relating to the trade in these emerging technologies are taken up. Meanwhile, we are keeping open the possibility of increasing bilateral free trade arrangements, as we are pursuing now with Israel and Canada. Our overall purpose remains the same: to maximize the development of and trade in these information age products and services, especially those that increase the free flow of data and ideas. To do otherwise would betray the vast promise that the information age holds out to us.

That betrayal would be a great misfortune for the free world—yes, because of the economic opportunities that would be lost but, more because of the implications for the idea of freedom. We are proud of our freedom, and we are right to be proud. But today's disputes over the technologies that cut across our borders put our dedication and commitment to a new test. Are we secure enough in our principles to act in ways that promote, rather than discourage, the technologies that leap across borders?

The United States is confident in its own answer. We welcome these technologies as we have welcomed, in times past, other advances whose implications were uncertain. In fact, we invite other nations to practice a little "cultural imperialism" of their own on us. We weren't shaken when Mr. Gorbachev appeared live via satellite on our televisions. And it doesn't bother us to hear that engineers from the Soviet Union have been known to amuse themselves by intercepting Hollywood movies from American satellite transmissions. We just hope they enjoyed *Rambo*.

Approaching Horizons

This cultural dimension leads me to my final point. The greatest minds of the past century bent their powers toward understanding the significance of the industrial revolution. Theorists and intellectuals, novelists and poets alike devoted themselves to examining the dimensions of their new age. Today, with the passing of the industrial era, a new consciousness is developing. Its impact on our art and literature and music is already apparent; its impact on our social behavior is already underway. In the long run, the most exciting challenge posed by the new age is not to nations or corporations or societies but to the individual human imagination.

Meanwhile, those of us who must grapple with the daily realities of the information revolution face formidable challenges of our own. We can learn a practical lesson from a wise and thoughtful banker. Fifteen years ago, when even pocket calculators were a novelty, Walter Wriston foresaw the implications of this new age for the field of finance. His vision helped to revolutionize the entire financial industry and turned his company, Citicorp, into a giant of imagination and profit.

Wriston succeeded because he was able to grasp both the particular details of his chosen sector and the daunting conceptual outlines of the information revolution at large. By never losing sight of either, he contributed to both. Those of us who confront other practical dimensions of our new age—in my own case, the political dimension—can benefit from his example.

So, as we face the many challenges that the new age presents, we must never lose sight of our most fundamental principles. We are reminded with every advance that in this age of revolution our commitment to freedom is our single greatest asset. With all the information we have amassed, with all the discoveries at the frontiers of all the sciences, we still find that answers bring with them new questions. Our policies must always be based on the fundamental process of freedom—freedom of thought, freedom of research, and the free flow of ideas. If we keep that in mind, we will benefit from our dedication to liberty even as we secure it.

[1]Press release 53. ■

A Review of Recent Events in South Africa

by Chester A. Crocker

Statement before the Subcommittee on Africa and on International Economic Policy and Trade of the House Foreign Affairs Committee on March 12, 1986. Mr. Crocker is Assistant Secretary for African Affairs.[1]

Thank you for this opportunity to appear before you today on the important subject of U.S. policy toward South Africa. In my time with you today, I should like to review events of recent months in South Africa. I shall then describe our policy toward that unhappy country and conclude by venturing my views on the prospects for peaceful change.

The Situation in South Africa

The crisis in South Africa, which broke into public visibility in the fall of 1984, persists. Politics remains polarized and shrill, making it difficult for moderates on both sides to meet, much less negotiate. Violence and repression occur at levels that disturb all of us who hope for peaceful change in that country. And the issues there continue to engage our sympathy as well as our national interests and to test our resolve as well as our patience.

South Africa, in short, is still a divided land. Suspicion and mistrust abound. Black and white South Africans tend to look at their country and see two different realities. For one group, the glass is seen to be filling at an unprecedented pace; for the other, it remains nearly empty.

White South Africans will emphasize how much change has taken place in recent years and how much the government has conceded in recent months. The state of emergency has at last been lifted; powersharing and negotiations are called for; apartheid is branded as "outdated"; the government has announced that political domination, petty discrimination, economic and educational inequality, and the pass laws are to be eliminated. An undivided South Africa, a common citizenship, and a universal franchise—these are political commitments by a National Party government that would have been unthinkable a few years ago.

To white South Africans, these changes appear rapid, even revolutionary. In some, such change inspires fear; in others, it provokes resistance; and to many, it offers the promise that a more just society can be arrived at peacefully.

Looking at these same events, many black South Africans see something quite different. Such changes as have taken place appear marginal and grudging to them. Whatever concessions have been made or promised, blacks still lack citizenship; they still cannot vote for national leaders; they still must send their children to inferior schools; they still are confined to black areas where crime, intimidation, and the presence of security forces are too common; black contract laborers still must leave their spouses and families behind in the homelands.

In these circumstances, after nearly 20 months of violence, more than 11,000 detentions, and 1,200 deaths, it is hardly surprising that politics has polarized. Nor is it surprising that the South African Government should find dismantling apartheid far more difficult than imposing it.

A protracted economic downturn has produced new strains. High inflation, running at nearly 20%, and budgetary austerity have cut into funds available for social expenditures, affecting all sectors of South African society. Blacks, at the lowest end of the economic scale, are hit hardest. Higher unemployment and sharply increased costs for housing, transportation, and food have clearly hurt blacks much more than whites.

External economic pressures have increased as well, leading to the debt standstill and a plummeting currency last fall. The South African Government is still negotiating with Western banks over suitable terms for rescheduling the country's external debt. This debt crisis is unusual in that it traces more to political than economic causes—yet another indication of the true nature of South Africa's problems.

Of all these worrying trends, the violence and repression disturb me most because of their implications for human rights and human life and because they radicalize politics. As Martin Luther King said, violence and repression foster "bitterness in the survivors and brutality in the destroyers."

Among whites, one hears more talk about a siege economy and rightist parties proclaim loudly their opposition to further reforms. Meanwhile, what is taking shape across South Africa's black community is a loosely organized, mass movement often led by youngsters who operate outside any law and without identifiable leaders. With the government's decision to lift the state of emergency, a move insistently advocated by us and many others, one must hope that we will at last see violence reduced and peaceful remedies pursued.

In sum, the situation in South Africa remains balanced on a knife-edge between hope and despair. The government has made some political commitments and decisions in principle which are of undisputed importance. It is perhaps fair to state that, at long last, the many messages being sent to that government—primarily by the people of South Africa themselves—are being heard. But this does not mean that a breakthrough toward peace and negotiation has occurred. A number of the government's own statements of intent have been undercut by subsequent statements or actions that raise further questions. Positive words need to be translated into unambiguous actions. The polarization and distrust continue at dangerously high levels. A climate conducive to dialogue is still to be created. The violence continues. Fragile openings for negotiation and for defusing the township crisis must be nurtured. It is a time when people of moderation and courage on all sides need our encouragement to produce results for their varied constituencies.

U.S. Policy

Through several Administrations, including this one, U.S. policy has sought to use our influence—limited as it is—against apartheid and for peaceful change, not against innocent people who are the victims of apartheid. We have also recognized South Africa's pivotal role in the southern African region and the need for regional stability and security. Improved relations between South Africa and her neighbors and internal change in South Africa relate to one another.

These remain the animating features of our policy today. In South Africa, we face a moving target where events unfold quickly, unpredictably, and beyond our control. In a sense, there is no *status quo* in South Africa. Circumstances

change daily, putting new demands on all involved.

For this reason, our policy sets out clearly the principles I mentioned as the basis of our strategy and then proceeds with a tactical emphasis on process and results that will promote our broader long-term objectives. We do not aim to impose ourselves, our solutions, or our favorites in South Africa; such an intrusion would be unwanted and unwise for any outside party.

What we seek instead is to help create conditions that will draw people of good will—the overwhelming majority—together. Encouraging the government to repeal all apartheid laws and to continue with positive change, to end repression, to stop removals and independence for so-called homelands, to release detainees and political leaders such as Nelson Mandela, to take steps to get black children back into school, and to respond to calls by moderate blacks—these things we have done insistently, publicly and quietly, sometimes with effect, in some cases, unsuccessfully. By the same token, we have urged black leaders to eschew extremist solutions, give credit to the government when it is due, and not give up on negotiations and peaceful remedies. Here again, our case is often compelling and, frankly, it is sometimes rejected. The important thing is that we are involved, pursuing goals which I believe all Americans share. Our access to various groups and individuals gives us openings for using diplomacy and political and moral persuasion—the most effective tools for us in these dangerous times.

In our diplomacy we are trying to help an unhappy but essentially friendly nation and to help lay the basis for a better future. Our moral responsibility each day must be to think through the results of our actions. When President Reagan signed his Executive order on South Africa in September last year, he said that he wanted to work with Congress to increase bipartisan support for U.S. policy toward that country. He added:

> I respect and share the goals that have motivated many in Congress to send a message of U.S. concern about apartheid. But in doing so, we must not damage the economic well-being of millions of people in South and southern Africa.

U.S. policy toward South Africa has proceeded from that premise throughout this Administration. The purpose of the President's Executive order was to underscore our message to the South African Government that the United States—its Executive, its legislature, and, most importantly, its people—reject apartheid.

Since the President announced his Executive order, we have moved quickly to implement its provisions. Krugerrand and weapons imports have been banned, as have bank loans to the South African Government. U.S. restrictions on computer and nuclear exports are in place. The provisions regarding fair labor standards have been published, and my colleagues in the State Department are now registering all U.S. firms with more than 25 employees in South Africa.

The Secretary's Advisory Committee on South Africa has begun its work. This group of 12 distinguished Americans already held its third set of meetings with experts on South Africa this week. It will travel to South Africa later this year and also hold a public hearing here in Washington. Its report will probably be submitted by the end of this year. In the meantime, the Secretary has made clear his support of the committee's work and of its independence. He has also indicated that he will seek its advice on U.S. policy toward South Africa, even before the final report. I am pleased and honored that these Americans are dedicating themselves to helping us with this problem.

We have also increased the U.S. Government's assistance programs available to South Africa's disadvantaged majority. AID [Agency for International Development] is expanding existing programs and will propose several new ones this fiscal year. Other U.S. agencies, particularly USIA [United States Information Agency] and Commerce, have taken steps to add to their programs aimed at South Africa's black community. I should mention also the creation of the special working group on South and southern Africa under Ambassador Doug Holladay—an interagency office in the State Department. It has already undertaken several initiatives aimed at encouraging a wider understanding of our policy goals and at increasing the flow of privately supported exchanges with South Africa.

I should also mention our effort to open a small post in Port Elizabeth, an effort that has been resisted by members of this body. We want to open a post in the eastern Cape to reach out more effectively to the various commu-

South Africa's Proposal on Namibia and Angola

WHITE HOUSE STATEMENT
MAR. 4, 1986[1]

Today in Cape Town, the Government of South Africa proposed that August 1, 1986, be set as the date for the beginning of implementation of UN Security Council Resolution 435. That resolution outlines the procedures leading to the independence of Namibia. The South Africans have made implementation of this date contingent on reaching prior agreement on a timetable for Cuban troop withdrawal from Angola.

The U.S. Government welcomes South Africa's announcement as a significant and positive step in the negotiations to achieve Namibia's independence, the withdrawal of Cuban forces from Angola and, more broadly, peace in the region. The opportunity now exists for rapid movement toward a settlement which will bring Namibia to independence. This opportunity should be seized. It is now incumbent upon all the parties to the negotiations to intensify their diplomatic efforts. The United States is prepared to move rapidly to encourage the parties in this effort. With this in mind, the Secretary [of State] has asked Deputy Assistant Secretary for African Affairs Frank G. Wisner to travel immediately to southern Africa for consultation with governments in the region.

We welcome the South African Government's announcement that it would lift the state of emergency within the next few days. We have long urged that the state of emergency be lifted as one of the steps the South African Government must take to create conditions in which it will be possible to begin negotiations with credible black leaders leading to meaningful reform and a reduction in violence.

[1]Text from Weekly Compilation of Presidential Documents of Mar. 10, 1986. ■

nities in that important part of South Africa. This, we thought, was perfectly in keeping with advice we have received from many places, including members of this House.

I hope that you will find it possible to reconsider your views on this subject. I believe a post in Port Elizabeth will serve important U.S. national interests, particularly in light of the U.S. commercial presence there, as well as significantly enhancing our political reporting capabilities and contact with the eastern Cape black community.

Apart from these recent initiatives, the point I wish to underscore with these committees is that President Reagan has directed us to be even more actively engaged across the political spectrum in South Africa during this painful period. While I cannot go into the substance of delicate diplomatic exchanges, we have used these channels to underscore our views about what must be done to create a more constructive context. Like others, we have stressed the need for the government to send clear signals of its intent to scrap apartheid and negotiate a new system based on democratic principles. Where there are openings to advance specific goals, to pass quiet messages from one group to another, or to support positive initiatives already launched by others, we are doing so. In addition to private diplomacy, we have spoken out clearly and forcefully against continuing abuses where these occur and will continue to make known our positions to the broadest possible audience. At the same time, we have continued to make clear our strong conviction that violence—from whatever quarter—deserves no U.S. support. Similarly, we do not believe purposeful reform and basic change can be encouraged by augmenting South Africa's current economic difficulties.

As I have said, the situation in South Africa is delicately poised. We are determined to act but also to act responsibly. It is far too soon, in our view, to draw conclusions about the impact of the growing crescendo of internal and external pressures for constructive change. And it would be downright dangerous for us—perhaps inadvertently—to take postures or adopt actions which could maximize intransigence or foster illusions on all sides. Our goal at this time, in short, must be to encourage the government and the other communities to open doors and to walk through them.

Prospects

As I have said, South Africa is still a divided country. And yet, ironically, all responsible parties in both the black and white communities wish for the support of the United States, perhaps more than any other outside nation, for their cause. This confers on us an inescapable responsibility and often pulls us in conflicting directions. This is where our resolve and our patience are tested. South Africa's problems were not created overnight, and they will almost certainly be resolved more slowly than we would like.

And yet, this quest for American support affirms that our course is the right one. Bishop Tutu's recent U.S. visit, on the one hand, and parts of State President Botha's January 31 speech, on the other, show that international opinion counts in South Africa. I am not suggesting that the United States or any other outside nation will play a decisive role in sorting out the South Africa dilemma. Instead, I contend that a course calculated to use our influence for the principles I have mentioned will keep us relevant.

South Africa will come under close scrutiny this year. The Commonwealth's Eminent Persons' Group, the European Community, our own advisory committee, the banks—indeed, the whole world—will be watching South Africa closely this year. Different time schedules have been set, some synchronized, some not.

Forecasting the future for South Africa is a task full of pitfalls. There are some encouraging signs, but there is much to be discouraged about as well. What we can all agree about, I am confident, is that 1986 will be a decisive year in that country's history. It is not a threat but a dispassionate prediction that South Africans cannot afford another year like the last one. Our hopes, our diplomacy, and our progress are with them as they grapple with dilemmas and injustices built up over many years to chart a way forward, around the abyss of violence, toward a democratic system.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Report on U.S. Actions Toward South Africa

MESSAGE TO THE CONGRESS, MAR. 17, 1986[1]

On September 9, 1985, in Executive Order 12532 (50 Fed. Reg. 36861, Sept. 10, 1985) I declared a national emergency to deal with the threat posed by the policies and actions of the Government of South Africa to the foreign policy and economy of the United States.

Pursuant to that Order, I prohibited certain transactions, including the following: (1) the making or approval of bank loans to the South African Government, with certain narrow exceptions; (2) the export of computers and related goods and technology to certain government agencies and any apartheid enforcing entity of the South African Government; (3) nuclear exports to South Africa and related transactions, with certain narrow exceptions; (4) the import into the United States of arms, ammunition, or military vehicles produced in South Africa; and (5) the extension of export marketing support to U.S. firms employing at least twenty-five persons in South Africa which do not adhere to certain fair labor standards.

In addition, I directed (6) the Secretary of State and the United States Trade Representative to consult with other parties to the General Agreement on Tariffs and Trade with a view toward adopting a prohibition on the import of Krugerrands; (7) the Secretary of Treasury to complete a study within 60 days regarding the feasibility of minting U.S. gold coins; (8) the Secretary of State to take the steps necessary to increase the amounts provided for scholarships in South Africa for those disadvantaged by the system of apartheid and to increase the amounts allocated for South Africa in the Human Rights Fund; and (9) the Secretary of State to establish an Advisory Committee to provide recommendations on measures to encourage peaceful change in South Africa.

The declaration of emergency was made pursuant to the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq.*, and the National Emergencies Act, 50 U.S.C. 1601 *et seq.* I submitted a report regarding the declaration to the Congress on September 9, 1985, pursuant to Section 204(b) of the International Emergency Economic Powers Act. Pursuant to Section 204(c) of that act, I am today reporting on the major actions taken in the exercise of the authorities contained in that act and Executive Order 12532. The following actions are

listed in chronological order, and a copy of all implementing rules and regulations is enclosed.

On October 1, 1985, in Executive Order 12535, I prohibited the importation of the South African Krugerrands into the United States effective October 11, 1985 (50 Fed. Reg. 40325, Oct. 3, 1985). This Order implemented the course of action contemplated in Section 5(a) of Executive Order 12532.

On October 7, 1985, the Bureau of Alcohol, Tobacco and Firearms of the Department of the Treasury issued regulations on the Importation of Articles on the United States Munitions Import List (50 Fed. Reg. 42157, Oct. 18, 1985). These regulations implemented the prohibition of certain arms imports contained in Section 1(d) of Executive Order 12532.

On October 9, 1985, the Office of Foreign Assets Control of the Department of the Treasury issued the South African Transactions Regulations (50 Fed. Reg. 41682, Oct. 15, 1985). These regulations implemented the ban on the importation of the Krugerrand.

On October 22, 1985, the Department of State published a notice in the *Federal Register* regarding the Establishment of the Advisory Committee on South Africa (50 Fed. Reg. 42817, Oct. 22, 1985). The Charter of the Advisory Committee has been filed with the Senate Foreign Relations Committee, the House Foreign Affairs Committee, and the Library of Congress. The Committee shall render a report to the Secretary of State within one year of its first meeting, which was held on January 29-30.

On November 4, 1985, the Department of State issued proposed regulations for public comment on South Africa and Fair Labor Standards (50 Fed. Reg. 46455, Nov. 8, 1985). The draft regulations were designed to implement the fair labor provisions stated in Section 2 of Executive Order 12532. Final regulations were issued by the Department of State on December 23, 1985 (50 Fed. Reg. 53308, Dec. 31, 1985).

On November 6, 1985, the Office of Foreign Assets Control of the Department of Treasury issued the South African Transaction Regulations (50 Fed. Reg. 46726, Nov. 12, 1985). These regulations implemented the bank loan prohibition of Section 1(a) of Executive Order 12532.

On November 8, 1985, the Secretary of the Treasury submitted a report on the feasibility of minting U.S. gold coins. On December 17, 1985, I signed the Gold Bullion Coin Act of 1985 (Public Law 99-185), which requires the minting of such coins.

On November 14, 1985, the International Trade Administration of the Department of Commerce issued regulations on Export Controls on the Republic of South Africa (50 Fed. Reg. 47363, Nov. 18, 1985). These regulations implemented the computer export prohibition in Section 1(b) and the prohibition against licensing exports to nuclear production and utilization facilities in Section 1(c) of Executive Order 12532.

The policies and actions of the Government of South Africa continue to pose an unusual and extraordinary threat to the foreign policy and economy of the United States. I shall continue to exercise the powers at my disposal to apply the measures contained in Executive Order 12532 as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Mar. 24, 1986. ■

U.S.-Supported Human Rights Program in South Africa

Background

The South African human rights program was established in 1984, under the U.S. Foreign Assistance Act, to promote "political, economic, social, judicial and humanitarian efforts to foster a just society and to help victims of apartheid." Administered at the U.S. Embassy in Pretoria by the U.S. Agency for International Development (AID), the program encourages the work of community-based nongovernment organizations. Because most of these organizations are small, the money granted to them—in amounts generally not exceeding $10,000—can help make them financially viable and also attract other funding sources. During the first 2 years, grants were made to more than 200 projects in South Africa. The program will total $1.5 million in fiscal year 1986, targeted specifically on projects and institutions that address the legal and other constraints to full equal rights and protection of all South Africans' civil liberties.

The program's goal is to assist those who aspire to the ideals of the Universal Declaration of Human Rights. Methods to achieve this goal include supporting victims of racial discrimination and fostering legal and social change by encouraging research, discussion, and awareness of human rights, promoting democratic principles and the free enterprise system, and increasing the openness of the judicial and legal systems for all. No support is provided under the human rights program for partisan political activities.

The human rights program is only one part of a larger U.S. Government program, totaling $20 million in fiscal year 1986, to assist South Africa's black, colored, and Asian communities. Activities under the larger program provide:

- Scholarships to disadvantaged students for training in the United States and in South Africa;
- Assistance to black labor unions, entrepreneurs, and businessmen; and
- Help to communities in their efforts to promote local well-being through schools and hospitals, and other such activities.

Funding Criteria for Human Rights Program

Funding decisions are based on an evaluation of each proposed project's probable impact. In the short term, projects should increase the capabilities of organizations working for human rights. In the medium term, they should demonstrate potential for influencing government policy in areas of due process, freedom of speech, equal treatment under law, and general tolerance of diversity. In the long term, projects should lead to the recognition of full citizenship for all races, the improvement of human rights legislation, and the development of mechanisms for blacks to participate at all levels of government.

Types of Projects

Successful projects fall into four categories.

- Grants made to organizations providing ***legal assistance to members of the nonwhite community.*** Among these was a $10,000 grant in April 1985 to the Legal Education Center of the Black Lawyer's Association for the funding of a library of basic legal matters. The center was launched in January 1985 with grants from the Ford and Carnegie foundations for use in establishing programs to facilitate placement of black law graduates as law clerks; formulating continuing education courses and semi-

nars for black lawyers; undertaking legal research into areas affecting black people; and establishing law clinics to provide advice to black communities. This is the only program of its kind undertaken by an entirely black organization, and the center will be greatly facilitated by the creation of the library. Grants also have been made to other law-related projects such as the Lawyers for Human Rights to set up an office in Pretoria and the Center for Applied Legal Studies to fund a seminar on black participation in the legal profession.

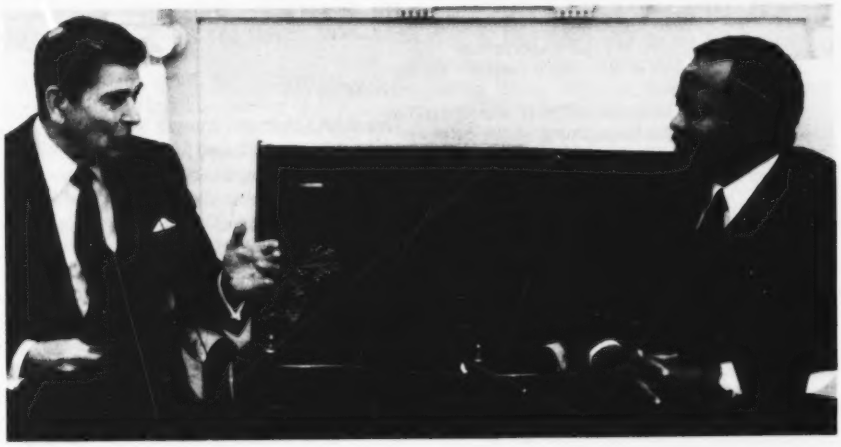
• Grants concerned with the ***effects on blacks of the South African Government's educational policies.*** In October 1985 a $10,000 grant for the purchase of data processing equipment was made to the Careers Research and Information Center (CRIC). Founded in 1977 after the Soweto uprising, CRIC sought to help scholars and young adults plan their futures. The project has been administered nonracially, although its prime audiences are black pupils and their teachers. The new data processing equipment will enable CRIC to expand its testing and career counseling services for black and colored students in the Western Cape region. Such assistance will help them overcome South African social barriers. Other funded education projects include the South African Committee for Higher Education Distance Learning Project, designed to counter obstacles to the upgrading of black education, and the Industrial Aid Center Adult Literacy Program, established to inform workers, especially the unemployed, of their legal rights.

• Grants made to organizations promoting ***private enterprise and development, and organizational skills in black communities.*** The Youth Program of the Foundation for Social Development awarded an $8,500 grant in October 1985, promotes self-reliance and organizational skills within educational and recreational programs. The National Build a Better Society Association, granted $7,000, is establishing a program to advise individuals and disadvantaged communities on financial matters and personal and home management to help people make informed decisions, develop leadership qualities, and create community awareness.

• Grants made to projects ***addressing the problem of resolving the social tensions in South African society.*** For example, the Workshop of Negotiation Techniques, sponsored by the Center for Intergroup Studies and funded by a grant of $10,000, is concerned with research and education in conflict resolution and race relations.

Taken from the GIST series of February 1986, published by the Bureau of Public Affairs, Department of State. ■

Visit of Cameroon's President



(White House photo by Pete Souza)

President Paul Biya of the Republic of Cameroon made an official working visit to Washington, D.C., February 25–28, 1986, to meet with President Reagan and other government officials.

Following are remarks made by the two Presidents after their meeting on February 27.[1]

President Reagan

It's been a pleasure to have as our guest President Biya of Cameroon. President Biya's visit is a milestone in the excellent relationship between our two countries. Our discussions were warm and frank, reflecting the good will between us and our countries as well.

And I'm pleased to take this opportunity to announce that yesterday a bilateral investment treaty was signed by our governments. President Biya and I are convinced this treaty will spur economic growth and greatly benefit our peoples.

Cameroon, like the United States, is blessed with rich natural resources, a vibrant private sector, and a diverse, industrious population. But resources alone do not guarantee progress, either in economic or political terms; it takes sound, dedicated leadership. President Biya exemplifies this with his energetic commitment to national unity, reconciliation, and the liberalization of his country's political institutions.

Today it's becoming ever more clear to the emerging nations in Africa that Marxist and rigid statist models of development simply don't work. Instead of economic development, political freedom, and national stability, Marxism, an ideology totally alien to African aspirations, has produced nothing but deprivation, tyranny, and conflict.

Cameroon is a shining example of how much can be accomplished when a more realistic and humane approach is taken to political and economic development. By allowing free rein of the enterprise and talents of the people and by providing incentives for them to work and earn, last year Cameroon's economy grew at an annual rate of over 6%. Its per capita income is among the highest in black Africa. President Biya's government enjoys a balanced budget, and his country, thanks to the growing vigor of the private sector, is essentially self-sufficient in food. In short, President Biya's wise policies have been a boon to his people.

The President is a highly respected leader in Africa. And today I sought his

advice on a wide range of issues. We discussed our mutual concern about international terrorism and about aggression directed against some sub-Saharan states, especially Chad. We agreed on the importance of working together and with other friends countering these dangers.

The United States and Cameroon have for several decades enjoyed a high level of cooperation. Today we have reaffirmed our intention to continue reinforcing our positive and constructive relationship. All Americans wish President Biya continued success in his efforts to build a prosperous and democratic Cameroon. And we wish him Godspeed on his journey home.

President Biya[2]

President Reagan and myself have just had a meeting marked by cordiality and mutual understanding. We have looked at the economic and political situation of Cameroon. President Reagan is very much aware of the progress we have made. Our domestic policies are based on a free market economy and democracy for most personal initiative and the creation of new businesses. Our growth rate has increased considerably. We have opened our borders to foreign investors, and we have excellent relations with the Western nations.

The most important conclusion of our meeting is that there is a strong conversion of views between our two countries because, like you, we hold particularly dear ideals of peace, liberty, democracy, progress, and moral values, as well as social justice.

Like you, we, too, condemn apartheid and nonrespect of the freedom of the Namibian people. I sincerely hope that once again the influence of your nation will help resolve these problems, which are a threat to human dignity. Like you, we condemn violence and terrorism throughout the world. We have opted in favor of a dialogue in peace and balance. And we have strengthened our links to other African countries so that together we can make progress.

As I said, our ideas converge on many levels. And my presence here attests that we want to strengthen the ties between our two countries, and we want to strengthen bilateral cooperations. And we already have about 100 American firms established in our country. Our nation is bilingual, English and French, and is, therefore, fertile ground for American investors. Our two governments have signed an agreement on the reciprocal protection of investments, which will certainly encourage them. Assistance from the American Government has been of a great help to us, particularly in the fields of agriculture, education, and health. We do appreciate the contribution of the United States to our social life and hope that the number of cultural exchange programs will increase. Since our foreign policy is based on international cooperation, we count very much on the United States. Our relations are characterized by mutual friendship. I hope the United States will help defend our ideals of peace and freedom, which are often threatened in Africa. Your nation and President have our total confidence. We congratulate President Reagan on his meeting in Geneva with Mr. Gorbachev.

[1]Made on the South Portico of the White House (text from Weekly Compilation of Presidential Documents of Mar. 3, 1986).

[2]President Biya spoke in French, which was translated by an interpreter, and English. ■

U.S. Emergency Military Assistance to Chad

DEPARTMENT STATEMENT, MAR. 13, 1986[1]

The President has determined, under Section 506(a) of the Foreign Assistance Act, that an unforeseen emergency exists in Chad which requires our immediate aid. To meet this emergency, the President has directed the drawdown of up to $10 million in Department of Defense equipment and services to provide military assistance to Chad. This decision is in response to the request of the Government of Chad and is in accordance with Article 51 of the UN Charter.

On February 10, Libyan-backed insurgent forces initiated major attacks against Government of Chad troops along and south of the 16th parallel, the *de facto* line of separation since 1983 between Libyan-occupied northern Chad and the territory under Chadian Government control. These attacks have continued; the most recent engagements took place on March 5. In response to the Chadian Government's appeal for assistance against this renewed Libyan-backed aggression, France has sent troops and aircraft to aid in Chad's defense.

Chadian troops have been forced to expend large amounts of military equipment and supplies in repelling the Libyan-backed attacks. Our assistance, complementing French efforts, will provide a resupply of critical items needed for Chad's defense. We are working with the Governments of Chad and France on the specific items to be provided in the areas of transport aircraft, vehicles, weapons, ammunition, and medical supplies.

[1]Made available to news correspondents by Department spokesman Bernard Kalb. ■

Negotiations on Nuclear and Space Arms

by Paul H. Nitze

Remarks before a symposium at the Department of State's Foreign Service Institute on March 13, 1986. Ambassador Nitze is special adviser to the President and the Secretary of State on arms control matters.

After last November's summit meeting between President Reagan and General Secretary Gorbachev, we thought that the summit and the events leading up to it might well foreshadow the possibility for a fresh start in the U.S.-Soviet relationship. We were fully aware, however, of the substantial barriers to agreement which remained to be surmounted.

On March 4 our negotiators concluded the fourth round of the nuclear and space arms talks (NST) in Geneva. This was preceded by Gorbachev's January 15 announcement of a new Soviet arms control proposal. In late February, after extensive consultations with our allies, the President authorized our negotiators in Geneva to present a comprehensive response to Mr. Gorbachev's proposal.

It is appropriate to recall the main outlines of Mr. Gorbachev's proposal and those of the President's response, as well as such clarifications as our negotiators have been able to obtain from the Soviet negotiators in Geneva.

I will first address the initial steps as they have been set forth by both sides. Agreements concerning the first steps and the manner in which they are executed will largely determine what is possible in subsequent stages.

One of the features of Mr. Gorbachev's proposal was his attempt to trump the President's emphasis on the goal of the eventual elimination of nuclear weapons by offering a staged timetable to achieve that goal. But the second and third stages of his proposal can only be agreed and implemented by a multilateral group of nations including the United Kingdom, France, China, and other industrial nations as well. Furthermore, for those steps to become practicable, with no diminution of the security of the United States and its allies, a number of changes must first take place in the world scene. There must be a correction in today's imbalances in non-nuclear capabilities; an elimination of chemical warfare capabilities; an improvement in the methods of handling conditions of tension in the world, such as Afghanistan, Ethiopia, and Angola; and a demonstration that the Soviet Union has reconciled itself to peaceful competition.

With regard to the first steps, there appeared to be some new elements in the position of the Soviet side. On INF [intermediate-range nuclear forces], the Soviets appeared to have shifted somewhat their position on British and French nuclear forces. Because the INF proposals represent the most tangible movement resulting from Mr. Gorbachev's package, because the U.S. February initiative focuses on INF, and because these movements ultimately affect prospects in START [strategic arms reduction talks], I will later provide some elaboration of developments in this area. Mr. Gorbachev also expressed at least rhetorical support for more extensive verification measures than the Soviets have supported in the past. Finally, a first reading of the English text of Gorbachev's proposal indicated there might be a change in their position calling for a ban on strategic defense research; this, however, like several other indications of change, later turned out to be illusory.

START

But before getting into such areas of change in the positions of the two sides, let me review the basic position of the United States in the three NST negotiating groups and the status of our discussions with the Soviets. In START, the U.S. position reflects the summit joint statement commitment toward "the principle of 50 percent reductions in the nuclear arms of the U.S. and U.S.S.R., appropriately applied. . . ."

- Reentry vehicles (RVs) on ICBMs [intercontinental ballistic missiles] and SLBMs [submarine-launched ballistic missiles] would be reduced to a limit of 4,500—about 50% below current levels.
- Reentry vehicles on ICBMs would be reduced to 3,000—about 50% below the current Soviet level and roughly halfway between our earlier proposal for a limit of 2,500 and a limit of 3,600 proposed by the Soviets.
- The highest overall strategic ballistic missile throw-weight of either side would be reduced by 50%, in this case, from the Soviet level of 11.9 million pounds. (By way of comparison, the United States has 4.4 million pounds.)
- Contingent upon acceptance of RV and throw-weight limits, the United States would accept equal limits of 1,500 on the number of long-range ALCMs [air-launched cruise missiles] carried by U.S. and Soviet heavy bombers—about 50% below planned U.S. deployment levels.

The United States cannot agree to one common limit on ballistic missile RVs and bomber weapons, as proposed by the Soviets. If one counted ALCMs, short-range attack missiles, and gravity bombs as equivalent to Soviet ballistic missile RVs—despite the massive Soviet air defenses faced by U.S. bombers and the far lower readiness rate of bombers compared to ballistic missiles—the United States would be significantly penalized. But if the Soviets were to accept our proposed limit of 4,500 RVs along with our proposed limit of 1,500 ALCMs, it would result in reduction to a total of 6,000 ballistic missiles RVs and ALCMs on each side. This total constitutes the same number proposed by the Soviets for the overall limit on "nuclear charges" but would include a more appropriate definition of which systems reflect the strategic balance.

With respect to strategic nuclear delivery vehicles, the United States has proposed a reduction in strategic ballistic missiles to a limit of 1,250–1,450, or about 40–45% below the current higher Soviet level. In this context, the United States could accept further reduction of heavy bomber limits to 350 (compared to our earlier proposal of 400)—about 40% below the current U.S. SALT [strategic arms limitation talks]-accountable level.

For reasons similar to those applying to an RV and ALCM aggregate, the United States cannot agree to the Soviet proposal to include in a single aggregate strategic ballistic missiles and heavy bombers. However, if agreement were reached on a range of 1,250–1,450 for ICBMs and SLBMs, and on heavy bomber limits of 350, it would result in reduction of the total of strategic ballistic missiles and heavy bombers to between 1,600 and 1,800.

"Build-down" is our suggested means of implementing the agreed reductions. We are prepared to begin working out details of a reductions

schedule as soon as agreement can be achieved on the endpoints to be reached at the completion of the first stage.

The U.S. proposal also contains a ban on the development and deployment of all new heavy strategic ballistic missiles and on the modernization of existing heavy missiles due to the destabilizing character of such systems. All mobile ICBMs would also be banned because of significant verification difficulties and inherent asymmetries in deployment opportunities between the sides.

Round 4 of the NST negotiations was not productive with respect to START. Mr. Gorbachev's January 15 proposal did not include any changes in the Soviet position regarding START, and the Soviet negotiators at Geneva neither responded adequately to the possibilities raised by the U.S. initiative at the end of the previous round nor did they introduce any new ideas of their own.

A large boulder on the path to progress in START has been the continuing Soviet insistence on defining strategic weapons as those systems capable of striking the territory of the other side. In addition to those central systems that the United States considers to be strategic, the Soviet definition of strategic delivery vehicles would also cover, on the U.S. side, all our LRINF [longer range intermediate-range nuclear forces] missiles, 340 "medium-range" dual-capable aircraft deployed in Europe and Asia, and 540 attack aircraft deployed on all 14 U.S. aircraft carriers, while 2,000–3,000 comparable Soviet nuclear delivery vehicles, including some 300 Backfire bombers, would not be so counted. Were the United States to retain equality in strategic nuclear delivery vehicles under the Soviet definition, we would have to cut LRINF missiles and dual-capable aircraft at sea and on land to 430—20% of the current Soviet global level. If the United States were to retain LRINF missiles and dual-capable aircraft at current levels, we would have to cut strategic nuclear delivery vehicles to less than half the allowed Soviet number.

The Soviets proposed this inequitable definition of "strategic" during the early stages of the SALT I and SALT II negotiations. In both cases, they eventually withdrew their definition and agreed to a "central systems" approach to defining the systems subject to limitations in the agreements—that is, to ICBMs, SLBMs, and heavy bombers. We hope and expect that they will do so again. Until they do, prospects for progress on START will be severely encumbered.

I have mentioned the disputed issue of how bomber weapons should be handled. Another issue between the sides concerns the handling of sea-launched cruise missiles (SLCMs). The Soviets contend that all cruise missiles with ranges over 600 kilometers, including SLCMs, should be banned. Yet the Soviets do not answer our questions about how such a ban could be verified and do not acknowledge that such an outcome would leave the United States, much of whose population and industry is within range of shorter-range SLCMs, much more vulnerable to attack from residual systems than the Soviet Union.

Another issue inhibiting progress in START is the Soviet demand for agreement to a ban on "space-strike arms" as a prerequisite even to serious negotiation on measures to limit strategic offensive systems. We regard such a precondition as unacceptable on its merits; we also believe serious negotiations in all three groups should proceed concurrently. We do not dispute the interrelationship between strategic offensive and strategic defensive areas. In fact, it was the United States which first drew this connection during SALT I. With these considerations in mind, I will turn briefly to the defense and space negotiating group.

Defense and Space

With respect to defense and space, the United States has made clear that we are committed to the SDI [Strategic Defense Initiative] research program, which is being carried out in full compliance with the ABM [Anti-Ballistic Missile] Treaty. We are seeking to explore with the Soviets how a cooperative transition toward a more defense-reliant regime could be accomplished, should new defensive technologies prove feasible, but the Soviet negotiators have resisted even discussing the subject with us. We are also proposing that the Soviets join us even now in an "open laboratories" arrangement under which both sides would provide information on each other's strategic defense research programs and provide reciprocal opportunities for visiting associated research facilities and laboratories.

As in START, there was no tangible progress during round 4 in defense and space. We initially thought it might be otherwise. The English text of Mr. Gorbachev's proposal at the opening of the round made no reference to "research"; the word "research" did not appear in it. Later, however, we found that the Russian text uses the word "*sozdaniye*" which is generally translated as "create" and which they claim includes "purposeful research." Soviet negotiators have explained that Mr. Gorbachev had intended no change whatsoever in the Soviet position on what they call "space-strike arms."

We have had great difficulty in the defense and space talks in even getting the Soviets to acknowledge indisputable facts. The Soviets refuse to admit the nature and extensive scope of their own strategic defense research and development activities; they deliberately distort the nature and scope of the U.S. SDI program. If there are grounds for encouragement in this forum, they can only be found in the grudging admissions occasionally made by Soviet officials in informal discussions that the logic and coherence of official Soviet positions are flawed and/or inconsistent with the public statements of General Secretary Gorbachev.

INF

The commitment by both sides at the summit toward early progress on an interim INF agreement, the inherent flexibility in the INF portion of the American proposal of November 1, and the apparent movement in the Soviet INF negotiating position heralded by Gorbachev in mid-January raised expectations about the possibilities for success in reaching an INF agreement. The United States studied carefully the Soviets' January proposal and probed Soviet negotiators on the details behind this proposal. We also consulted intensively with allied governments in preparing an appropriate response.

Some elements in Gorbachev's proposal on INF seemed to be constructive. The Soviets appeared to have dropped their demand that British and French SLBM nuclear warheads be counted equally and along with U.S. LRINF warheads. The Soviets expressed willingness to accept an outcome involving reductions of all U.S. and Soviet LRINF missiles in Europe, including the SS–20s, to zero. The potentially positive impact of this proposal was negated, however, by a number of unacceptable conditions and omissions related to the offer. Among the conditions are:

• A nontransfer provision calling on the United States to assume an obligation not to transfer strategic and medium-range missiles to third countries. This, of course, is aimed directly at longstanding programs of cooperation the United States has with its allies and would signal the end of the U.K. Trident modernization program; and

• A demand that the United Kingdom and France not "build up" their "corresponding nuclear arms" and declare their intent to begin to eliminate those forces in stage 2. The Soviets know that a ban on strategic modernization would sooner rather than later spell the demise of British and French SLBM forces.

Among the omissions are:

• The absence of a provision for reductions in SS-20s in the eastern part of the U.S.S.R. until a subsequent stage and until after U.S. LRINF missiles in Europe have been reduced to zero; and

• The absence of a provision limiting SRINF [shorter range intermediate-range nuclear forces] missiles. If LRINF missiles were reduced to zero, the effect could be circumvented by SRINF deployments, which can cover most of the important targets in NATO Europe when forward deployed in Eastern Europe.

The consequence of accepting the Soviet proposal would be the elimination of U.S. LRINF missiles from Europe and the probable deterioration of U.K. and French nuclear deterrents, but without elimination of the SS-20 threat which our friends and allies in both Europe and Asia face.

Our study of the Gorbachev proposal in detail and in its overall effect caused us to conclude, based on both the manner of presentation and the substance, that it had been designed primarily for its political and propaganda impact. We do not wish, however, to leave any stone unturned in the search for progress in Geneva. We take seriously the commitment undertaken in the summit joint statement to accelerate efforts to find common ground between the positions of the two sides. It is for these reasons that the President authorized in late February the tabling of a new U.S. INF proposal.

The United States continues to believe that the best solution in INF remains the global elimination of the entire class of U.S. and Soviet LRINF missiles. When we first proposed this idea at the opening of the INF negotiations in 1981, the Soviets accused us of wanting something for nothing, of offering to destroy paper missiles in exchange for the destruction of real missiles. But by the end of 1985, the United States had deployed 236 LRINF missiles in Europe. Absent an INF agreement, that number will continue to grow until the full operational capability of 572 missiles is reached by the end of 1988. All five NATO basing countries are acting in accordance with the commitments made in the 1979 NATO dual-track decision. Thus, contrary to Soviet criticism, the plan offered by the United States in February 1986 to eliminate all LRINF missiles worldwide by the end of the decade is both new and significant.

The United States has proposed a detailed, phased approach for reaching its objective, which would achieve balance at the earliest possible time while maintaining stability throughout the reductions process.

By the end of 1987, the United States and the Soviet Union would reduce their LRINF missile deployments in Europe to 140 launchers each, with the Soviet Union making concurrent proportionate reductions in Asia.

Nuclear and Space Arms Talks Conclude Round 4

Following is a statement by Ambassador Max M. Kampelman, head of the U.S. delegation on arms control negotiations and U.S. negotiator on defense and space arms, in Geneva on March 4, 1986.

On January 8, 1985, the United States and the Soviet Union committed themselves to seek agreements aimed at "preventing an arms race in space and terminating it on Earth."

On November 21, 1985, in this city, President Reagan and General Secretary Gorbachev agreed that the most effective way to accelerate the work at these negotiations was to work for early progress in those areas where there is common ground. The two specific areas referred to were the principle of 50% reductions in nuclear arms and the idea of an interim INF [intermediate-range nuclear forces] agreement.

On January 16, the United States returned to these negotiations determined to carry on the program agreed upon by the two leaders. Our determination, we regret to say, was not matched. Nevertheless, as we evaluate the fourth round of our work, which we completed this morning, our verdict is a mixed one.

On the positive side, both our delegations have major proposals on the table. Both of us agree in principle with the ultimate goal of moving to the total elimination of nuclear weapons. Both governments seem to recognize the critical importance of verification of negotiated agreements. And we have both committed ourselves to the negotiation of a separate agreement on INF.

These are positive factors. Unfortunately, these positive factors have not led to the degree of progress, though some did take place, that should have been achieved during this round. The reason, in the view of the U.S. delegation, is that the Soviet delegation has not acted to fulfill the commitments undertaken by our two leaders in the joint statement of November 21.

We return to Washington in the hope that President Reagan's response to General Secretary Gorbachev's January 16 proposal can bridge differences and help to achieve an INF agreement. We want the total elimination of U.S. Pershing II and ground-launched cruise missiles along with the Soviet SS-20 missiles by the end of this decade.

When we return to Geneva on May 8, we also hope that the Soviet delegation will be ready to join us—they have not yet done so—in a genuine effort to build on the common ground that exists for 50% reductions in the offensive nuclear arms of both sides on the way toward the total elimination of nuclear weapons.

The round ended with less accomplished than we had hoped. Negotiating with the Soviets is difficult. The issues are complex. But we are not discouraged. The U.S. delegation is dedicated to carrying out our President's desire to work for and achieve a better world, a world in peace, stable, and secure. ■

Within the following year, both sides would further reduce the numbers of LRINF missile launchers remaining in Europe and Asia by an additional 50%. Finally, both sides would move to the total elimination of this category of weapons by the end of 1989.

Associated with this plan, there would be a parallel series of global LRINF missile warhead ceilings under which the United States would retain the right to global warhead equality. As Soviet SS-20 launchers were reduced, the launchers and their associated missiles and agreed support equipment would be destroyed. U.S. systems in excess of the launcher limits cited above could be withdrawn to the continental United States unless or until they were also in excess of the equal global warhead ceiling associated with the launcher reductions then being implemented, in which case they would be destroyed.

These reductions and limits would involve U.S. and Soviet systems only. There would be no agreed constraints on the forces of the United Kingdom or France.

These reductions would also be accompanied by constraints on SRINF, either establishing a ceiling at current Soviet levels or at the levels both sides had on January 1, 1982. This ceiling would enter into effect by the end of 1987.

By insisting that Soviet reductions to 140 LRINF missile launchers in Europe would have to occur before the United States would reduce below that level, we seek to avoid near-term military and political problems and to ensure that at no point during the reduction process would the Soviets be able to achieve a lasting advantage.

I have dealt with INF issues in some detail because an agreement in this negotiating group could precede and influence an agreement in START. Likewise, Soviet willingness to make arms control progress before the next summit and to fulfill their commitment toward early progress focused on the principle of 50% reductions may be manifested first or perhaps only in INF.

Verification

The United States continues to stress the critical importance of agreeing to effective means of verification so as to be able to assess with confidence compliance with provisions of any arms control agreements which are negotiated. Thus, Mr. Gorbachev's positive statements on verification in his January 15 article were welcomed throughout the West. However, past Soviet reluctance to agree on measures necessary to verify compliance provided grounds for some skepticism as well. Round 4 provided little evidence that Soviet attitudes on verification have undergone fundamental change. The Soviets neither agreed to nor proposed specific verification measures in either the START or INF groups. We expect that Soviet sincerity regarding verification will be put to a clear test when the negotiations resume in May. At that time, our INF negotiators will continue presentation of specific verification procedures tailored to the specific weaponry limits we seek. These details are being presented in the context of a comprehensive verification regime which includes the use of national technical means of verification and cooperative measures between the two governments, such as onsite inspection and data exchanges.

Conclusion

My remarks today have reflected the lack of constructive activity by the Soviet START delegation during round 4 of the nuclear and space arms talks. I do not wish to imply by this negative report that I cannot imagine significant START progress in the months to come. The Soviets have abandoned their current definition of strategic systems before. They can do so again.

We also believe that reductions in strategic offensive systems would be mutually advantageous whether or not strategic defenses are deployed and that there are considerable opportunities for equitable offense-offense tradeoffs. Despite the significant differences in the two sides' application of the 50% reductions principle, the United States sees a potential for convergence on several issues, including reductions in ICBM warheads, total ballistic missile warheads, ballistic missile throw-weight, and the total number of ballistic missiles and heavy bombers to be permitted.

However, the Soviet side, rather than engaging in specific discussions of these issues directed toward narrowing remaining qualitative and numerical differences between us, has emphasized public rhetoric rather than taking concrete steps at the confidential negotiating table where the Soviets have elected to restrict themselves to abstractions and generalities. The Soviets have turned aside our efforts to expand areas of commonality. As long as they remain frozen in this approach, no significant progress is possible.

The primary missing element in the Soviet negotiating formula for START is a willingness to take into account Western interests and not just their own. Were that attitude to change, major progress toward a START agreement would not be far behind. ■

Nuclear Testing Limitations

LETTER TO SENATE MAJORITY LEADER ROBERT DOLE, MAR. 7, 1986[1]

As you know, on February 26 the House of Representatives passed H.J. Res. 3, "To Prevent Nuclear Testing," and this issue is now before the United States Senate. The resolution calls for the immediate ratification, without needed verification improvements, of both the Threshold Test Ban Treaty (TTBT) and the Peaceful Nuclear Explosions Treaty (PNET). It also calls for the resumption of negotiations with the Soviet Union toward a Comprehensive Test Ban (CTB), despite the fact that the U.S. Government has made clear its very serious reservations in taking such a step under present conditions.

Any limitations on nuclear testing must be compatible with our security interests and must be effectively verifiable. Because of the continuing threat that we face now and for the foreseeable future, the security of the United States, its friends and its Allies must rely upon a credible and effective nuclear deterrent. A limited level of testing assures that our weapons are safe, effective, reliable and survivable and assures our capability to respond to the continued Soviet nuclear arms buildup. Such testing, which is conducted underground, is permitted under the existing agreements on nuclear test limitations, all of which the United States fully complies with—the TTBT, the PNET, and the Limited Test Ban Treaty (LTBT).

A CTB remains a long-term goal of the U.S. However, it must be viewed in the context of achieving broad, deep and verifiable nuclear arms reductions, substantially improved verification capabilities, a greater balance in conventional forces and at a time when a nuclear deterrent is no longer as essential an element as currently for international security and stability.

A first, priority step toward this goal is the pursuit of equitable and verifiable arms reductions in the current negotiations in Geneva on nuclear and space arms. We are, at the same time, seeking Soviet agreement to enhanced verification measures for the TTBT and PNET and are discussing verifica-

tion problems of a CTB at the Conference on Disarmament in Geneva. Our concerns are heightened by the pattern of Soviet noncompliance with its arms control obligations, including current agreements on limiting nuclear testing.

Our efforts to achieve essential verification improvements include three approaches to the Soviets in 1983 to engage in discussion. In 1984 I proposed an exchange of Soviet and U.S. experts to measure directly the yields of tests of nuclear weapons at each other's test sites. In mid-1985, I unconditionally invited Soviet experts to measure such a test at the Nevada Test Site, bringing with them any instrumentation devices they deemed necessary. In December, 1985, I proposed to General Secretary Gorbachev that U.S. and Soviet experts on nuclear testing limitations meet in February, 1986, to discuss our respective verification approaches and to address initial tangible steps to resolve this issue.

Regrettably, the Soviet Union has thus far not responded either to the serious U.S. concerns in this area or to any of our initiatives to address these concerns in a constructive manner.

The actions called for by H.J. Res. 3 do not serve the interests of the United States, our Allies and our friends. They would undercut the initiatives I have proposed to make progress on nuclear test limitations issues, and they would set back prospects on a broad range of arms control efforts, including the achievement of deep, stabilizing and verifiable arms reductions.

Sincerely,

RONALD REAGAN

PRESIDENT'S STATEMENT, MAR. 14, 1986[1]

I want to make an announcement today concerning the question of limitations on nuclear testing, an important arms control area which has been the subject of special correspondence which I have had recently with Soviet General Secretary Gorbachev, the leaders of six nations known as the New Delhi group, and Senate Majority Leader Dole.

I have conveyed to General Secretary Gorbachev today a new, very specific, and far-reaching proposal concerning nuclear testing limitations, a proposal which could be implemented immediately. In this new initiative, I urged the Soviet Union to join us without delay in bilateral discussions on finding ways to reach agreement on essential verification improvements of the Threshold Test Ban (TTBT) and Peaceful Nuclear Explosions Treaty (PNET).

In the field of nuclear testing, as in arms control generally, effective verification is a central element. It has also long been one of the most difficult problems to resolve. We are seriously concerned about the past pattern of Soviet testing, as well as current verification uncertainties, and have determined that a number of Soviet tests constitute likely violations of obligations under the Threshold Test Ban Treaty of 1974. The inadequacy of the monitoring regime provided for in that agreement is underscored by the Soviet Union's own questions concerning the yields of particular U.S. tests, all of which in fact have been below the 150 kiloton threshold.

The United States places the highest priority in the nuclear testing area on finding ways of ensuring effective verification of the TTBT and PNET. I have already made several specific suggestions to the Soviet Union in this regard. My new initiative is a further attempt to build the necessary basis for confidence and cooperation between our nations regarding such limitations.

As a reflection of our resolve to make tangible progress, in my new proposal I identified to Mr. Gorbachev a specific new technical method—known as CORRTEX—which we believe will enable both the United States and U.S.S.R. to improve verification and ensure compliance with these two treaties. This is a hydrodynamic yield measurement technique that measures the propagation of the underground shock wave from a nuclear explosion. I provided to Mr. Gorbachev a technical description of CORRTEX designed to demonstrate how this method will enhance verification procedures.

To allow the Soviet Union to examine the CORRTEX system more fully, I further proposed that Mr. Gorbachev send his scientists to our Nevada test site during the third week of April 1986. At that time they could also monitor a planned U.S. nuclear weapons test. I would hope this would provide an opportunity for our experts to discuss verification methods and thus pave the way for resolving the serious concerns which have arisen in this area.

In making this offer, I made clear to General Secretary Gorbachev that if we could reach agreement on the use of an effective verification system incorporating such a method to verify the TTBT, I would be prepared to move forward on ratification of both the TTBT and PNET.

What is unique about this new initiative is its specificity and concreteness and the detailed, new technical information we have provided to the Soviet Union in trying to solve these verification uncertainties. It is important that the Soviet Union engage with us now in this first practical step to improve the confidence we each must have in treaty compliance with the 150 kiloton threshold on underground tests. If this can be achieved, we believe we will have significantly improved the prospects for verifying other arms control agreements as well through improved verification regimes.

[1]Text from Weekly Compilation of Presidential Documents of Mar. 17, 1986. ■

MBFR Talks End 38th Round

WHITE HOUSE STATEMENT, MAR. 20, 1986[1]

Today marked the close of the 38th round of the mutual and balanced force reductions (MBFR) negotiations in Vienna, where the United States and its NATO allies continued efforts to find common ground with the Warsaw Pact on the reduction of conventional forces in central Europe. Unfortunately, the Soviet Union and its allies have not responded constructively to recent Western initiatives that had sought to make substantial progress in these negotiations.

Last December 5, NATO introduced a major new MBFR initiative designed to bring East and West closer together on a number of issues. Most significantly, while reaffirming the importance of effective verification, the NATO participants set aside their longstanding insistence that the sides come to an understanding on troop level data in the area of reductions before an agreement is signed. This was a major concession to the East, which had often declared its readiness to move forward swiftly in the talks if only the so-called data barrier could be removed.

Not only did the West decide to remove this "barrier," it also adopted the East's own general approach—to negotiate a first-phase, time-limited agreement in which initial U.S. and U.S.S.R. reductions would be followed by a no-increase

commitment in the area of reductions by all participating states. On these and a number of other points, the United States and its allies made every effort to come to an early accord in Vienna.

At the beginning of the round, there was reason to be optimistic. General Secretary Gorbachev had noted that, following the December 5 West initiative, an outline for agreement in Vienna was emerging. At the same time, Mr. Gorbachev and many Soviet and East European spokesmen indicated that they shared with NATO an appreciation of the vital role of verification, including on-site inspection, in arms control.

However, the Eastern participants have not reciprocated the West's move or given substance to the declarations of their leaders. Indeed, on February 20, the Warsaw Pact tabled a draft agreement which recycled old and unacceptable Eastern positions and which included an utterly inadequate verification regime.

NATO has made it clear to the Warsaw Pact that the East's actions during this negotiating round did not meet Western security requirements and that we await a response from the East as important as the step the West took in December. If the Soviet Union and its allies show the political will to match that of the West, then there is hope that the MBFR negotiations can result in an effective and fair agreement. The President has instructed the U.S. delegation to continue to work for such an outcome.

[1]Text from Weekly Compilation of Presidential Documents of Mar. 24, 1986. ■

The Promise of SDI

by Paul H. Nitze

Address before the American Defense Preparedness Association on March 18, 1986. Ambassador Nitze is special adviser to the President and the Secretary of State on arms control matters.

Only 3 years into the SDI [Strategic Defense Initiative] research program, you have already made impressive advances in your investigations of the technologies that might be useful for strategic defense against ballistic missile attack. Tonight at the Strategic Defense Technical Achievements Awards Dinner, we recognize the technical ingenuity and contributions of research teams and individuals alike who are playing a key role in that innovative research effort. Based on the efforts of its scientific-technical community, the United States has good reason to believe that SDI technologies hold the promise for feasible, survivable, and cost-effective defenses. Should this promise become a reality, the United States will look to defenses to provide a safer and more reliable means of assuring deterrence and global security into the 21st century.

Technology innovation, such as recognized here tonight, reflects the free, open, and competitive American spirit. The achievement of excellence in science and technology, the arts, and in government service has long characterized our efforts as a people. The combined effect of the merits of our foreign policy, as outlined last week by President Reagan in his report to the Congress, and of our technology has made us a leader in the effort to create and sustain a just and secure world order. The work that we are recognizing tonight is one of the foundation stones of that leadership role in the world. The fundamental distinction between our work in the area of strategic defense research and similar work in the Soviet Union, for example, is found both in our historically constructive role in seeking peace and supporting representative institutions throughout the world and in the defensive nature of our military posture and security arrangements.

The Need for SDI

Our need for the SDI research program can be summarized by recalling the origins of the program. The President's March 1983 speech expressed his strongly held belief that we should reexamine the basis of our deterrent posture to see if we could deter aggression through a greater reliance on defense rather than so heavily on the threat of devastating nuclear retaliation. This belief reflects both our disappointment in the deterioration of the strategic balance since the signing of the SALT I [strategic arms limitations talks] agreements and our hope that new defensive technologies can mitigate adverse developments in the area of strategic offensive weaponry.

The United States had proceeded from the assumption that the limitation of defenses in the ABM [Anti-Ballistic Missile] Treaty would be the basis for a continuation of negotiations which would lead to significantly reduced offensive weaponry. The theory was simple: if both sides had survivable retaliatory nuclear forces at about the same level of capability and both sides were otherwise defenseless against the nuclear capability of the other, then neither side would have an incentive to strike first, regardless of the circumstances. If one side were to strike first, it could never hope to escape the retaliation of its adversary. Therefore, stable and significant reductions to equal levels of capability would improve the security of both sides.

Instead, the Soviets showed little readiness to agree to measures which would result in meaningful limits or cuts in offensive nuclear forces possible during SALT II. Within the framework of SALT I and SALT II, the Soviets deployed large numbers of MIRVed [multiple independently-targetable reentry vehicle] ballistic missiles of sufficient throw-weight and accuracy to violate the basic premise of the SALT process by posing a real threat to the survivability of the entire land-based portion of U.S. retaliatory forces. The growth in Soviet nuclear capabilities in general, and in the asymmetry in counterforce capabilities in particular, are fundamentally inimical to the security of the United States and its allies.

In addition, the Soviet Union has continued a robust program of research, development, and deployment of strategic air defense and ballistic missile defense based on current technologies. Some of their work—for example, the Krasnoyarsk radar—is in violation of existing arms control obligations. They also have a vigorous research and development program for defenses against ballistic missiles based on advanced technologies.

Significantly, the Soviets have been engaged for years in research and development efforts examining laser weapons, particle-beam weapons, radio frequency weapons, and kinetic energy weapons for ground-based and space-based strategic defenses. These are some of the same technology areas that

you are investigating in the SDI research program and against which the Soviet Union has mounted a massive propaganda campaign. Soviet work in these areas is clearly in applied research and development, not merely in basic research as they would have us believe. The Soviets' ground-based laser at Sary Shagan, for example, could have potential applications for both ballistic missile defense and antisatellite operations.

We should make no mistake about the fact that Soviet offensive and defensive capabilities pose real threats to the security of the West. Our work in SDI is, in large part, a reaction to the unabated growth of this threat, especially during the last 20 years. Through SDI, we seek both new capabilities and a new approach to rectify the deteriorating strategic balance.

Our agreement to the ABM Treaty was based on the understanding that defenses, at the then-existing level of technology, could be overwhelmed by additional offensive systems at less cost than would be required to add balancing defenses. New technologies are now available that could reverse our judgments about the cost-ineffectiveness of strategic defenses. The Homing Overlay Experiment symbolizes new technologies applicable to the area of strategic defenses. Fifteen years ago, an ABM interceptor required a nuclear warhead to destroy an incoming reentry vehicle. Just 2 years ago, the Homing Overlay team demonstrated the capability to destroy an incoming reentry vehicle by precision intercept and direct impact.

If SDI research proves the feasibility of survivable and cost-effective defenses, then the United States will have the opportunity to reexamine guidance for the SDI program. At that time, after consultation with our allies, we will discuss and, as appropriate, negotiate with the Soviet Union any changes in the strategic defense regime in accordance with Articles XIII and XIV of the ABM Treaty. This possibility holds the promise that the strategic balance can be stabilized again in a manner that will preserve Western security with greater confidence into the next century. In addition, the possibility of a successful SDI research phase has played an important role in bringing the Soviet negotiators back to the table in Geneva where we were, and now again are, seeking strategically meaningful reductions in offensive nuclear weapons.

SDI and the Geneva Talks

The United States is fully committed to the SDI research program, which is being carried out in full compliance with the ABM Treaty. In Geneva, at the nuclear and space talks, the United States seeks to discuss the offense-defense relationship and to explore with the Soviets how a cooperative transition toward a more defense-reliant regime could be accomplished, should defensive technologies prove feasible.

There was little substantive movement during the fourth round of negotiations in the Soviet position on defense and space. The Gorbachev proposal of January 15 included no change in their insistence that SDI be banned. The Soviets have, through this last round of negotiations, not addressed the U.S. agenda, preferring instead to advance the self-serving and unacceptable concepts of "space-strike arms" and "purposeful research." They would like to ban U.S. capabilities and research while avoiding constraints on their own weapon systems and research through definitional ploys.

The United States cannot accept the self-serving Soviet definition of "space-strike arms," which includes ground-based systems designed to destroy objects in space and space-based systems designed to destroy targets in space or on earth. This definition calls for a subjective judgment as to the purpose for which a system has been designed. The Soviets have made it clear that they reserve to themselves alone the right to make such judgments. The U.S. position is that an agreement must address specific systems and that limits must be based on evident capabilities, not on subjective judgments of intentions.

The work in Geneva on defense and space issues cannot move forward until the Soviet definition is abandoned. Furthermore, the work on START [strategic arms reduction talks] cannot progress until the Soviets abandon the linkage they have imposed between progress in the START talks and prior U.S. agreement to a ban on "space-strike arms."

The U.S. strategic defense program is fully compatible with the ABM Treaty. The Soviet concept of "purposeful research" is an artificial distinction designed to exploit the fact that the United States openly states the goals of its research and, therefore, that it is "purposeful." The Soviet claim that their research is "fundamental" and has no purpose is not credible. The Soviets merely refuse to acknowledge what we know to be the nature and extensive scope of their own strategic defense activities.

Obstacles created by the Soviets in Geneva will not prevent the United States from continuing its SDI research. We will continue our discussions of the possibilities SDI could offer for eliminating the threat of mutual annihilation. By making our case to the Soviets and to the world, we will challenge the Soviet propaganda campaign which is designed to cast doubts on U.S. intentions. It is important to note in this regard that allied governments support the President's continued dedication to SDI research and U.S. resistance to Soviet efforts in Geneva to ban the SDI research program as a precondition to progress in the offensive nuclear talks.

The Broader Framework of Negotiations

In preparing for the summit last November, the President wished to place arms control issues in the proper perspective. SDI is a part—an important part—of the defense and space area. I have discussed the START issues and the INF [intermediate-range nuclear forces] issues at other times. Together these constitute the nuclear and space talks. But other important arms control issues were also discussed at the summit. The abolition of chemical weapons is being negotiated in the Committee on Disarmament in Geneva. The limitation of conventional arms in Europe is being negotiated at the MBFR [mutual and balanced force reductions] talks in Vienna. Confidence-building measures are being discussed in Stockholm under the aegis of the Conference on Disarmament in Europe. In addition, there are a number of issues under discussion which relate to nuclear testing and to the nuclear Non-Proliferation Treaty.

But all the arms control issues together occupied about one-fourth of the agenda at the summit. Also discussed were the full range of other bilateral issues and the important regional issues such as Afghanistan, Ethiopia, Angola, Nicaragua, and South Yemen. Furthermore, the issues of human rights and terrorism could not be and were not ignored. It was agreed that there would be another meeting between President Reagan and Mr. Gorbachev in Washington this year and in Moscow during 1987. We suggested June or July or perhaps after the election in November. The Soviets have not

replied. We hope there will be a summit and that the dialogue at that level can be continued. But one thing is obvious: that is, that we cannot count on the Soviets to be willing to negotiate an agreement which takes account of our interests and not just theirs.

The lesson is clear. The United States must have a constructive and comprehensive foreign policy. The President's statement to Congress on March 14 sets forth just such a foreign policy. I strongly recommend that everyone read it. I also recommend that you read the full text of Mr. Gorbachev's report at the opening of the Soviet Party Congress on February 26. It took 6 hours to deliver; there are 45,000 words. But the more one reads of these two statements, the clearer will become the essence of what drives the Soviet Communist Party as opposed to what drives the loose coalition of free and democratic countries who are striving to maintain a world in which they are free to develop as they see fit.

Conclusion

We must be prepared to support the freedom of the United States and the interests of such a coalition either through negotiated agreements on arms limitations that truly serve a meaningful peace or, in the absence of such agreements, through our own efforts should the Soviet Union so will it. In either case, peace and deterrence will only be assured through what we do for ourselves. An important part of what we can do for ourselves is represented by your group and, in particular, by individuals such as those we are honoring here tonight.

Without the SDI research program, the best that the United States could hope for is a continuation of the current state of deterrence through primary reliance upon the threat of devastating nuclear retaliation. Asymmetrical Soviet advantages in offensive nuclear forces threaten the stability of this form of deterrence. SDI provides the United States with an opportunity to examine the feasibility of a more stable and reliable form of deterrence which would serve not only American but global security concerns as well. ■

Visit of Canadian Prime Minister

(White House photo by Bill Fitz-Patrick)

Prime Minister Brian Mulroney of Canada made an official visit to Washington, D.C., March 17–20, 1986, to meet with President Reagan and other government officials.

Following are remarks by President Reagan and Prime Minister Mulroney on signing an extension of the NORAD agreement and on endorsing the joint U.S.-Canada report on acid rain, and a White House statement on the acid rain report.[1]

REMARKS,
MAR. 19, 1986

President Reagan

I'm delighted to join with my good friend, the Prime Minister, in putting our signatures on an agreement to extend the unique Canada-U.S. partnership in the North American Aerospace Defense Command, known as NORAD. The last time this agreement was renewed was during my visit to Ottawa in March of 1981, which was my first trip abroad as President. I'm sure that the Prime Minister would agree that NORAD has served our mutual interests and has been a significant factor in enhancing deterrence, promoting global stability in the nearly 30 years of its existence. It's, therefore, entirely appropriate that we extend this joint command for an additional 5 years.

Another topic of particular interest to the Prime Minister and me was the report of our special envoys on acid rain, Drew Lewis and Bill Davis. Drew, unfortunately, couldn't be here today; Bill Davis is. And we undertook this effort because we recognized that acid rain was a serious concern affecting both our countries and our relations with each other. The study we commissioned was in keeping with the long history of U.S.-Canada cooperation in dealing with environmental issues.

And today I would like to commend Bill and Drew, even though he's absent, for their thorough and conscientious work. Their joint report attests to the serious and practical manner in which they discharged their duties, and I know that Prime Minister Mulroney shares my appreciation and admiration for their balanced and well-drafted joint report. I'm pleased to say that I fully endorse the report and will shortly issue a press statement to this effect.

I wish I could say that our action today takes the acid rain issue off our bilateral agenda; unfortunately, this cannot be. Serious scientific and economic problems remain to be solved. But in the spirit of cooperation and good will, which has come to characterize the way Canadians and Americans approach their common problems, I am confident that we have begun a process which will benefit future generations in both our great countries.

Prime Minister Mulroney

I'm very encouraged by your statement and appreciate your personal commitment to resolve our common problem in acid rain. And your undertaking that you have made, in regard to your personal commitment, that of your Administration, as well as your undertaking to secure appropriate funding is very welcome.

Acid rain imperils the environment in both countries. At Quebec, we commissioned two personal envoys, Drew Lewis and Bill Davis, to take charge of this issue and to break new ground. They didn't let us down. I salute Bill Davis, who's here today. And I was honored to meet with Drew Lewis yesterday at a meeting with Secretary Shultz.

I think they've produced a balanced and a realistic document. We now have an agreed foundation on which to build. Your full endorsement of this report, Mr. President, represents a significant

step, in my judgment, in the right direction.

We have a proud tradition of resolving transboundary environmental problems. We intend to carry on that tradition and to carry it forward. As neighbors and custodians of our common heritage, we must do no less, and much remains to be done. By agreeing to keep acid rain on our agenda, we signal our joint determination to solve this problem. Your Secretary of State, our Secretary of State for External Affairs, and other Cabinet officials will report on this vital effort regularly to us.

I am confident that we can move to early and substantial reductions of damage to our environment. This remains our urgent goal, and I'm very grateful to you, Mr. President, for your personal support in meeting this challenge.

On behalf of the Government of Canada and on behalf of my colleagues and friends in regard to this issue and so many others, we have had a very productive and constructive meeting with you, as we've had in the past. And I want to thank you on behalf of Canadians for your attention and your sensitivity to Canada's problems and to the great obligation of solving these problems constructively together.

Canada will always work with the United States to build new opportunities and new prosperity for our people. And we thank you for the warmth of your welcome and the courtesies extended to all members of our delegation.

WHITE HOUSE STATEMENT, MAR. 19, 1986

The President and Prime Minister Mulroney commissioned Drew Lewis and William Davis last year in Quebec City to conduct a thorough study of the acid rain problem and to submit their findings and recommendations within 1 year. This report was presented to the President and the Prime Minister on January 8, 1986.

After careful review, the President endorses fully the joint report of the special envoys. As stated in the report, acid rain is a serious environmental problem in both the United States and Canada with transboundary implications for both countries.

The United States pioneered air pollution controls and as a nation has spent approximately $75 billion since the 1970 passage of the Clean Air Act to limit emissions of pollutants identified as precursors of acid rain. By 1990 approximately $100 billion will have been spent for this purpose. As a result of these actions, from 1973 to 1983 emissions of major precursors have declined significantly. However, as the joint report notes, more needs to be done. This Administration has already provided substantial support for clean coal technologies. For FY 1981 through FY 1985, a total of almost $2.2 billion in total research funds has been allocated in the United States to develop technologies for cleaner utilization of coal.

In order to expand the control options available to industry, as recommended in the joint report, the Administration will pursue a program to develop and demonstrate innovative control technologies. In this year's budget $700 million has been earmarked for clean coal research between FY 1986 and FY 1991. In addition an $800 million joint industry/government program designed to develop and demonstrate clean ways to burn coal will be implemented. Although it does not now have all of the funds, the Administration will seek to provide in the future the funding recommended in the joint report. We will also encourage States to undertake similar efforts, as several have already done.

The President will also direct Federal departments and agencies to take the following steps in order to implement the cooperative activities and research recommendations of the special envoys:

- Identify and assess cost-effective and innovative approaches leading to reduced emissions of pollutants linked to acid rain;
- Strengthen bilateral consultation and information exchanges with Canada. To this end, the Secretary of State shall establish an interagency advisory and consultative group on transboundary air pollution comprised of both foreign affairs and environmental management officials to provide advice to the President and to serve as a forum for discussion with a similarly constituted Canadian group; and
- Conduct a coordinated interagency review of relevant research in light of the joint envoys' report. In this regard, the Administration has requested $85 million for FY 1987 to assess the causes, effects, and possible methods of mitigating the results of acid rain. (Since 1982 the Administration has spent $255 million for this purpose. Under current plans, an additional $225 million will be spent between now and 1989.)

The issue of acid rain will be a continuing item on the agenda of future summit meetings.

[1]Texts from Weekly Compilation of Presidential Documents of Mar. 24, 1986. ■

Diplomacy, the Foreign Service, and the Department of State

by Ronald I. Spiers

Address before the Boston Committee on Foreign Relations in Boston on February 26, 1986. Ambassador Spiers is Under Secretary for Management.

Americans with an interest in foreign affairs—such as the members of the Boston Committee on Foreign Relations—are generally familiar with the major foreign policy issues confronting the United States: the Arab-Israeli dispute, U.S.-Soviet relations, arms control, Nicaragua, the problems of southern Africa, and so on. They are less familiar with the workings of the institutions and processes by which American foreign policies are developed. My assignment this evening is to talk briefly about two of the principal instruments of American diplomacy: the Department of State and the U.S. Foreign Service; what are their responsibilities; how do they work?

My 35 years of association with these organizations have given me ample demonstrations of an information gap. In my native Vermont my identification with the Department of State more often than not leads to the question: "How are things up to Montpelier?" Frequently, the Foreign

Service is vaguely confused with the Foreign Legion. Yet there are no other institutions more central to the national security of the United States.

The Department of State is the oldest and just about the smallest of the executive departments of the government, and the Secretary of State is the senior ranking Cabinet member. When it was created, in 1781, as the "Department of Foreign Affairs," it had a four-man staff headquartered in a small three-story Philadelphia house. Eight years later, Congress changed its name to the Department of State in an "Act to provide for the safe keeping of the acts, records and Seal of the United States, and other purposes." The Great Seal of the United States is still in its custody and can be seen and used today, but it is those unidentified "other purposes" that preoccupy us now.

Managing Diplomatic Relations

Diplomacy is essentially the craft of managing a nation's relations with other sovereign entities. For this purpose the Department of State has about 24,000 full-time employees worldwide, an annual operating budget of just under $2 billion, and staffs 263 embassies, consulates, and missions abroad and at home. Of these employees, over 14,000 are Americans, and close to 10,000 are foreign nationals who perform functions ranging from chauffeur to political adviser at overseas missions.

What are the principal responsibilities of the Department of State? They include:

- Managing the wide range of day-to-day relations between the United States and 140-odd other sovereign states, both bilaterally and through multilateral organizations ranging from NATO to the United Nations;
- Collecting the information and performing the analyses necessary to recommend, decide on, and carry out the foreign policies of the United States;
- Providing passport, consular, and citizen protective services to Americans abroad; and
- Influencing the environment in which the United States acts in ways which promote the achievement of U.S. policy objectives.

The principal arm of the Department of State in fulfilling these responsibilities is the U.S. Foreign Service. Created in 1924 as a career service based on competitive examination and merit promotion, there are now 4,200 Foreign Service officers and another 5,000 serving as specialists, secretaries, communications technicians, etc.

Foreign Service officers serve in Washington at various levels from assistant desk officer to under secretary of state. Overseas they are at all levels from attache or third secretary to ambassador. Entry is competitive. Over 18,000 individuals took the Foreign Service examination last December. At the end of a taxing process of evaluation, 225 of these will finally enter the service. All of them will have their first assignment overseas, most of them as consular officers issuing visas and helping American citizens abroad.

After this, they will go on to a further assignment in the "cone," or specialty, for which they were selected, as administrative, economic, political, or consular officer. In 4 or 5 years, 85% of them will be tenured as full-fledged Foreign Service officers and begin moving progressively toward more senior and responsible positions. Of an entry class of 50, statistically three or four of them will ultimately be appointed an ambassador or an assistant secretary of state. Half of their careers will typically be spent abroad, normally in 3- or 4-year tours of duty in foreign postings or in Washington. Each stage of their advancement will be competitive. Fifty percent will, after a number of years of service, be promoted into the 670-member Senior Foreign Service from which the top positions in Washington and the embassies and consulates will be filled. There is no other career from which the satisfaction of contributing so much to the formation and execution of American foreign policy can be derived. The Foreign Service is on the front line, day in and day out. Along with its colleagues from the professional military and intelligence services, it is at the cutting edge of the advancement and protection of U.S. national security interests.

Of course, there are difficulties and dangers along with the satisfactions. Terrorism and political instability are continuing and growing threats. There is a memorial plaque in the lobby of the Department of State dedicated to those members of the U.S. diplomatic missions who have been killed in the line of duty. Thirty-six names have been added just in the last decade. More American ambassadors alone have been killed than generals and admirals in the Vietnam war. There are the difficulties of isolation, inadequate education facilities, lack of opportunity for spouse employment, disease, family separation, cultural deprivation, and the rootlessness that can come from constant packing and unpacking. The old stereotype of the striped-pants diplomat moving from cocktail party to cocktail party dies slowly, but it is dying.

The basic unit for the conduct of American diplomacy overseas is the American Embassy. An embassy, properly speaking, is the staff of an ambassador who is appointed by the President and confirmed by the Senate. An ambassador is the personal representative of the President to another head of state. Although he or she receives instructions from the Secretary of State in his role as principal foreign affairs adviser to the President, an ambassador is the symbol and embodiment of the United States. Sixty percent of U.S. ambassadors are currently drawn from the career service. The others are political appointees coming from other walks of life.

The ambassador's alter ego is the deputy chief of mission, always an experienced member of the Foreign Service. Below that level, the embassy is organized into functional sections staffed by members of the Department of State or other agencies. There are normally political, economic, consular, administrative, and public affairs sections, headed by counselors in large embassies. On a global basis, Department of State American personnel comprise only 29% of embassy staffs. Defense, AID [Agency for International Development], and USIA [United States Information Agency] personnel also constitute large percentages, but there are approximately 30 agencies of government, ranging from the Coast Guard to the Library of Congress, with personnel assigned to U.S. missions overseas. The senior personnel from the agencies normally constitute what is called the "country team," which is chaired by the ambassador or deputy chief of mission and acts as a principal advisory body to the chief of mission.

An expensive and sophisticated communications system connects American embassies and consulates with Washington and with each other. Instructions flow out from Washington; information, policy recommendations, and analyses flow in from the field. An average of 5,550 messages will be received at headquarters and 1,300 sent out daily.

Role of the Ambassador

It is a myth that an ambassador has been made into nothing more than a messenger boy by the ease and speed of modern transportation and communications. An ambassador's energy, persuasiveness, judgment, contacts, ability to act cooly or improvise quickly on the basis of experience or good instincts, and intimate knowledge of U.S. goals and objectives can be crucial in a crisis. We have just seen a demonstration of these truths by our ambassador in the Philippines. There is no substitute for on-the-spot knowledge of other cultures, languages, personalities, and the right buttons to push to get results. Diplomacy is very much a matter of interpersonal relationships. An ambassador has many roles: "mayor" of a community, "managing director" of a mission which can range in size from a small embassy of five or six people, such as in Benin or Brunei, or a large one of hundreds, as in Cairo or Manila. He and his subordinates truly represent the United States and can have a profound influence on attitudes of local officials and populations toward the United States.

Perhaps one personal experience will illustrate some aspects of an ambassador's job. For almost 3 years during President Carter's Administration, I served as envoy to Turkey, a key NATO ally. When I went to Ankara, an arms embargo—imposed by the Congress of the United States—had been in force for some time, and our relations with this important country had deteriorated badly. It quickly became clear to me that continuation of the embargo would have a very bad impact on significant U.S. interests in NATO's southern flank. The embargo had been imposed ostensibly in retaliation for Turkey's 1974 incursion into Cyprus after the overthrow of Archbishop Makarios. My own view was that, in good part, it was a way of showing a Democratic Congress' frustration with Henry Kissinger's policies and resistance to congressional wishes. In any event, it was a costly policy for the United States in many ways.

I first had to make the case for a reversal of the policy to Secretary of State Vance. Vance knew what the arguments against its continuation were but initially was loath to take on the burden of challenging a policy that apparently had strong majority support in Congress. Many Members of Congress had little understanding of the history of the Cyprus conflict or that the embargo policy was counterproductive, but were quite attentive to the views of ethnic Greek constituents. In time, I and others (including particularly General Al Haig, who was NATO Supreme Commander and had a keen appreciation of Turkey's importance to European defense) prevailed on both Secretary Vance and President Carter to try to achieve a reversal of Congress' action. This meant several trips to Washington to meet with colleagues in the Departments of State and Defense to mobilize help. I also made several speeches in Turkey outlining the antiembargo case. These angered a number of prominent Senators and Congressmen who felt I was stepping out of bounds in challenging a policy approved by the Congress. By that time, however, there was substantial support in the Administration for the position I advocated.

During the spring of 1978, I returned to Washington to participate in an intensive lobbying effort in Congress. During the course of more than a month, I met with almost 100 individual Members of Congress, some of them two or three times. I believe I was able to prevail on a good number of members to revise their view on this issue. On the day of the vote, I sat in the gallery of the Senate and watched the antiembargo forces win by a narrow margin.

This anecdote illustrates several things: an ambassador's functions are not only performed in his country of accreditation but also on the home front. Ability to persuade, effectiveness in a highly political environment while keeping good personal relations with those of a different viewpoint, and willingness to challenge conventional wisdom or established policies are part of an ambassador's armory. Firsthand knowledge of a situation often makes him more effective than Washington officials whose distance from a problem give them a less nuanced feel for it.

Organization and Functions of the Department of State

The Department of State in Washington is, of course, the "center," the source of instructions, the setter of goals and objectives necessary to carry out the President's foreign policy. It should never be forgotten that the President of the United States is the chief foreign policy official of our government. Presidents vary in the degree they rely on the Department of State. Presidents Roosevelt and Nixon relied little—in fact, avoided reliance in important areas. Presidents Eisenhower and Reagan—and most of the others in my experience—rely more. The most important determining factor is the relationship between the President and his Secretary of State. Confidence and trust will enlarge the Department's role; suspicion will diminish it. It is particularly important for professional Foreign Service officers to remember they are servants of a democratically elected leadership. While they should offer advice objectively and fearlessly, it is not permissible to substitute their judgment when they believe policy directions to be wrong. This, however, also exposes one of the Foreign Service's biggest pitfalls: a temptation to watch superiors to determine acceptable conclusions instead of interpreting facts and events on their own merits.

Every morning the Secretary of State—or the Deputy Secretary, in his absence—will meet with various groups of his senior officers among the four under secretaries with functional responsibilities and the 23 assistant secretary-level officials who are the operating chiefs of the bureaus. Bureaus are the basic organizational units of the Department. There are five geographic and 18 functional bureaus with responsibilities ranging from economic to politico-military affairs. Before these meetings, the participants will have reviewed or been briefed on the principal developments around the world since the preceding day. When I get to the office at about 7:30 a.m., I read the principal intelligence summaries—the National Intelligence Daily and the Secretary of State's Morning Summary and other assessments prepared by the Bureau of Intelligence and Research. I look at a sampling of the most important message "traffic" from around the world, examine a record of the previous day's decisions by the Secretary and my senior colleagues, and check through a selection of morning press clippings. Since I have a particular responsibility for security of our people and missions overseas, I will also review all of the information relating to terrorist and security threats against our personnel from around the world. This latter is of growing volume.

At 8:45 a.m. I will join the Secretary's staff meeting for senior personnel, where the press spokesman will summarize the day's press reporting and comment and raise issues which will

need to be dealt with in the Department's noon press briefing. The Assistant Secretary for Congressional Relations will review problems which have arisen or may arise on the Hill or may require attention from members of the group. The Assistant Secretary for Intelligence and Research will highlight political and other developments based on intelligence channel reporting. Other participants have an opportunity to raise matters which the Secretary or others should know about, either for general information or to seek guidance or comments. Similar meetings will be held with groups of functional or geographic assistant secretaries.

The groups will then disperse for the day's business, which will consist of a variety of activities: meetings with foreign officials; meetings with staff members to examine and resolve various policy or operational issues; preparation of policy recommendations or information for the Secretary or the White House; sessions to coordinate policy with other interested agencies; preparation and approval of instructions, studies, analyses, and congressional testimony; and so on. It is a varied, active—at times exciting—agenda. Frequently, there is the satisfaction of being able clearly to influence the course of world events. During the course of the day, the Secretary or Deputy Secretary will convene meetings which will be more policy oriented than the quick morning sessions. The Secretary has also held a number of "Saturday seminars" on various foreign policy issues ranging from Afghanistan to terrorism in which outside experts will join Department of State personnel for a free-flowing discussion of policy options and problems. Periodically, he will hold breakfast sessions with selected Members of Congress for the same purpose.

Formulating U.S. Foreign Policy

I would like to finish with a few general observations about the U.S. foreign policy which emerges from these processes. In fact, I believe "foreign policy" is a misnomer. The United States has not one foreign policy, but hundreds. Policy is essentially the attitude which we adopt toward individual issues: Afghanistan, trade with Japan, aviation agreements with the U.S.S.R., and so on, almost into infinity. Policy has to be discussed in specific terms. We have a policy planning staff, and I have always thought this also was a misnomer. Policy is not "planned" because we cannot plan all the factors and actors which are beyond our control but have an influence on our policies.

As Mark Twain is alleged to have said about Wagner's music: "It's not as bad as it sounds." It has been charged that policy is not created but that it just happens and, to some limited extent, this is true. You can plan all you want, but if Congress does not give you the resources or has different views, your planning will be unavailing. Also, things will happen over which you have no control or which you cannot predict. In this connection, I was once taken to task as a member of the Foreign Service by a Congressman about our failure to foretell the Iranian revolution. I asked him to tell me the outcome of the coming election at home. His answer was, "How am I supposed to know? It depends on too many things." I said I fully understood the result would be shaped by many factors that had yet to emerge. I believe he got the message.

Nevertheless, U.S. foreign policy must not be inconsistent with the nature of our country and our people if it is to succeed. Henry Kissinger observed that public consent is the oxygen of U.S. foreign policy, and he was entirely correct. There is an ethos and ethic from which our policy must not depart. We do, and will, make mistakes because our information is faulty, or incomplete, or an analysis flawed, or because we must act very quickly. Last week I was speaking with former Chief of the Joint Chiefs of Staff Adm. Tom Moorer, who likened foreign affairs to commanding an aircraft carrier underway in port. It is moving, and you don't have the luxury of postponing decisions or prolonging discussion or waiting until every bit of information is in hand. Even staying on course is a decision. Dean Rusk used to characterize the difference between his experience in government and outside government by saying that outside government, you argue toward conclusions; inside, you have to argue toward decisions.

There are some things the United States must stand for if it is to be true to its history. We cannot fail to be advocates for those human rights for others that we value for ourselves. We must be advocates not for specific forms of democratic government but for the enlargement of the opportunities for political participation for those who are deprived of them. And, of course, the first public service any government owes its people is to provide security. That is another inescapable responsibility which must underpin our diplomacy.

At the same time, we must recognize that there are American characteristics which can affect our foreign policies in adverse ways: our history has given us a sense that all problems are resolvable with good will and effort—which is, unfortunately, often not the case—and an impatience for quick results. Our geographic isolation and our preoccupation with the task of taming a continent has resulted in a lack of historical perspective on important issues and a cultural absolutism that frequently leaves us to assume that the way we do things is the only way. The Foreign Service often has the role of guarding against the mistakes these can lead to. This is often unpopular, particularly with a new administration.

I see these as the principal ends our policies must serve: to promote human liberty and freedom of political choice, economic and social development, the rule of law, diplomatic resolution of international disputes, and constructive change. Radicalism and violence advance when routes to peaceful change are blocked. We may not always have the wisdom to design and gain acceptance of specific policies to advance these goals, but these goals should always be our touchstone.

Perhaps the best advice that Americans have ever received relevant to the conduct of our foreign relations is George Washington's eloquent plea: "Let us raise a standard to which the wise and honest can repair; the event is in the hands of God." ■

An Update

Americans Missing in Indochina

by John C. Monjo

Statement before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee on March 12, 1986. Mr. Monjo is Acting Assistant Secretary for East Asian and Pacific Affairs.[1]

I appreciate your invitation to appear before this subcommittee to discuss this government's activities related to the issue of Americans who are missing or otherwise unaccounted for in Indochina. A great deal has happened during the 8 months since our report to the subcommittee in June of last year.

Though we are by no means satisfied and there may be setbacks along the way, I believe we can now say with considerable justice that the President's strategy to resolve this issue is beginning to bear fruit. Both the Vietnamese and Lao Governments are now fully aware of the importance of the resolution of this issue and both have moved from the stage of discussion to one of dealing with the practical questions involved. We think they could do much more than they are doing now, but a real start has been made.

As has been the case throughout our effort on this issue, our first priority is to try to determine if Americans are still alive in Indochina and, if they are, to bring about their release. Both Hanoi and Vientiane maintain that they hold no American prisoners and they have no Americans under their control. The Vietnamese have suggested that if there are any Americans on their territory they are there without their knowledge and are either infiltrators or agents who were left behind in remote areas in 1975. The Vietnamese have referred to three instances of infiltration, by which they apparently meant yachtsmen, such as William Mathers who was arrested in what Vietnam claims as its territorial waters in 1984 and released last year. The Lao have indicated that communication with remote areas is difficult, but they are categorical in their denial of the presence of any Americans on their territory. Both governments have investigated live sighting reports which we brought to their attention and have reported the results to us. Hanoi has further indicated that it is willing to discuss the possibility of Americans participating in such investigations. We made a proposal to that effect at the most recent technical meeting in Hanoi on February 27 and 28, but have not yet received a substantive reply.

We will continue vigorously to pursue this issue. I should underline, however, given the large amount of misunderstanding that can arise on the question of live Americans being held in Indochina, that we do not yet know if any Americans are being held. The information we have received thus far as a result of our extensive investigation of hundreds of live sighting reports does not prove that there are any; neither does it cause us to conclude that no one is being held. We assume, therefore, that some Americans may remain in Indochina and act on that assumption.

Vietnam

In regard to Vietnam, the principal event of the last 8 months has been an apparent decision by the Hanoi authorities to move from *ad hoc* gestures on this issue to a comprehensive program aimed at fully resolving the question in Vietnam within 2 years. This proposal was first conveyed to us last summer through Indonesian Foreign Minister Mochtar Kusumaatmadja. We followed up with a policy level meeting in Hanoi at the end of August in which our delegation, led by Richard Childress of the National Security Council staff and including Ann Griffiths, the Executive Director of the National League of POW/MIA Families, and Lyall Breckon, my Department's Director of Vietnam, Laos, and Cambodia Affairs, met with Acting Foreign Minister Vo Dong Giang and Deputy Foreign Minister Hoang Bich Son. There was a followup meeting by the same delegation with Mr. Giang in New York in September. A third policy level meeting took place in Hanoi this January when Assistance Secretary of Defense [Richard L.] Armitage headed a delegation, which included Assistant Secretary of State [Paul D.] Wolfowitz as well as Mr. Childress and Mrs. Griffiths, which met with Foreign Minister Nguyen Co Thach and Deputy Foreign Minister Son.

There have already been significant practical results from Hanoi's decision and the talks which have followed it. Vietnam has investigated live sighting reports. Vietnam modified its position and agreed to carry out joint excavations of crash sites. The first such excavation in Vietnam since the end of the war took place in late November and early December at a B-52 crash site near Hanoi. Vietnam has agreed in principle to cooperate in further excavations. Vietnam has also turned over more remains than during any other similar period since the end of the war: 26 in August, 7 in December, and they told us at the February technical meeting that we can expect 21 more in the near future. They have not yet, however, set a date for this next turnover. Our technical meetings which took place in July, September, November, and February have become much more useful and productive than they were previously with an increased amount of real exchanges of views and information.

The joint excavation of a crash site near Hanoi last November–December will, we hope, set a pattern for greater cooperation with Vietnam on this issue. The aircraft was a B-52 that crashed in a village near Hanoi. Though the Vietnamese were quite cooperative during the excavation, the results were disappointing, and the debris found at the site was too limited to determine the particular aircraft involved. The very small amount of human remains discovered also precluded any identification. In light of this experience, we and the Vietnamese have agreed to consult closely before deciding on future sites so that, particularly in the beginning, we can concentrate our efforts on those sites which have the most promise of yielding positive results. A site survey was conducted in connection with the latest technical meeting and we will be discussing future excavations with the Vietnamese.

We and the Vietnamese have agreed that the present level of activity on this issue does not necessitate the presence of an American POW/MIA technical team in Hanoi on a full-time basis. If, as we hope, Vietnam were to move toward full implementation of their 2-year plan, the situation might change. Any American team's purpose would be entirely connected with the resolution of the POW/MIA issue and it would not be related to the question of establishing diplomatic relations. Any consideration

of normal diplomatic relations with Hanoi, and any steps toward them, must await a comprehensive settlement in Cambodia which is acceptable to the members of the Association of Southeast Asian Nations [ASEAN] and involves the withdrawal of the Vietnamese Army.

I have mentioned several results from the February 27-28 technical meeting at Hanoi. I would like to add that there was a serious cooperative attitude throughout the meeting. In addition to discussing potential joint-excavation locations, Lieutenant Colonel Mather, who headed our team, asked the Vietnamese if they had a report on the live sighting cases which had been raised with them by Senator [Frank H.] Murkowski's and Congressman [Gerald B.] Solomon's delegations. The Vietnamese indicated these cases would be investigated, though they added that some were vague and additional data would assist their investigations. The Vietnamese also passed us information on 48 reports; these included the 21 remains which they plan to turn over. In addition the Vietnamese announced that they agreed in principle to another joint crash site excavation, but that the specific site has not yet been selected.

Nevertheless, even this increased level of activity is not going to result in a resolution of this issue in Vietnam within the 2-year period specified by the Hanoi authorities. We expect as we and the Vietnamese proceed with implementation of the plan that the pace of activity will increase.

I would like to add in this context that congressional visits such as the one led by Senator Murkowski, which included two members of the House, in January, and that of the House POW/MIA Task Force led by its chairman, Congressman Solomon, in February serve a most useful purpose. They, of course, sometimes result in specific new information such as Deputy Foreign Minister Son's telling Congressman Solomon's delegation that his government was willing to discuss the question of Americans participating in the investigation of live sighting reports. We are pursuing this new offer on resolving the live prisoner issue.

Even more important, however, these delegations and other similar ones over the years have made plain to the leadership in Hanoi that concern for an accounting of our missing men is shared by leaders of every stratum of our political system and, indeed, is a profound concern of the vast majority of Americans. They cannot then just out-wait this Administration or this set of American officials. They must deal with the issue if they are to have any hope of improving the atmosphere between us so that, if a Cambodian settlement is arrived at, we can consider establishing normal relations. I believe the Vietnamese Government has come to such a realization due in large part to the President's personal commitment and interest, but also because of the unswerving determination of the National League of Families and continuing representations by Members of Congress.

Laos

The Lao Government too realizes full well that if, as we both hope, our bilateral relations are to continue to improve there must be real progress on a resolution of the issue of our men who are missing in that country. In Laos, as in Vietnam, progress has increased significantly, but still is considerably below the level we desire.

Our direct liaison on this issue with the Lao takes place through our Art Embassy at Vientiane. Our Chargé d'Affaires there, Theresa Tull, has held numerous meetings with Lao Foreign Ministry officials in order to increase the rate of progress. In September, Lao officials, accompanied by an officer of our Embassy, traveled to Hawaii for consultations and briefings at the Joint Casualty Resolution Center and the Army's Central Identification Laboratory. Deputy Assistant Secretary of Defense James Kelly participated in the meetings. All the participants agreed that it was a highly successful exercise which not only added to the Lao experts' technical knowledge, but helped him to understand just what we were about in our accounting effort. Also in September Under Secretary Armacost and Assistant Secretary Wolfowitz met with Lao Foreign Minister Phoun Siprasuth to underline to a member of the Lao Party Politburo the seriousness of our resolve. Mr. Childress and Mrs. Griffiths had a similar meeting with Mr. Phoun that same month. In December Mr. Wolfowitz and Mr. Childress visited Vientiane to continue our policy level dialogue on this issue.

In these discussions, the Lao agreed to increase their own investigative efforts and to continue to cooperate in the joint excavation of crash sites. Specifically they agreed to conduct two such excavations during the present dry season. The first, of an AC-130 aircraft in Savannakhet Province, was carried out in February and, though what we found is still being analyzed, appears to have been very successful. Certainly the Lao were extremely cooperative and helpful. At the end of the Savannakhet excavation we and the Lao surveyed a new site, and we hope to conduct another excavation in the near future. In addition, the Lao agreed to make their own effort to recover information, separate from the joint excavations.

One particularly important event which took place during this 8-month period was a decision by Congress, at the Administration's initiative, to remove the specific legal ban on aid to Laos. This was an important symbolic gesture to signify to the Lao Government that the United States appreciated their decision to move toward resolution of this issue and the practical steps they had taken to begin the process. We hope that further steps will lead to a greater expansion of our relations, but this Administration has no present plans to propose bilateral economic assistance to Laos.

Cambodia

In regard to Cambodia, it is, of course, the exception in the description of qualified progress which I have just presented to you. We in the Department of State are acutely aware of the 82 Americans who are missing in that country. Vietnam has made some obvious attempts of late to enhance the almost nonexistent stature of its Cambodian clients, the People's Republic of Kampuchea (P.R.K.), by suggesting that we should deal with Phnom Penh directly on this issue. We prefer to continue to deal with the reality of the situation which is that Hanoi controls most of Cambodia's territory as well as the P.R.K., which it created and maintains. Vietnam is certainly in control of those areas where Americans were lost during the war, and for the most part, was in control of them at the time our people were lost. We, therefore, hold Vietnam responsible and look to Hanoi to cooperate with us as it does in the case of Americans missing in Vietnam. I might note too that in their January 1984 communique the Foreign Ministers of Vietnam, Laos, and the P.R.K. stated they would exchange information on this issue.

If the authorities in Phnom Penh genuinely wish to provide us POW/MIA information they can do so through any number of international organizations. One such organization, which has asked us not to name it, at our request told the Phnom Penh authorities it would accept any information they have and forward it to us. Thus far the P.R.K. has not done so.

Presidential Commission Proposed

I would like to take this opportunity to comment on a proposal which is before the Congress to create a presidential commission to oversee this issue. According to the proposed legislation, this commission would have three purposes: to investigate the status of our servicemen who are missing or otherwise unaccounted for in Indochina; to recommend actions to secure the release of any Americans who are prisoners; and to obtain the repatriation of the remains of those who have died.

These functions are being carried out aggressively by the existing agencies of the government. Creating a commission would add an additional, and unnecessary, burden on those working to resolve this issue. At present my Department, the National Security Council, the Office of the Secretary of Defense, the Defense Intelligence Agency, and the Joint Chiefs of Staff, all under the President's direction, work closely with each other in furtherance of this issue. These agencies maintain close cooperation and liaison with the National League of POW/MIA Families and with the staff of this committee and other concerned congressional committees, all of which are represented on the interagency group which coordinates our nation's policy on this issue.

In addition, congressional committees and individual members of Congress are briefed whenever they so desire; and more formally, congressional committees hold frequent hearings such as today's in which the executive branch reports on events and its actions in connection with the POW/MIA issue.

It is difficult to see what the addition of a new group of people who have neither the Federal agencies' executive resources nor Congress' direct responsibility to the American people would bring to this effort. They would necessarily have to spend a great deal of time learning what the Congress and concerned agencies already know and in so doing would divert from this pursuit of this issue those who are already working on it. There is no reason to believe that they would bring to the issue higher levels of dedication, intelligence expertise, diplomatic skill, and military ability than are already being devoted to it.

In addition, the creation of a new public body at a time when the sustained efforts of the Administration are showing increased results runs the distinct risk of sending a signal to Hanoi that the U.S. Government may be changing direction. Such a signal could provide the Vietnamese with an opportunity to stall under the mistaken belief that they may be able to obtain leverage through this issue.

More importantly it is our belief that we will not find solutions to the POW/MIA issue by creating new commissions, agencies, or other bodies here in America. The key to the problem is in Indochina. We must continue our increasingly successful effort to obtain those governments' full cooperation, not vitiate our energy on internecine wrangling. The solutions are in Hanoi and Vientiane, not in Washington.

Conclusion

In conclusion, allow me to reaffirm to you the Department of State's commitment, and indeed that of all of us in the executive branch who are working to resolve this issue, to obtain as full as possible an accounting of the Americans who did not return from the war in Indochina. Our first priority is to determine if any men remain alive, who they are, where they are held, and to get them back to this country by whatever means are necessary. Secondly, we are working to return the remains of the dead and account for the missing. These are not easy tasks, and all of us who are involved in them experience frustration in trying to carry them out. But I can assure you that we will persevere until we have exhausted every possible avenue to return our men—alive or dead—to their families. We owe it to our men, who answered their country's call and who may still be serving, we owe it to their families who have now waited 13 long years, and in some cases much longer, and we owe it to the American people.

[1] The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Trade Policy Directions for 1986

by Clayton Yeutter

Statement before the Subcommittee on Trade of the House Ways and Means Committee on February 20, 1986. Ambassador Yeutter is U.S. Trade Representative.[1]

I am pleased to appear before you today to discuss U.S. trade policy and priorities for 1986. This is my first opportunity to appear before this subcommittee to discuss the challenges facing U.S. trade internationally and our efforts to deal with them. I welcome the opportunity to formally open this dialogue with you. There are no quick-fixes to the issues we will touch on today. I look forward to working with you in the coming months as we explore these questions in greater detail.

At the time I assumed my current responsibilities, the Administration was under attack both for not having a clear sense of our international trade interests and for not adequately protecting those trade interests in individual situations. Our efforts, I believe, speak for themselves in dispelling that notion. Trade has consumed an enormous amount of the Cabinet's time and energy and has been an almost constant topic of discussion at the subcabinet level.

I believe those efforts have started to pay off.

- The President has clearly and boldly outlined the Administration's trade policy objectives and released an action plan for realizing those objectives.
- The Administration has asserted to the rest of the world in unmistakable terms that we are determined to create a "level playing field" for U.S. business firms. This message has been most forcefully conveyed by our self-initiation of Section 301 cases and targeted mixed credit export financing offers.

• In conjunction with our principal trading partners, we have begun major initiatives to promote stronger and more balanced international economic growth, with much improved coordination of macroeconomic policies.

Before describing the elements of that program in more detail for the committee, I want to emphasize a very important point—the Administration's strategy is geared to providing long-term solutions, not a few flashy short-term accomplishments which treat symptoms rather than causes. Progress has been made, but I would be the first to acknowledge that there is much yet to do to alleviate our trade difficulties and restore a sense of fairness and equity to the international trading system.

The Administration's Trade Program

On September 23, the President announced a comprehensive set of proposals for dealing with America's trade problems. The principles underlying the Administration's program are set out in detail in the "Statement on International Trade Policy" which I hereby submit for the record.

I would only want to emphasize one key principle—this Administration is, and will remain, committed to the creation of an open and fair trading system. President Reagan is not a protectionist and never will be, and neither will I. Protectionism will destroy the economic vitality of America's economy. It would stifle competition, retard innovation, reward the inefficient, cost jobs, invite retaliation, and lower America's standard of living. Since the end of World War II, the United States has been a leader in promoting a more open and equitable trading system. With all the flaws in the system, the Administration will continue to work, singly or in concert with our trading partners, to renew and restore the system.

As I will describe in a moment, the international trading system is not the cause of all our trade problems, and we must be realistic in our assessment of the extent to which the trading system can solve our problems. Our plan is to ensure that free trade is fair trade, to strengthen and revitalize the international trade system, and to deal with other factors, including macroeconomic conditions, affecting our trade deficit.

Unfair Trade

The President initiated an aggressive program in pursuit of our longstanding commitment to fair trade as a prerequisite for free trade. Since that time, further actions have been taken to advance this principle. Among the steps which we have taken are:

• The unprecedented self-initiation of Section 301 unfair trade cases against Brazil, Korea, and Japan;

• The establishment of clear deadlines in longstanding disputes with the European Community (EC) and Japan;

• The submission of legislation to create a $300 million fund to increase U.S. leverage in negotiations to eliminate predatory tied aid credit financing;

• The self-initiation of an antidumping investigation against the sale of certain semiconductors at less than "fair value" based on the recommendation on the interagency strike force chaired by Commerce Secretary Baldrige;

• The publication of our first extensive study of foreign trade barriers, in accordance with Section 303 of the Trade and Tariff Act of 1984. This report goes beyond unfair trade barriers to cover all significant barriers to trade; and

• The retaliatory imposition by the President of higher tariffs on EC pasta exports to the United States as a result of the unwillingness of the European Community to compensate for the injury to U.S. citrus exports from EC preferences to Mediterranean countries.

These actions represent only the initial step in our efforts to ensure that trade is both free and fair. We will take additional actions if and when conditions require.

Actions taken to date have already yielded substantial results. However, I am told that some of our actions may have gone relatively unnoticed on Capitol Hill. I would therefore like to briefly review what has occurred.

• We reached agreement with Taiwan to eliminate their longstanding barriers to U.S. exports of beer, wine, and tobacco.

• The Government of Korea has eliminated practices which limited the access of the U.S. motion picture industry to the Korean market.

• We concluded long overdue disputes with the EC on canned fruit and with Japan on leather and leather footwear. In the former case, the EC agreed to eliminate its production subsidies on canned fruit. In the latter case, the agreement we fashioned achieved some improvement in our access for these products, Japanese concessions in other products, and final balance through the withdrawal of U.S. tariff concessions.

• Eximbank has approved eight tied aid credit offers out of existing authorities while Congress continues its consideration of the "war chest" bill. In addition, Control Data Corporation succeeded in winning a transaction in India which may ultimately be worth $450 million.

• We have negotiated agreements in the nuclear and large and small aircraft sectors which prohibit the use of tied aid credits. Negotiations on comprehensive tied aid credit discipline continue.

• The United States has successfully negotiated modifications to Japanese practices in the medical/pharmaceutical industry and the telecommunications industry as a part of the MOSS [market-oriented, sector selective] process. Several significant measures have been implemented as a result of the MOSS electronics talks, but the overall outcome in this sector will not be clear until the semiconductor Section 301 case has been resolved. We are not completely satisfied in the progress on forest products, particularly in regard to the depth, coverage, and timing of tariff reductions. We believe that the changes create the potential for significant opportunities for U.S. business, although the ultimate value of the changes made can only be assessed in the light of actual sales experience.

I would also like to dispel another often heard criticism of the Administration—that it is unwilling to provide support relief to American industries. Under Section 201 of our trade law, the record demonstrates otherwise. Eleven Section 201 cases have been filed since the Administration took office. Of those 11 cases, the International Trade Commission found no injury in 6. Of the five remaining cases, the President granted import relief in two—to heavyweight motorcycles and specialty steel. In the case of carbon steel, the President took alternative action to resolve the problem. Only in two cases —copper and footwear—did the President reject import relief. In the copper case, many more copper fabricators' jobs would have been lost than miners' jobs saved. In the footwear decision, the industry failed to show that relief would have improved their international competitiveness. This seems to me to be an impeccable record in administering Section 201, rather than one subject to criticism.

As part of our general review of trade policy, we will continue to consider legislation that would help us promote free and fair trade. In line with this, the Administration is reviewing proposals for changes in, and additions to, U.S. trade laws. The proposals which will get increasing attention during the year include: new trade negotiating authority, revisions to our laws protecting intellectual property, export promotion initiatives, and various amendments to our antidumping and countervailing duty laws. The Administration has also proposed significant reforms in the antitrust laws that will enhance the international competitiveness of U.S. firms. The Administration will very likely support a number of such changes. At the same time, we will not allow desirable changes to be held hostage to counterproductive, protectionist measures. I look forward to working with the committee in a constructive way on these delicate issues.

A New Round of Multilateral Trade Negotiations

It is imperative that we launch a new round of multilateral trade negotiations in the coming months. In our view, the initiation of a new GATT round is the best way for the 90 member countries of the General Agreement on Tariffs and Trade to achieve fairer trade, improve access for exports, provide more effective dispute resolution, and strengthen the fabric of the international trading system. All trading countries have an important stake in developing a comprehensive agenda to reform the GATT, make it relevant to the problems of today's trading environment, and ensure its capacity to deal with new problems as they arise.

During the past four decades, the GATT has served the world well as a framework for international trade negotiations and the conduct of international commerce. Under GATT auspices, successive rounds of multilateral trade negotiations have led to substantial trade liberalization and an enormous increase in global trade.

In recent years, however, this discipline has been crumbling under the combined pressures of global recession, debt crises, fluctuating energy prices, and volatile exchange rate movements. While a positive development, the nontariff barrier codes agreed to in the Tokyo Round (covering government procurement, customs valuation, standards, licensing, and subsidies) were only a first step. The Tokyo Round and previous trade negotiations failed to develop workable rules or meaningful discipline over such critical issues as dispute settlement, safeguards, agriculture, market access, and subsidies.

The fundamental reason we need to launch a new round of multilateral trade negotiations in the coming months is to develop workable rules and restore discipline in all these areas.

Over the past 18 months, the U.S. Trade Representative has begun an intensive series of consultations with our private sector advisers to identify U.S. negotiating objectives and priorities. While there still remains a great deal of work to be done, these consultations have identified the following key objectives.

Dispute Settlement. One of the major functions of the GATT is to resolve disputes between its member countries. The existing dispute settlement process has resolved or helped to resolve a large number of disputes. However, some conspicuous failures, particularly in recent years, have undermined public confidence in the system. Any dispute settlement mechanism cannot substitute for a sound framework of rules, nor can it repair a faltering international consensus. However, a good dispute settlement process is a necessary element in the trading system. As part of the new negotiations, we will seek specific improvements in dispute settlement procedures to ensure that countries have every opportunity to resolve their differences in a timely manner through consultation, mediation, or arbitration. In those cases where the two countries choose a panel to help resolve the dispute, we want to ensure that nongovernmental panelists can be chosen, that strict time limits are set for each phase of the panel process, and that the panel reports contain clear and concise recommendations for action. To my mind, this is one of the top priorities for the United States in the new round.

Safeguards. The term safeguards refers to the emergency actions taken by governments to protect domestic industries from an influx of imports, thereby giving them time to adjust to competition. This issue has been identified as a matter for priority treatment in the new round, in part because it is a concern of developing countries and in part because of widespread concern that most current safeguard practices have little to do with the disciplines of the GATT. In fact, the GATT secretariat staff has identified some 94 safeguard-type actions taken outside the relevant GATT provisions. In the new negotiations, we seek to develop a comprehensive agreement over the use of all safeguard actions, including voluntary restraint agreements and orderly marketing arrangements. Our major objectives are to ensure that such measures are transparent, remain temporary, and contribute to—not retard—adjustment, without shifting the burden of that adjustment on to other trading countries.

Agriculture. It is time that we put an end to the chaos in trade in agriculture. Trying to treat agriculture with a different set of rules from trade in industrial goods has produced nothing but turmoil, inequities, and massive distress for farmers in this country and around the world. Specifically, we have to eliminate export subsidies over time and tear down the multiple barriers to agricultural import markets in both developed and developing countries.

Tokyo Round Nontariff Barrier Codes. Not surprisingly, the first effort to negotiate meaningful international disciplines over nontariff barriers was not totally satisfactory. What we need to do now is build on our experience with the codes over the past 6 years, expand participation, update certain provisions, and strengthen and improve their operation. We want to give particular attention to the government procurement, aircraft, and subsidies codes.

Market Access. While the primary focus of the new negotiations will be on developing new rules and disciplines over trade policies and practices, we anticipate there will also be some classical swapping of concessions to reduce tariff and nontariff barriers to trade. We have asked our private sector advisers to provide us with a listing of specific barriers that they want to see reduced or eliminated. Once we receive their input, we will develop a strategy to meet as many of their requests as possible. We will not pay again for concessions supposedly received in previous rounds, and we do not intend to distort the overall balance of concessions we have with our trading partners.

Intellectual Property Rights. Piracy, misappropriation, and infringement of others' intellectual property is causing severe trade distortions and is a growing trade problem. It is a critical issue for the future of world trade as the technologies and innovations these

rights promote will help determine tomorrow's trade patterns. The GATT has already undertaken work with respect to trademark counterfeiting. We will encourage rapid completion of the GATT work on counterfeiting in the new round. Deficiencies in protection in the areas of patents and copyrights and protection for the new and evolving technologies such as biotechnology and computer software must also be addressed. Some have criticized our approach to this issue because of concerns about the competence of existing international conventions and the current efforts of the World Intellectual Property Organization. We are not interested in duplicating the very important work of these groups. We do believe that the GATT can make an important contribution by developing the most effective and enforceable mechanism for disciplining government policies.

Investment. Government investment policies can have a dampening and distorting impact on world trade. The adverse effects of these measures are comparable to those created by tariffs and nontariff barriers such as quantitative restrictions. When governments unnecessarily restrict the ability of a firm to establish itself, they deny consumers the benefits of services and goods that would otherwise be produced. Like free trade, foreign investment, when responding to actual market conditions rather than distortive government policies, can make the economic pie larger. For developing countries facing long-term debt constraints, increased flows of foreign direct investment are essential. GATT procedures for addressing disputes and principles such as that of nondiscrimination are relevant and important to disciplining the growth of trade distorting investment policies. The GATT's effectiveness in liberalizing world trade requires the discussion of this issue with a view to developing international discipline in this area as a part of a new round.

Services. We also are seeking agreement under auspices of the GATT on a framework of principles and procedures that would make trade in services as open as possible. Services is the fastest growing segment of our economy and is likely to continue to be so in the future. We need to act now to develop meaningful rules to discipline government actions that restrict or distort the movement of services internationally.

Let me say a few words about the preparatory process for the negotiations now underway in Geneva. At the annual meeting of the GATT contracting parties in November, the member governments agreed to establish a preparatory committee to organize new negotiations. The preparatory committee is charged with determining the objectives, subject matter, organizational details, and participation in the negotiations. The committee has met twice already and has set out an intensive schedule of meetings through mid-July. At that time, the committee is to make recommendations on the subject matter and organizational details, perhaps in the form of a ministerial declaration, and forward them to a ministerial-level meeting of GATT members for action. It was agreed that the ministerial meeting will take place in September.

We are pleased that the 90 members of the GATT have taken this important step toward strengthening the trading system. Although just a first, largely procedural step, it is an essential part of the process and will pave the way for ministers in 1986 to take a formal decision on negotiations.

While the United States worked very hard to ensure this outcome, the decision by the GATT to establish a preparatory committee should not be seen as an achievement just for the United States. It is a victory for the GATT system itself, because reducing trade barriers and strengthening disciplines in the GATT will benefit all countries. The 90 members of the GATT have joined together by consensus in a step that recognizes the need to repair and restore the multilateral trading system.

Now the very difficult work of identifying specific U.S. interests and objectives lies before us. The Administration will be intensifying consultations with our private sector advisers and with Congress as we move through the preparatory process over the next 6 months. To be successful, the new round must strengthen and improve trading rules so that they work more efficiently and effectively for the benefit of all Americans and our trading partners.

Before leaving this issue, I would like to reiterate a point I have made before—the United States will not be held hostage to the multilateral negotiating process. That process is but one way for the United States and other nations to achieve the crucial goal of increased economic growth through expanded world trade. There are other ways as well. The Administration is prepared to negotiate on a plurilateral or bilateral basis with like-minded nations. This path would become all the more important and urgent if the movement toward a new trade round is stalled, but we do not see it as a competitive exercise in any case.

An example is the recently concluded free trade area with Israel. As you know, we are now in the process of discussing a similar arrangement with one of our most important trading partners, Canada. Canadian Prime Minister Mulroney has proposed that we consider bilateral trade negotiations on the "broadest possible package of mutually beneficial reductions in barriers to trade in goods and services."

President Reagan has welcomed the Canadian proposal, and he believes it offers an important opportunity for both nations. If we can successfully conclude such a negotiation, it could dramatically enhance the growth opportunities of both countries as they enter the next century.

We are, of course, now engaged in consultation with this committee and other interested Members of the Congress and with our private sector advisory committees. Some members have already suggested that we delay free trade negotiations until our present bilateral disputes are behind us. But with the volume of trade that flows between the United States and Canada, we will always have bilateral disputes. We should not permit those transitory frustrations to blur the importance of improving long-term trade relationships and opportunities. After all, a free trade arrangement with Canada would probably not be fully implemented until about the year 2000. That having been said, negotiations will only be worthwhile if both parties approach them in good faith. The prospect of negotiations cannot excuse otherwise unacceptable behavior on the trade front.

The Macroeconomic Climate and the Trade Deficit

Finally, and perhaps most importantly, the Administration has taken a number of steps to create an economic climate more favorable to U.S. trade. Chief among these are attempts to achieve increased and more balanced growth at home and abroad.

Even if all the world's trade barriers, unfair or fair, were eliminated, the United States would still have a large

trade deficit. An inordinately strong dollar has reduced American export competitiveness over the past several years and has severely tested our import-sensitive industries. This, of course, has provoked the political turmoil of recent months which has been felt by both the Congress and the Administration.

We now have a $148.5 billion trade deficit. While all of us should be concerned about a deficit of that magnitude, I believe the linkage that some would make between the level of the deficit and the conduct of U.S. trade policy is fundamentally misplaced. Reducing the trade deficit requires macroeconomic policy adjustments here and abroad.

Let me begin by drawing up a simple balance sheet for the U.S. economy in 1985 based on preliminary numbers. Out of their 1985 income, American companies and families saved an estimated $700 billion. At 17.5% of GNP, gross private saving last year was about in line with what the private sector has usually saved in recent years. This $700 billion was an amount fully sufficient to finance total gross private investment in the U.S. economy of an estimated $670 billion last year. There was even an extra $30 billion in savings left over in the private sector for purposes other than domestic investment. The government sector of our economy, however, needed not $30 billion but $140 billion to finance spending in excess of its revenues. This $140 billion is the sum of a $60 billion surplus in State and local budgets and a $200 billion deficit in the Federal budget.

The difference between the $140 billion that government needed to borrow last year and the $30 billion excess in private saving over investment was made up by a net capital inflow from abroad of $110 billion.

This accounting exercise is simple but powerful, suggesting three possible paths to reduce the trade deficit. In the first case, a reduction in domestic investment might reduce foreign capital inflows and the trade deficit despite large Federal budget deficits. But this is a "solution" no one should want because it eases the trade deficit at the expense of domestic economic growth.

A second possibility is to increase private saving in the United States to be better able to afford both strong investment and large budget deficits. But if and when Americans save more, it would be preferable to have those savings contribute to a stronger economy rather than toward financing even larger Federal budget deficits.

The third and only realistic approach to reducing foreign borrowing and its contribution to the U.S. trade deficit is to lower our Federal spending and budget deficits substantially. In fact, our trade deficit could be dramatically reduced if the Federal budget deficit were sliced significantly. As recently as 1980 and 1981, for example, the United States had small surpluses in the current account while Federal budget deficits were slightly in excess of 2% of GNP as compared to the current level of roughly 5% of GNP.

The large inflows of foreign capital which we have experienced in recent years are also related to the relatively poorer performance of foreign economies compared to those in the United States. European economic growth has been mediocre at best. The EC's production is barely 7% above the level reached in 1979 while that of the United States is 13% higher. The poor outlook for European growth relative to the United States encouraged capital outflows from Europe to our shores after the 1982 recession.

Japan is another case. That country has recently relied inordinately on increases in its export accounts to stimulate growth. In the last 3 years, more than one-third of the growth of the Japanese economy has been as a result of the expansion of net exports rather than increases in domestic demand. Japan's current account surplus has risen from 0.5% of GNP in 1981 to nearly 4% last year. And the United States has been the principal recipient of increased Japanese exports. We want the Japanese to reduce their reliance on trade surpluses for economic growth by increased domestic economic opportunities.

Further convergence of economic performance is the logical complement to our efforts at reducing Federal budget deficits. Taken together these actions would increase demand for our exports and help assure that our economy would continue on a steady growth path even as Federal budget and trade deficits shrink.

Finally, management of the debt problems of a number of less developed countries (LDCs) can play a significant role in complementing U.S. action to reduce its trade deficit. Initially, many LDCs reacted to large foreign debt obligations and reduced foreign credit availability by increasing protectionist and distortive trade policies. These compounded other market distortive domestic policies which were already in place when the debt crisis arose. The result has been injury to the long-term growth performance of these countries and continued reticence of private lenders and investors to increase their participation in the economies of high-debt LDCs.

Many of the debtor nations have adopted measures to constrict domestic demand and initiate economic adjustment. Progress on the macroeconomic side must now be consolidated, with greater emphasis placed on structural measures to sustain growth. Some relaxation in trade restrictions has occurred. Policies to fully implement trade and investment liberalization and reform as a part of those programs will encourage growth and international trade.

Recognizing the macroeconomic contribution to our current trade deficit and the need for greater international coordination in correcting the global trade and payments imbalance, the Administration has taken a number of corrective actions in recent months.

First, the President's budget for FY 1987 meets the deficit reduction target set out in Gramm-Rudman-Hollings. In doing so, it can contribute to the reduction of the U.S. trade deficit. I urge your support for the President's budget and final completion of work this year on tax reform along the lines of the President's proposal.

Internationally, the Administration has strengthened macroeconomic policy coordination with other major economies through the September G–5 agreement. The exchange rate of the dollar *vis-a-vis* other major currencies has been moderating since March 1985. The September agreement basically fosters the adjustments to domestic macroeconomic policies which would reinforce the strengthening of foreign currencies and lay the groundwork for reduction of the U.S. trade deficit. Actions taken to stimulate the expansion of domestic demand in Japan and economic growth in Europe are now being complemented by much reduced oil-import prices. Our part of that agreement is to substantially lower our Federal budget deficits. If the macroeconomic pieces can all be brought into place with the added benefit of lower oil prices and interest rates, the outlook becomes good indeed for lowering the U.S. trade deficit in the context of an expanding U.S. and world economy.

Declining oil prices have also had a major impact on high-debt LDCs, helping countries like Brazil, hurting coun-

tries like Mexico. Secretary [of the Treasury] Baker's plan for LDC debt adjustment has emphasized strengthened economic growth policies in those countries and greater public and private lending and investing to facilitate their recovery.

Some have expressed dismay in not seeing a rapid improvement in the U.S. trade deficit following the moderation of the dollar's value. There is an important consideration to bear in mind on this point. Following a currency depreciation, so-called J-curve effects result in a nation's trade balance temporarily worsening before substantially improving. The reasons are well known. The currency depreciation quickly raises the price of imports while export prices are left unaffected, thus increasing the dollar value of the deficit. Over the course of a year to a year and a half, consumers and business begin to react to the price changes. In our case, demand for imports will moderate while foreign demand for our exports will strengthen. With time these real volume changes will overcome the original price effects of the depreciation, and our trade balance will improve. Because of these lags, I would not expect to see improvement in the trade balance until later this year, probably too late to significantly change the 1986 totals from 1985.

We in the U.S. Trade Representative's office have had splendid cooperation from other government agencies in our trade policy endeavors and from the relevant congressional committees as well. The United States now has what I believe to be a coherent, comprehensive trade policy and trade strategy. Nevertheless, our trade problems, and the political strains which accompany them, are by no means behind us. President Reagan and I look forward to working with you in our common desire to ensure that American and foreign firms play by the same rules in international trade and reap the benefits of a free and fair trade policy.

[1] The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

The CSCE Process and East-West Diplomacy

by Michael H. Armacost

Statement before the Commission on Security and Cooperation in Europe on March 25, 1986. Ambassador Armacost is Under Secretary for Political Affairs.[1]

I welcome this opportunity today to meet with the Commission on Security and Cooperation in Europe[2] to discuss the Administration's approach to CSCE [Conference on Security and Cooperation in Europe]—the "Helsinki" process.

The hearings held by the Commission on Security and Cooperation in Europe are important. They focus attention on the contribution that improved respect for human rights in the Soviet Union and Eastern Europe would make to overall East-West relations. We welcome the commission's sustained work over the past decade—and the efforts of concerned private American groups—to promote the goals of the Helsinki Final Act. Through your hearings, resolutions, participation on U.S. delegations, and research and publications, the commission and its staff have worked vigorously and served the interests of the United States well. We look forward to continuing this close and productive relationship as we prepare for CSCE meetings in Bern next month and in Vienna in November.

In your letter of invitation, you asked that I put the CDE [Conference on Confidence- and Security-Building Measures and Disarmament in Europe] negotiations in Stockholm and other elements of the CSCE process into perspective and provide an assessment of the prospects for the Vienna review meeting and beyond. Let me begin with an overview that describes our assessment of the process, outlines our approach, and then looks ahead, mainly to the Bern and Vienna meetings. [Head of the U.S. delegation to the CDE] Ambassador Robert Barry will address more specifically the prospects of the CDE.

Assessing the CSCE Process

The Final Act of the Conference on Security and Cooperation in Europe represents a framework within which the 35 participating states can work to resolve the humanitarian, economic, and security issues that divide Europe. The Final Act underscores that each of these areas is of equal importance to genuine security and cooperation. The Western objective for the past decade has been to preserve and strengthen this process through thorough review of implementation of the Final Act and by agreement on balanced and constructive steps forward.

At the 10th anniversary commemoration of the Final Act, attended by 35 foreign ministers last summer in Helsinki, Secretary Shultz assessed the CSCE process. Although the reality of Europe's division remained, he noted, we have seen limited progress. The Final Act has had some practical effect. For example, journalists travel more easily between CSCE countries. Significant numbers of citizens in some East European countries have been reunited with their families in the West. And the review conferences in Belgrade and Madrid as well as other CSCE meetings have kept alive the aspirations embodied in the Final Act.

In summing up our assessment, however, Secretary Shultz concluded that:

> . . . 10 years after the signing of the Final Act, no one can deny the gap between hope and performance. Despite the real value of the Final Act as a standard of conduct, the most important promises of a decade ago have not been kept.

There is no need to recite the basis for this conclusion. The record of compliance of the Warsaw Pact nations with their CSCE undertakings is seriously flawed.

- The number of Soviet Jews permitted to emigrate fell from 51,000 in 1979 to somewhat over 1,000 last year. And we have seen similar reductions in the number of Armenian and ethnic German emigrants.
- While recent Soviet decisions to permit 53 families to be reunited in the West are welcome, we cannot forget that there are many others who remain separated from their families.
- The Soviet Union continues to imprison its citizens who speak out on human rights.

• Andrei Sakharov remains isolated in Gorkiy, although his wife has been permitted to travel abroad for medical treatment.

• Several religious groups are persecuted in Romania, religious leaders are imprisoned, and churches are demolished.

• In Poland, Bogdan Lis, Adam Michnik, and Wladyslaw Frasyniuk have been sentenced to prison terms for championing free trade unions.

• In Czechoslovakia, the regime severely restricts the Catholic Church and has been especially active in suppressing religious dissent within the Charter '77 movement.

• In Bulgaria, the government has attempted to deprive almost 10% of its people—the Turkish minority—of its ethnic heritage.

• And despite a generally favorable human rights record, in Hungary there is continued harassment of dissidents.

This mixed record has led some to express understandable skepticism over the value of continued involvement in the CSCE process. We share those frustrations. We believe, however, that we must keep faith with those who struggle to realize the goals of Helsinki. That is why, on the 10th anniversary of the Final Act last summer, President Reagan reaffirmed the U.S. commitment to the Helsinki principles and our dedication to giving them meaning in the daily lives of all citizens whose governments signed the Final Act.

Let me discuss the three basic considerations that lead us to view the CSCE process as a valuable instrument of Western diplomacy, despite the disappointments of its first decade.

Supporting the Western Agenda

First, it is clear that the Helsinki Final Act serves as a vehicle to marshal support for a fundamentally Western agenda. The Soviet Union sought to legalize the division of Europe, but the Final Act looks toward its peaceful unification. The East wanted to highlight the central role of the state, but the Final Act stresses individual rights and freedom. The Final Act asserted that respect for human rights was a fundamental element of genuine security and cooperation; it confirmed that a government's abuse of its own citizens was a legitimate subject for international discussion. Far from giving the Soviet Union a lever on Western Europe, the CSCE process confirmed the continuing engagement of the United States in Europe.

The CSCE process has, thus, served to foster and reinforce alliance unity. In turn, alliance unity—insisting on compliance with CSCE undertakings and balance between security and human rights goals—has been essential to the limited progress we have made in CSCE.

And I should add that the NATO alliance has not stood alone in pushing for both balance and for progress in human rights. Our neutral friends have found that in CSCE they can play a special role. Their neutral credentials remain untarnished. But from the beginning in CSCE they have pushed for Soviet adherence to the commitments undertaken in Madrid and Helsinki.

International Conduct and Human Rights Standards

The second area where the Final Act plays a significant role in our East-West diplomacy relates to the standards it set for the conduct of individual governments toward each other and toward their own citizens. In Helsinki, the United States, Canada, and 33 European states agreed to observe 10 basic principles in their relations with one another, as well as with other states. We can cite no evidence that this has significantly altered Soviet behavior. But these principles have given a solid framework for Western arguments concerning that behavior.

A number of the principles—respect for sovereignty, non-use of force, nonintervention in internal affairs, equal rights and self-determination of peoples—have increased the impact of Western condemnation of the Soviet invasion of Afghanistan in 1979 and of Soviet pressure on Poland in the early 1980s. The CSCE process helped focus the world's outrage at the unlawful Soviet occupation of Afghanistan, particularly during the opening weeks of the Madrid review conference. Similarly, the strong Western response in CSCE to the imposition of martial law in Poland drew international attention to Soviet actions that contradicted its Helsinki obligations.

It is in the area of human rights standards that CSCE has played a particularly significant role. The Final Act is based on the view that the interests of individual human beings are a fundamental part of security and stability in Europe. Greater security and a more stable peace depend on greater freedom for the people of Europe.

At Helsinki in 1975, the Soviet Union and other East European countries willingly subscribed to principles affirming basic human rights and to provisions calling for freer flow of ideas, information, and people. These provisions were strengthened in the 1983 Madrid Concluding Document. These two documents added legitimacy to international discussion of the way a government treats its citizens. Coupled with a process of followup meetings, the Final Act gives the West a vehicle for keeping the pressure on Eastern governments for improvements in human rights performance.

One can only speculate on the motivations of the Soviet Union and other East European governments in signing the Final Act. If they thought their commitments would be ignored—they were wrong.

For years the Soviets sought to deflect human rights criticism by hiding behind "noninterference in internal affairs." The hollowness of this defense, however, has been exposed at successive CSCE meetings during which the Soviets have been forced to confront the facts of their poor record. At the CSCE Human Rights Experts Meeting in Ottawa, the Soviets changed tactics and took the offensive, charging Western abuses of social and economic rights. This change of tactic implicitly conceded the legitimacy of raising human rights issues involving another country. And it testified to the growing force of international concern over human rights, a trend that the Final Act has nourished.

The Final Act has helped bring greater international attention to the cause of human rights. By signing the Final Act, the Soviet Union created the expectation that it would comply, making its failures to do so all the more troubling, not only in the United States but in Europe as well. In the United States, the Final Act gave rise to the CSCE Commission and provided a focus for the network of private organizations which have pressed for improved respect for human rights. The existence of agreed standards has also encouraged other Western governments to speak up against human rights abuses. And it has provided a focal point for efforts by European parliaments and private groups.

From the 1977 Belgrade review conference to the recent Budapest Cultural Forum, expressions of Western concern

over Soviet abuses have become increasingly frequent and specific. During General Secretary Gorbachev's visit to Paris, for example, President Mitterrand reported to the French people that he had insisted that movement in "Basket Three" [Cooperation in Humanitarian and Other Fields] of the Final Act take place at the same pace as in the other areas of CSCE. And French journalists took Gorbachev to task for Soviet failure to live up to the standards enshrined in the Final Act.

The Soviets, moreover, have shown themselves sensitive to such criticism, particularly when it adversely affects the image Moscow wants to cultivate in Western Europe.

The CSCE experts meeting in Ottawa last year, where I had the privilege to deliver the opening statement for the United States, illustrates well the diplomatic value of the CSCE process. Soviet intransigence and refusal to commit itself to any improvements in its human rights practices blocked agreement on meaningful, practical steps forward. Nevertheless, the meeting was worthwhile and advanced our objectives.

- It gave us nearly 3 weeks to debate Soviet adherence to the commitments in the Final Act. The West, both our allies and our neutral friends, put the Soviets and other East Europeans in the dock for human rights abuses. The East was effectively isolated.
- The West rejected initial Eastern claims that criticism constituted interference in the internal affairs of another state.
- The West held firm in rejecting Soviet efforts to distort Principle Seven of the Final Act dealing with human rights. Instead, the Western states tabled a set of specific proposals that constituted a common human rights agenda for the future.

In sum, Ottawa gave the West an opportunity to sound a united call for improved respect for human rights in the East.

We regret that the Ottawa meeting, like the CSCE process as a whole, has not done more to enhance the prospect of short-term improvement for individuals in the Soviet Union and Eastern Europe. But such meetings and the international attention they focus on human rights issues do advance the cause. The fact that attention is paid to their plight provides comfort, if not hope, to the citizens of the Soviet Union and Eastern Europe. And most of those in Eastern Europe active in the struggle for human rights support the CSCE process. They welcome our emphasis on the commitments in the Final Act and our effort to bring about improved Eastern compliance.

It is undeniable that the CSCE process, more than any other forum, has served to focus the world's attention on massive Soviet human rights violations. And in doing so, the CSCE process has served to expose the nature of Soviet power and promote the cause of freedom around the world.

The meeting on human contacts in Bern that begins in April will focus attention on such important CSCE issues as freedom to travel, freedom to emigrate, and family reunification. As Michael Novak, the head of our Bern delegation, testified before you last week, it is our hope that this meeting will mark an advance toward lowering the barriers that divide the peoples and families of the East and West. We hope the spirit of cooperation on humanitarian affairs which emerged from President Reagan's Geneva meeting with General Secretary Gorbachev will be given a new reality through concrete deeds. Steps forward on such issues would make an important contribution to the Vienna followup meeting later this year.

European Security Issues

Security is the third area in which the CSCE process plays an important role in our overall East-West policy. Far from fulfilling Soviet aims to diminish our role in European security affairs, CSCE provided a forum which engaged the United States and Canada, together with European governments, in a discussion of the basic questions of European security.

At the Madrid followup meeting, the West secured a mandate for the Conference on Confidence- and Security-Building Measures and Disarmament in Europe that serves our interests. The mandate recognized explicitly that the CDE was an integral part of the CSCE process, expanded the zone defined in the Final Act to cover the Soviet Union west of the Urals, and stipulated that the measures adopted should have military significance and be verifiable.

At the CDE conference, we have an opportunity to find concrete ways to increase confidence and security in Europe. NATO is pushing for adoption of specific confidence- and security-building measures that address some of the proximate causes of war. They would make European military activities more predictable and more stable. Through skillful negotiation over the past 2 years, the West has prevented the Soviets from turning Stockholm into a forum for empty, propagandistic declarations that support their vision of a pan-European security order excluding the United States.

The growing consensus in Stockholm is based on the Western concept of security. It features practical measures which would increase our knowledge of potentially threatening military activities. And these measures would be verifiable by every state participating in the conference.

With the setting of a September 19, 1986, adjournment date and the recent move to drafting, the conference has now moved into a more intensive phase. President Reagan and General Secretary Gorbachev at their meeting last November made a political commitment to work with others for a successful conclusion in Stockholm. The U.S. delegation has been instructed to pursue concrete results at the negotiating table.

An agreement in Stockholm that met our objectives would serve the West's security interests by providing a set of concrete rules governing military activities in Europe. Through the exchange of information about forces in Europe and an annual calendar of planned activities, we would be able to increase mutual understanding about intentions behind those activities. This would provide greater openness and improved mutual understanding about military intentions and practices—contributing to enhanced stability and security in Europe.

If successful, the Stockholm conference can help achieve the primary goal of the CSCE process—lowering the barriers that artificially divide Europe between East and West.

These various strands of the CSCE process are tied together by the concept of balance. This concept is founded on recognition, inherent in the Final Act itself, of the interdependence among the three parts of the CSCE process—humanitarian, security, and economic. Military-security aspects cannot be dealt with productively if they are isolated from humanitarian and human rights considerations. Thus, for example, we have countered vigorously Eastern attempts to establish a military-security forum as an autonomous entity, overshadowing our efforts to improve human rights and human contacts.

U.S. Commitment and the Challenge Ahead

We are committed to balanced progress across the board. We insist on moving ahead in all areas because we believe all 10 principles are equally important. At the same time, there is no ready formula for the application of balance. It is not a mechanical concept. It is unrealistic to posit a fixed linkage between security and human rights. The tradeoffs cannot be put in such simple terms.

And yet, it is also unrealistic to believe that real and enduring improvement can take place in East-West relations without progress on humanitarian and human rights issues.

To quote French Foreign Minister Dumas: "Can a state which is not at peace with its own citizens really gain the confidence of its neighbors?" Concrete steps in this area would go far toward restoring the political confidence and political support for constructive progress in CSCE.

Balance is the challenge for the Vienna followup meeting that begins November 4. The delegations at Vienna will have to weigh what has been achieved on human rights and human contacts, on cultural and economic cooperation, and on security. They will have to look at the results of the Ottawa Human Rights Experts Meeting, the Budapest Cultural Forum, and the upcoming Bern Human Contacts Meeting. The question of the future of CDE will be part of this overall assessment. Even if the CDE is successful, we must be careful to ensure that the security component is not allowed to dominate other aspects of the CSCE process.

In addition to maintaining balance, the West faces two other basic tasks at Vienna.

- The first is to maintain Western unity. The Soviet Union never tires of seeking ways to exploit the CSCE process to drive wedges between us and our allies. If we are to make progress on issues of importance to us, we must present a united front.
- Second, we must take stock fully and candidly of the extent to which commitments have been kept and the extent to which governments have fallen short. Vienna must establish a clear record. Governments must be made to account for their commitments.

Given the Eastern record on humanitarian and human rights issues, the Vienna followup meeting is likely to be a difficult conference. Progress on humanitarian and human rights issues in the months ahead would certainly enhance the prospects for a constructive outcome, which we would welcome.

We are at an early stage in our own planning for the Vienna meeting. We look forward to working closely with the commission in the months ahead on the issues we will confront in Vienna. As in Madrid, we will lean heavily on your skills, expertise, and judgment.

The Helsinki Final Act 10 years ago set an agenda for progress toward greater security and a more stable peace in Europe. It evoked a vision of a united Europe in which barriers were removed and freedoms were enjoyed throughout the continent, a Europe in which dialogue rather than conflict resolved differences and cooperation benefited individuals in both the West and the East.

That is the vision that will inform our approach to Vienna and beyond. The disappointments of the past decade indicate there are no easy strategies for achieving the ambitious goals set forth in the Final Act. Patience, skillful diplomacy, Western unity, and the courage of our convictions will be required.

In closing, let me recall President Reagan's statement on the close of the last review conference 3 years ago:

> In concluding the Madrid meeting, we reaffirm our commitment to the Helsinki process. We will not flag in our continued determination to work with all governments and peoples whose goal is the strengthening of peace in freedom. As Madrid has shown, dialogue, when based on realistic expectations and conducted with patience, can produce results. These results are often gradual and hard won, but they are the necessary building blocks for a more secure and stable world. . . . Giving substance to the promises of Madrid and Helsinki will remain one of our prime objectives.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

[2]The U.S. Commission on Security and Cooperation in Europe was established by the Congress in 1976. It is composed of nine Senators, nine Congressmen, and one representative each from the Departments of State, Defense, and Commerce. The commission monitors the acts of the CSCE signatory states, with a particular emphasis on their compliance with the humanitarian provisions of the Helsinki Final Act and the Madrid concluding document. It also seeks to encourage the development of activities that expand East-West economic cooperation and a greater interchange of people and ideas between East and West. ■

U.S. Assistance in Support of Anglo-Irish Agreement on Northern Ireland

by Rozanne L. Ridgway

Statement before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee on March 5, 1986. Ambassador Ridgway is Assistant Secretary for European and Canadian Affairs.[1]

It is a pleasure to be here to discuss the Administration's proposal in support of the British and Irish Governments' agreement on Northern Ireland.

Americans have long been deeply concerned about the tragic situation in Northern Ireland. In recent years we have seen the people of that region suffering from a seemingly unbreakable chain of violence and economic deprivation, in great measure due to decades of mistrust, fear, and even outright hatred between members of the Nationalist and Unionist traditions.

Over the years some have said that the United States should have become directly involved in helping to end this cycle of despair. The Reagan Administration has taken the same position as previous administrations: that it is not for the United States to chart a course for the people of Northern Ireland. This U.S. Government position has not reflected any lack of concern about Northern Ireland, but rather our belief that those most directly involved should decide questions which would affect the future of the people in Northern Ireland—not the United States.

Several years ago, the British and Irish Governments courageously embarked upon a difficult but vitally important process, aimed at reducing some of the bitter divisions in Northern Ireland so that the aspiration of both traditions for a future free from violence, and economic and political despair, could be realized. Over several years, the British and Irish Governments have held discussions about Northern Ireland. We were not involved in any of these discussions, but as the time went by, we were increasingly pleased to hear that these two friends of the United States were making significant progress in reaching an accommodation of views and concerns which could fairly represent the best interests of all the people in Northern Ireland.

The British and Irish Governments' agreement of November 15, 1985, is truly a credit to the courage and determination of both governments to overcome heavy and negative legacies of history in that region. While the road ahead to genuine, longlasting peace in Northern Ireland remains fragile and difficult, this agreement deserves full recognition and support as a meaningful step toward strengthening shared interests of all in Northern Ireland for a better future there. President Reagan and the congressional leadership hailed the agreement as providing a "framework for peace" and "an important step toward reconciliation." They also indicated their consensus for the idea of providing tangible U.S. assistance to demonstrate the seriousness of our sentiments and concrete support for improvement of social and economic conditions which have fed the violence.

As their principal new vehicle to provide for economic reconstruction of Northern Ireland and affected areas of the Republic of Ireland, the British and Irish propose to establish an international fund to which the United States and other countries might contribute. We understand that others, such as the European Community (EC) and individual EC countries, as well as countries with significant cultural and historical ties to Ireland and the United Kingdom may join this effort. In recent discussions, British and Irish officials have noted that the principal objective of the proposed fund would be to stimulate economic revitalization in order to promote employment and thereby attack an important cause of the historic instability in Northern Ireland. The two governments have agreed that approximately 75% of the fund would be directed to Northern Ireland, while the remainder would be applied to those areas of the Republic of Ireland most affected by the troubles.

In devising our proposed tangible contribution to reconciliation in Northern Ireland, we have given a high priority to a cash contribution to the "international fund" to give clear, tangible support to this new joint undertaking of the two governments. We hope that this U.S. commitment will inspire other friends of Ireland and the United Kingdom to make similar contributions to the fund.

At the same time, the Administration considered that an approach which would combine a direct U.S. Government contribution to the fund with other existing U.S. Government-financed mechanisms could have the most immediate and effective overall impact on the Northern Ireland economy. Just as the process of reconciliation, of healing the social wounds caused by years of distrust and lack of communication, cannot be healed by the stroke of a pen, so, too, the economic stagnation of the Northern Ireland economy cannot be remedied by quick infusions of cash alone. Northern Ireland's need for economic revitalization and long-term economic stability requires that a process be set in motion to elicit and to stimulate activity and commitment by the private sector. Existing U.S. Government-financed mechanisms can contribute to meeting this need through investment, trade promotion, and guaranty programs oriented toward the private sector. Therefore these kinds of contributions comprise over half of the proposed U.S. program. Some of these mechanisms would take several months to become operational, others would be operational immediately following conclusion of the legislative process. These investment, trade, and guaranty programs provide inherently prompt and independent stimulus to the Northern Ireland economy. They are also not necessarily dependent on activities or contributions of others, as is our proposed cash contribution to the fund, whose final size and diversity will ultimately affect its effectiveness.

My colleague, Mr. [Charles W.] Greenleaf [AID Assistant Administrator of Asia and the Near East], will be discussing the specific objectives and characteristics of these programs in a few minutes. I would like to note, in concluding, a concern which faces us all, you as elected Members of Congress, ourselves as Administration officials, and all of us as taxpayers. As we debate how to best support this effort by the British and Irish Governments to promote reconciliation in Northern Ireland,

Northern Ireland and Ireland Assistance Legislation

MESSAGE TO THE CONGRESS, MAR. 4, 1986[1]

I transmit herewith for the consideration of the Congress proposed legislation, entitled the "Northern Ireland and Ireland Assistance Act of 1986," to provide support of the United States to the Anglo-Irish Agreement on Northern Ireland.

This legislative proposal calls for a 5-year program of $250 million that would be taken from a number of existing economic programs including Housing Guarantees and the Private Sector Revolving Fund, which are administered by the by the Agency for International Development Corporation, the investment insurance program of the Overseas Private Investment Corporation, and the Trade and Development Program.

In addition, the authorization of $20 million for the Economic Support Fund for 1987 is proposed, which will be within the total amount for that fund currently requested in the 1987 Budget. This would provide a cash contribution to an international economic development fund for Northern Ireland and the Republic of Ireland under the auspices of the Anglo-Irish Intergovernmental Council. A supplemental appropriation request for 1986 for an initial contribution to this Anglo-Irish fund is concurrently being transmitted to the Congress.

I urge the Congress to act without delay on this important legislation. I am confident our efforts, together with those of the Governments of the United Kingdom and Ireland, will help to promote economic and social development in Ireland, thereby constructing a durable framework that would provide a promise of peace for the people of Northern Ireland.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Mar. 10, 1986. ■

our concern must be how to accomplish as much as we can for this part of the world, from which the forefathers of over 40 million Americans came, within the context of present severe U.S. budget stringencies. Our common responsibilities require that we maximize the results from each dollar spent. I think that the program the Administration is proposing meets this objective by its emphasis on incentives, by its challenges to the private sector and by the probable multiplication factor for the amounts of U.S. Government financing included. Our proposed program provides a very effective and comprehensive response to the needs of the people of Northern Ireland and affected areas of the Republic of Ireland, and to the joint efforts of the British and Irish Governments to promote reconciliation in part through a more stable economic environment in the area.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

St. Patrick's Day, 1986

PRESIDENT'S STATEMENT, MAR. 17, 1986[1]

St. Patrick's Day is a time for joy and celebration, a day we recognize the many achievements, sung and unsung, of the Irish men and women who have made this a better and happier world. Today we remember especially the immigrants who came to these shores to make a new beginning. Some of them were so poor they left their homeland with little more than the clothes on their backs. But they brought with them something more valuable—their hopes and dreams, their love of liberty, and their unconquerable spirit.

St. Patrick's Day is also a time for reflecting on life today on the Emerald Isle, the ancestral home of over 40 million Americans. In the last two decades, the northern part of the island has been wracked by senseless violence. Political and religious differences, exacerbated by unfavorable economic conditions, have resulted in the wanton murder of hundreds of men, women, and children and the terrorizing of an entire population.

But on this St. Patrick's Day, we can all be grateful that a ray of hope has begun to shine. In a courageous move, the Prime Ministers of Ireland and the United Kingdom decided the time had come to give new impetus to the search for peace in Northern Ireland. Out of their discussions emerged a new approach in which the British and Irish Governments jointly committed themselves to reconciliation between Northern Ireland's two communities. This Anglo-Irish accord, signed by Prime Ministers Thatcher and FitzGerald on November 15th last year and quickly ratified by their Parliaments, has received an enthusiastic bipartisan reception in the U.S. Congress. We are now working with Congress to find ways in which the United States can help.

In determining the nature of any U.S. Government aid, we must bear in mind that the agenda and timetable for progress in that troubled area are not for us to set. Those directly concerned, the people of both Irish traditions, will chart the course which will, we pray, lead to reconciliation in that troubled land.

Concerned Americans can do two important things to help make reconciliation a reality.

First, the key to progress in Northern Ireland and in the Republic is a strong, growing economy—and if Americans remember Ireland as we plan our travel and consider investments, we can make a contribution to Irish economic growth.

Second, Americans should not give either financial or moral support to Irish terrorists, any Irish terrorists. Such support is misguided. We cannot permit individuals, for their own evil ends, to snuff out hope by the use of violence.

On this St. Patrick's Day, let all Americans and people of good will everywhere honor the Irish by helping them build a peaceful and prosperous future.

The people of America and Ireland have long held each other in high esteem. We hold a special place in each other's hearts. And on this very special St. Patrick's Day, we extend to all our greetings and good will.

[1]Text from Weekly Compilation of Presidential Documents of Mar. 24, 1986. ■

While in the United States on a private visit, Prime Minister Garret FitzGerald of the Republic of Ireland paid a courtesy call on President Reagan on March 17, 1986.

(White House photo by Bill Fitz-Patrick)

NATO Nuclear Planning Group Meets in West Germany

The Nuclear Planning Group of the North Atlantic Treaty Organization (NATO) met in Wuerzburg, Federal Republic of Germany, March 20–21, 1986. The United States was represented by Secretary of Defense Caspar W. Weinberger. Following is the final communique issued on March 21.

The NATO Nuclear Planning Group (NPG) met in ministerial session in Wuerzburg, Federal Republic of Germany, on 20th and 21st March, 1986.

We discussed a wide range of security matters, including briefings by the United States on the status of nuclear forces and related issues. We received with appreciation a briefing on the nuclear forces of the United Kingdom and welcomed the contribution these forces make to the overall credibility of the Alliance's deterrent capabilities. We expressed our continued support for the efforts of the United States and the United Kingdom to maintain the effectiveness of their nuclear deterrent forces.

We expressed our satisfaction with the close consultation on the negotiations in Geneva. We welcomed the commitment by the United States and the Soviet Union to seek early progress at the Nuclear and Space Talks, in particular where there is common ground, including the principle of 50-percent reduction in the strategic nuclear arms of the United States and the Soviet Union appropriately applied, and the idea of a separate INF [intermediate-range nuclear forces] agreement. At the same time, we strongly endorsed the commitment made at the Geneva summit to agree on the need for measures for effective verification as part of any arms control agreements. We expressed strong support for the United States stance concerning intermediate-range, strategic, and defense and space systems. We also reviewed the negotiations on INF systems and confirmed our full support for the United States proposal. This proposal, developed in close consultation with the Allies, calls for the global elimination of United States and Soviet longer-range INF (LRINF) missiles, accompanied by other appropriate provisions concerning rights and constraints on shorter-range INF (SRINF) missiles.

The United States secretary of defense gave an updated account of evidence of continuing Soviet violations of arms control agreements, including that relating to the new violations disclosed in the United States president's December 1985 report to Congress, in particular the deployment of the mobile SS-25 intercontinental ballistic missile. We expressed our continuing concern and renewed our call on the Soviet leadership to take the steps necessary to ensure full compliance with its commitments. We noted in this connection that a double standard of compliance with arms control agreements would be unacceptable and would undermine the security of the Alliance. In this context, we reaffirmed the essential requirement for full compliance with all arms control agreements.

We reviewed Alliance policy and planning related to NATO's nuclear forces and reconfirmed our commitment to maintain a credible deterrent posture in view of the continued qualitative and quantitiative advances in Soviet forces which far exceed their defense requirements. We remain deeply concerned about continuing Soviet efforts to upgrade and expand their nuclear capabilities across the board, including the deployment of SS-23 shorter-range INF missiles, flight-testing of an improved version of the SS-20, and the continued development of long-range cruise missile systems.

In contrast, it is NATO's policy to maintain only the minimum number of nuclear weapons necessary for deterrence. In addition to the 1,000 nuclear weapons withdrawn from NATO following the 1979 dual-track decision, NATO decided at Montebello in 1983 to reduce further its nuclear stockpile in Europe by 1,400 warheads while taking appropriate measures to improve the responsiveness, effectiveness, and survivability of the remaining warheads and their delivery systems. Furthermore, we recalled that, for each LRINF missile deployed, one warhead is being removed from Europe. Altogether, these measures will bring the number of nuclear warheads in the Allied stockpile in Europe to the lowest point in 20 years. At this meeting, SACEUR [Supreme Allied Commander Europe] reported on the status of the implementation of the Montebello decision. We noted the reductions and improvement measures which are currently being undertaken by the nations concerned. We shall continue to review the progress of further implementations.

We noted the progress made on longer-range INF deployments by the NATO nations concerned, including the completion on schedule of Pershing II deployment at the end of last year and the continuing deployment of ground-launched cruise missiles as planned. We reiterated our willingness to reverse, halt, or modify the LRINF deployment—including the removal or dismantling of missiles already deployed—upon achievement of a balanced, equitable, and verifiable agreement calling for such action.

We accepted with pleasure an invitation from the Rt. Hon. George Younger, M.P., the United Kingdom Secretary of State for Defence, to hold our next meeting in the United Kingdom in autumn 1986.

Greece expressed its views in a statement included in the minutes. Denmark reserved its position on the INF part. ■

Response to Allegations on Case of Soviet Seaman Medvid

by Rozanne L. Ridgway

Statement before the Subcommittee on Immigration and Refugee Policy of the Senate Judiciary Committee on March 6, 1986. Ambassador Ridgway is Assistant Secretary for European and Canadian Affairs.[1]

The case of Soviet Seaman Miroslav Medvid has generated considerable interest in the Congress, in the press, and among the American people, as rightly it should. This is because it touches on the very fundamental question of life and liberty for a man who, on the basis of his extraordinary behavior the evening of October 24, we had every reason to believe was seeking political asylum in this country. I can assure you that when officials in Washington were informed about the original error which led to Seaman Medvid being returned to his Soviet ship, we took extraordinary measures to ensure that he was removed from the ship to our custody and given every opportunity to indicate whether he wished to remain here.

Among the many rumors and allegations which have developed around this case, prominent attention has been given to two mutually inconsistent conspiracy theories. The first alleges that the Administration conspired with the Soviets to return Seaman Medvid to the Soviets in order to avoid an incident prior to the November summit. The second theory holds that we were duped by the Soviets and that the man we actually interviewed was a "substitute." Both allegations are completely false. From the start our primary concern was the welfare of Seaman Medvid; considerations about Geneva or the possible impact of this case on U.S.-Soviet relations

played no role in our handling of this case. To assert otherwise is not only mischievous but flatly wrong. There is also no doubt that the individual we interviewed on October 28 and 29 was the same individual interviewed by the INS [Immigration and Naturalization Service] on October 24.

I do not intend to give a lengthy statement or repeat testimony already given. I refer you to the testimony given by my deputy, William M. Woessner, on November 5, 1985, and February 5, 1986, before this subcommittee, my own testimony on November 7, 1985, before the House Subcommittee on Europe and the Middle East, and to an addendum I am submitting for the record with my testimony. However, I do want to set the record straight concerning sensational allegations that the Soviets pulled a switch. Those who make them ignore or do not appear to have all the facts. Two INS officers interviewed Seaman Medvid on shore on October 24 and took his photograph. One of those INS officers was with the INS party which boarded the *M.V. Konev* on October 25, and he identified the man he saw in the sickbay as the same man he interviewed on shore the night before. Present at this October 25 encounter with Seaman Medvid, which lasted several hours, was another INS officer who subsequently identified Seaman Medvid on October 26 in the presence of the Department of State representative. The INS officer present during the October 25 and 26 meetings identified Medvid not only by his physical appearance but by a mark on his heel which he had observed on both occasions. The same Department of State representative who saw Seaman Medvid on October 26 also interviewed Seaman Medvid on the Coast Guard cutter *Salvia* on October 28 and at the naval shore facility on October 29. Alleged height and weight discrepancies from the preliminary physical examination by the Navy doctor aboard the *M.V. Konev* on October 26 ignore the fact that the man we interviewed on October 28 and 29 fit the INS description of October 24, matched the photograph taken by INS on October 24, matched the photo in Seaman Medvid's Soviet passport, and was the same man seen in the sickbay on October 25. Purported photographic "evidence" of a switch turns out to be poor quality photos taken surreptitiously by a military officer which in fact closely resemble the individual originally photographed by INS. Allegations that Medvid did not speak Russian are false; they are apparently based on statements by individuals who do not speak Russian. A reported handwriting analysis, which we have never seen, was apparently based on a comparison of printing done in the Roman alphabet, which Seaman Medvid did not know well, and a Cyrillic signature. To repeat, these allegations are without foundation. There is no doubt that the individual we interviewed was Seaman Medvid.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

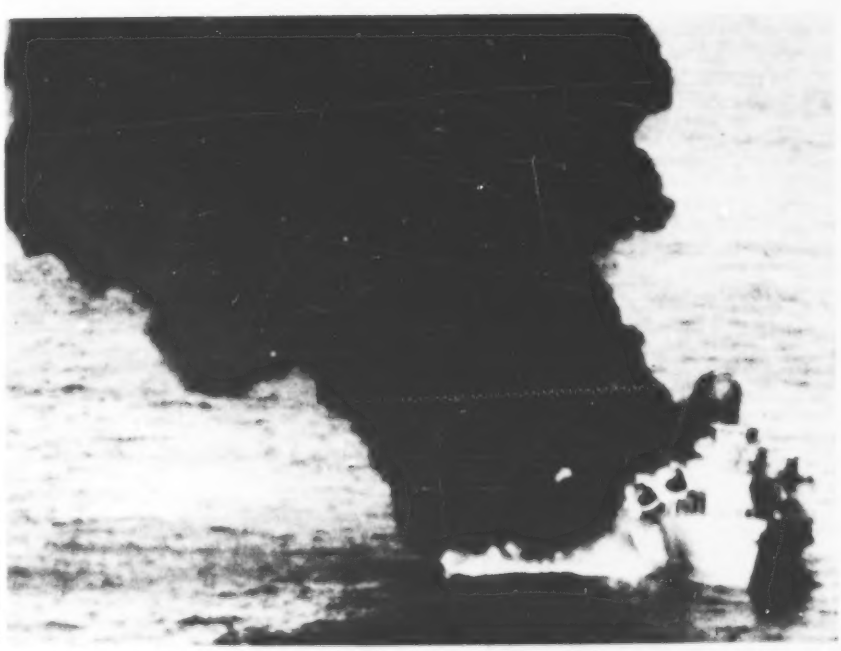
Libya Fires on U.S. Vessels in International Waters

WHITE HOUSE STATEMENT, MAR. 24, 1986[1]

U.S. naval aircraft and ships carrying out a peaceful freedom of navigation and overflight exercise in international waters and airspace in the Gulf of Sidra were fired on Monday by missile forces of Libya.

This morning at 7:52 a.m. EST, Libyan forces, without provocation, fired two long-range SA-15 surface-to-air missiles from Surt on the northern coast of Libya at U.S. aircraft operating in international waters in the Gulf of Sidra. U.S. forces had been operating in that area since Sunday afternoon.

Two additional SA-5s and an SA-2 were launched from Surt at 12:45 p.m. An additional SA-5 was fired at 1:14 p.m. At this point, Libyan forces had fired a total of six surface-to-air missiles at U.S. forces. At approximately 2:00 p.m., a U.S. aircraft fired two Harpoon antiship missiles at a Libyan missile patrol boat which was located near the 32°30′N line and was a threat to U.S. naval forces. The Libyan fast attack craft was hit. The ship is dead in the water, burning, and appears to be sinking. There are no apparent survivors.



(© Associated Press)

This Libyan missile patrol boat—a Soviet-built Nanuchka-2 class vessel—burns in the Gulf of Sidra.

At approximately 3:00 p.m., U.S. forces operating south of the 32°30′N line responded to the missile attacks by launching two HARMs [high-speed anti-radiation missiles] at the SA-5 site at Surt. At that time, the SA-5 complex was attempting to engage our aircraft. We are assessing the damage now. We have no reports of any U.S. casualties and no loss of U.S. aircraft or ships.

This attack was entirely unprovoked and beyond the bounds of normal international conduct. U.S. forces were intent only upon making the legal point that, beyond the internationally recognized 12-mile limit, the Gulf of Sidra belongs to no one and that all nations are free to move through international waters and airspace. We deny Libya's claim, as do almost all other nations, and we condemn Libya's actions. They point out again for all to see the aggressive and unlawful nature of Col. Qadhafi's regime.

It should be noted that because of these numerous Libyan missile launches and indications that they intended to continue air and missile attacks on U.S. forces, we now consider all approaching Libyan forces to have hostile intent.

We have taken appropriate measures to defend ourselves in this instance. We did not, of course, proceed into this area with our eyes closed. We reserve the right to take additional measures as events warrant.

[1]Text from Weekly Compilation of Presidential Documents of Mar. 31, 1986. ■

U.S. Proposes Arms Sales to Saudi Arabia

DEPARTMENT STATEMENT, MAR. 11, 1986[1]

On March 11, the Administration sent Congress informal notification for sale to Saudi Arabia of additional air-to-air, air-to-sea, and ground-to-air missiles. All these systems, or similar systems, are already in the Saudi inventory.

These arms are needed for Saudi defense, can be absorbed within the Saudi military, and do not represent a threat to Israel. We have validated the military requirements for these missiles and had intended to go forward with them this year.

Four new considerations prompted us to move immediately.

First, Iran has succeeded in crossing the Shatt al Arab River and establishing a beachhead on the border with Kuwait. With their latest strike into Kurdistan, the Iranians may contemplate a general offensive along the entire front. Should this occur, the threat to Kuwait would significantly increase. These developments threaten our interests and deeply worry the peninsula Arabs. They are seeking reassurance for their security. Saudi Arabia is the key to reassurance since it is the essential element in gulf collective defense.

Second, our willingness to support Saudi self-defense has served as a deterrent to Iran. Acting now will send a strong signal to Iran. It will also reduce the chances that we would have to take emergency action later to protect our own interests.

Third, the current unstable situation in South Yemen, exacerbated by Soviet interference, raises the potential of a renewed threat on Saudi Arabia's southern border.

Fourth, we have had several direct and very high-level appeals from the Saudis to move these notifications forward now. It is essential to the overall U.S.-Saudi bilateral relationship, and to our credibility with the rest of the gulf Arabs, that we meet this request.

These arms notifications, while modest, support vital U.S. strategic interests. We are committed to maintaining the free flow of oil from the gulf. We strongly support the security and stability of the moderate gulf states. We oppose radical forces in the area and the expansion of Soviet influence into the region. The sales of missiles to Saudi Arabia will advance these interests.

The Saudis have taken the lead, under the Gulf Cooperation Council (GCC) umbrella, in protecting the shipping and oil installations of the upper gulf. Their downing of an intruding Iranian fighter plane in 1984 was an effective use of our equipment and has deterred further attacks on the gulf states.

The further strengthening of Saudi air defense capabilities makes a major contribution to Saudi security and to our regional security objectives. It also reduces the probability of a need for any direct U.S. military involvement at some point in the future.

This sale will not threaten Israel's qualitative edge nor change the balance of power in the Middle East. Moreover, it serves neither our interests nor Israel's for us to refuse such sales and allow others to replace us as the principal supplier of arms to the Arab gulf states. Unlike ourselves, others do not impose safeguards on their military sales to ensure that their armament does not pose a threat to Israel. The recent British Tornado sale lost the United States over $12,000 million in sales and support and thousands of U.S. jobs without advancing either our interests or Israel's security.

The proposed notification would consist of:

• 671 AIM-9P4 air-to-air missiles	$60 million
• 995 AIM-9L air-to-air missiles	$98 million
• 200 Stinger man-portable ground-to-air missile systems and 600 reloads	$89 million
• 100 Harpoon air-to-sea missiles	$107 million
Total	**$354 million**

[1]Made available to news correspondents by State Department deputy spokesman Charles Redman. ■

U.S.-West Germany to Cooperate on SDI Research

DEFENSE DEPARTMENT STATEMENT, MAR. 28, 1986

Secretary of Defense Caspar Weinberger and Federal Minister for Economics Martin Bangemann of the Federal Republic of Germany today signed a memorandum of understanding concerning the participation of German firms, research institutions, and other entities in Strategic Defense Initiative research as well as a joint understanding of principles. The signature follows Secretary Weinberger's March 1985 invitation to allies to participate in SDI research and the December 1985 decision of the Government of the Federal Republic regarding German participation in SDI research and bilateral discussions on U.S.-German technology cooperation issues.

The SDI agreement is designed to provide a comprehensive basis for the participation of German industry, research institutions, and other entities in SDI research, to the mutual benefit of both sides. That participation will be on the basis of technical merit, consistent with the firm political and legal commitment by both the United States and Germany to the principles of competitive procurement. We expect that participation in SDI research by German firms and other entities will contribute significantly to the SDI research effort, helping to increase the program's effectiveness, reduce its overall costs, and accelerate its schedule.

The joint understanding of principles lays out general principles and guidelines regarding industrial, scientific, technological, and security cooperation between the United States and Germany. It reflects the belief of both governments that this mutually beneficial cooperation should be encouraged and be secured by an effective regime for safeguarding strategically sensitive technologies. ■

Nuclear Cooperation With EURATOM

LETTER TO THE CONGRESS, FEB. 28, 1986[1]

The United States has been engaged in nuclear cooperation with the European Community for many years. This cooperation was initiated under agreements concluded over two decades ago between the United States and the European Atomic Energy Community (EURATOM) which extend until December 31, 1995. Since the inception of this cooperation, the Community has adhered to all its obligations under those agreements.

The Nuclear Non-Proliferation Act of 1978 amended the Atomic Energy Act to establish new nuclear export criteria, including a requirement that the United States have a right to consent to the reprocessing of fuel exported from the United States. Our present agreements for cooperation with EURATOM do not contain such a right. To avoid disrupting cooperation with EURATOM, a proviso was included in the law to enable continued cooperation until March 10, 1980, if EURATOM agreed to negotiations concerning our cooperation agreements, which it did.

The law also provides that nuclear cooperation with EURATOM can be extended on an annual basis after March 10, 1980, upon determination by the President that failure to cooperate would prejudice seriously the achievement of United States non-proliferation objectives or otherwise jeopardize the common defense and security, and after notification to the Congress. President Carter made such a determination six years ago and signed Executive Order 12193, permitting continued nuclear cooperation with EURATOM until March 10, 1981. Subsequent determinations have permitted continued nuclear cooperation through March 10, 1986.

In addition to numerous informal contacts, the United States has engaged in nine rounds of talks with EURATOM regarding the renegotiation of the U.S.-EURATOM agreements for cooperation. These were conducted in November 1978, September 1979, April 1980, January 1982, November 1983, March 1984 and May, September and November 1985. The European Community is now considering U.S. proposals relating to our cooperation agreements, and further progress in the talks is anticipated this year.

I believe that it is essential that cooperation between the United States and the Community continue and, likewise, that we work closely with our allies to counter the threat of nuclear explosives proliferation. A disruption of nuclear cooperation would not only eliminate any chance of progress in our talks with EURATOM related to our agreements, it would also cause serious problems in our overall relationships. Accordingly, I have determined that failure to continue peaceful nuclear cooperation with EURATOM would be seriously prejudicial to the achievement of the United States nonproliferation objectives and would jeopardize the common defense and security of the United States. I intend to sign an Executive Order to extend the waiver of the application of the relevant export criterion of the Nuclear Non-Proliferation Act for an additional twelve months from March 10, 1986.

Sincerely,

RONALD REAGAN

[1]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate (text from Weekly Compilation of Presidential Documents of Mar. 3, 1986). ■

Rights and Freedoms in International Waters

DEPARTMENT STATEMENT, MAR. 26, 1986[1]

The United States is committed to the exercise and preservation of navigation and overflight rights and freedoms around the world. That is the purpose of the freedom of navigation program. In fulfillment of the objectives of that program, U.S. ships and aircraft exercise rights and freedoms under international law off the coasts of numerous countries.

In this regard, the United States acts in accordance with President Reagan's March 10, 1983, ocean policy statement, which stated U.S. willingness to recognize the rights of other countries in the waters off their coasts, as reflected in the 1982 UN Convention on the Law of the Sea, so long as those countries respected the rights of the United States and other countries in those waters under international law.

U.S. ships and aircraft have exercised rights and freedoms off the coasts of countries whose laws do not conform to international law as reflected in the 1982 Law of the Sea Convention. Examples of the types of objectionable claims against which the United States has exercised rights and freedoms are unrecognized historic waters claims, territorial sea claims greater than 12 nautical miles, and territorial sea claims that impose impermissible restrictions on the innocent passage of any type of vessels, such as requiring prior notification or permission. The United States, of course, exercises navigation and overflight rights and freedoms as a matter of routine off the coasts of countries whose maritime claims do conform to international law. Since the policy implementation in 1979, the U.S. Government has exercised its rights against the objectionable claims of over 35 countries, including the Soviet Union, at the rate of some 30–40 per year.

[1]Made available to news correspondents by State Department deputy spokesman Charles Redman. ■

Afghanistan Day, 1986

PROCLAMATION 5450, MAR. 21, 1986[1]

The people of Afghanistan celebrate March 21 as the beginning of their new year. In ordinary times, it is an occasion of joy, renewal, and hope for a better future. March 21, 1986, however, does not mark the passage of an ordinary year, nor does it bring cause to celebrate. For the heroic Afghan people it marks the beginning of yet another year in their struggle for national liberation against the ruthless Soviet military force that seeks to conquer them.

Over six years ago, on December 27, 1979, the Soviet army invaded Afghanistan, a small, friendly, nonaligned, and deeply religious neighbor. For six long years, the Soviets have sought to obliterate Afghan culture and remold that ancient nation into a replica of their own system, causing millions of Afghan refugees to flee the country. To achieve their goals, the Soviets installed the quisling regime of Babrak Karmal, in which Soviet advisors now man the key positions. They have transported thousands of young Afghans to the Soviet Union for reeducation in summer camps, universities, and specialized institutions, and they have set up a secret police apparatus matched in brutality only by their own KGB.

These tactics hardly begin to describe the continuing horror of the Soviet attempt to subjugate Afghanistan, a violation of international law repeatedly condemned by the United Nations. Despite calculated destruction of crops, irrigation systems, and livestock, indiscriminate air and artillery bombardments of civilian areas, brutal reprisals against noncombatants, and other unspeakable atrocities, the Afghan people remain determined to defend their liberty. The resistance has in fact become more effective than ever.

The Soviet failure to quell the Afghan people is not surprising. The Afghans have a long history of resisting invasion and of defending their homes, their faith, and their culture. Since December 1979, resistance fighters have acquitted themselves well in many engagements against larger and better armed Soviet forces. The Afghan freedom fighters have shown they can render all of their country unsafe for the invader. After six years of hard, bloody fighting, the Soviets are far from achieving their military goals.

Recently the Afghan resistance has taken major steps toward achieving unity and making its presence felt on the international scene, strengthening its ability to publicize the Afghan cause. We welcome these developments. With the support of the community of civilized nations, the Afghan resistance has also increased its efforts to aid civilians remaining inside Afghanistan. This will improve the Afghan people's ability to carry on the fight and counter the deliberate Soviet attempt to drive the civilian population away from resistance-controlled areas.

Throughout the period of their brutal occupation, the Soviets have tried—but failed—to divide the international supporter of the cause of Afghan freedom. They cannot be divided. The overwhelming votes in the United Nations General Assembly, year after year, are but one expression of the ongoing commitment of the world community to this cause. For our part we reaffirm our commitment to support this just struggle until the Soviets withdraw; until the people of Afghanistan regain their liberties, their independence, and the right to self-determination; and until the refugees can return in safety to their native land. Only such a settlement can command the support of the Afghan people; a settlement that does not command their support will not end this war.

Today, we pay tribute to the brave men, women, and children of Afghanistan and remind them that their sacrifice is not and will not be forgotten.

The Congress, by Senate Joint Resolution 272, has authorized and requested the President to issue a proclamation designating March 21, 1986, as "Afghanistan Day."

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim March 21, 1986, as Afghanistan Day.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-first day of March, in the year of our Lord nineteen hundred and eighty-six, and of the Independence of the United States of America the two hundred and tenth.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Mar. 24, 1986. ■

U.S. Response to Libyan Attack

Following are a letter from Ambassador Vernon A. Walters, U.S. Permanent Representative to the United Nations, to the President of the UN Security Council Ambassador Ole Bierring (Denmark) of March 25, 1986, and Ambassador Walters' statement in the Security Council on March 26.

U.S. LETTER TO SECURITY COUNCIL, MAR. 25, 1986

In accordance with Article 51 of the Charter of the United Nations, I wish, on behalf of my government, to report that United States forces have exercised their right of self-defense by responding to hostile Libyan military attacks in international waters in the Gulf of Sidra.

U.S. forces exercised great restraint. It was only after several missiles had been launched by Libya that the U.S. reacted. In the ensuing action, two Libyan naval vessels were disabled in an area where the U.S. fleet was operating. Key components of the missile complex at Sirte from which SA-5 missiles had been fired were also damaged.

The United States Government protests the unjustified attacks against American naval units which were operating in and/or above international waters in the exercise of the freedom of navigation under international law and in accordance with a standard "notification of intent" filed with the International Civil Aviation Organization (ICAO). That notification covered operations to begin at 0000 GMT, March 23 and to conclude at 2359, April 1. Those operations in no way threatened the security of Libya. Similar operations have been conducted many times over the last few years.

The Government of the United States of America views this unjustified attack with grave concern. Any further attacks against United States forces operating in and over international waters off Libya will also be resisted with force if necessary.

In view of the gravity of Libya's action, and the threat that this poses to the maintenance of international peace and security, I ask that you circulate the text of this letter as a document of the Security Council.

Sincerely,

VERNON A. WALTERS

AMBASSADOR WALTERS' STATEMENT, MAR. 26, 1986[1]

We are here today because the Government of Libya has flouted international law and the Charter of the United Nations by using lethal force to assert its claim in the Gulf of Sidra. U.S. forces, engaged in a peaceful freedom of navigation exercise in international waters, have been subjected to an unprovoked and unjustified attack by Libyan forces. The Government of Libya notified the Secretary General on March 24, 1986, that it intended to disregard the role of this Council "to resort to its own strengths." One day later, Libyan forces launched six surface-to-air missiles against U.S. vessels and aircraft exercising, after proper notification to Libya and all other concerned parties, our rights to navigate in international waters and fly over them. I should add that advance notice had been posted in accordance with international practice and that the exercise was publicly and widely recorded.

On Monday, March 24, in daylight hours, U.S. Naval vessels proceeded south of 32°30′. They were, of course, in international waters. At 1252 Greenwich Mean Time (GMT), Libyan facilities launched two SA-5 missiles aimed at U.S. tactical naval aircraft conducting routine operations over international waters. No U.S. aircraft were hit. We did not respond.

Two additional SA-5 missiles and an SA-2 missile were launched at 1745 GMT. We still did not respond. Another SA-5 was launched at 1845 GMT. At this point, Libyan forces had fired a total of six SA missiles at U.S. forces operating properly in international waters. The United States responded to this unjustified attack by a proportionate exercise of its right of self-defense.

We reject Libya's efforts to subvert—by force—the international legal right of freedom of navigation and the responsibility of this Council under the charter. It is simply intolerable to allow states to subvert international law by threatening and using force against those peacefully exercising their legal rights. The Libyan claim to control navigation through international waters, as well as flight through international airspace, is inconsistent with traditional freedoms recognized in contemporary state practice. It has no basis in international law, and everyone in this chamber knows it.

The United States of America has been committed to ensuring the freedom of the seas ever since our birth as a nation. Freedom of the seas is essential to maintaining international security and the flow of commerce. All nations share a fundamental interest in maintaining and defending the principles of freedom of navigation and overflight. As a matter of longstanding policy, my government conducts naval and air exercises in waters and airspace in every part of the globe. So, too, do several members of this Council. As part of our regular program of operations around the world, we have been in the area of the Gulf of Sidra 16 times since 1981. We have been below the line claimed as a boundary by Libya seven times before this current operation.

Libya's claim to control navigation and overflight in a vast area of the Mediterranean Sea has no basis in customary practice or international law. The Government of Libya knows full well that its indefensible claim in the Gulf of Sidra and attacks on those exercising their rights to navigate in, and fly over, the international waters of the gulf have caused this conflict. These flagrant Libyan attacks against naval units of the United States, operating in international waters of the Gulf of Sidra, were entirely unjustified and unprovoked. In self-defense, under Article 51 of the Charter of the United Nations, U.S. forces responded to these attacks. I want to make clear that any further attacks also will be resisted with force, if required.

Let us not lose sight of the critical issue before the Council today. The United States believes that in view of the grave challenge to freedom of navigation in international waters posed by the Libyan actions, this body should reaffirm the internationally accepted freedoms of navigation and overflight and condemn those nations that resort to force to violate these norms. By entering the Gulf of Sidra, the United States was defending freedom of navigation for all nations. Members of the Council should affirm that freedom by forthrightly condemning those seeking to deny it.

In conclusion the first shots were fired by the Libyans against aircraft operating in international air space over the high seas. The U.S. response to this hostile act was measured, appropriate to the circumstances, and in conformity with Article 51 of the UN Charter.

The Secretary of Defense described a hostile act, and described it very accurately: "When someone fires something at you that can kill you." Accordingly we took appropriate action to defend ourselves.

[1]USUN press release 25. ■

Assistance for Nicaraguan Democratic Resistance

MESSAGE TO THE CONGRESS, FEB. 25, 1986[1]

When the Congress approved humanitarian assistance for the Nicaraguan democratic resistance last year, it assured the survival of those fighting for democracy in Nicaragua. However, this assistance has not been sufficient to bring about changes in the policies of the communist Government of Nicaragua that would make possible a peaceful resolution of the conflict in Central America and end Nicaragua's aggression against our allies there.

Determination

Negotiations based on the Contadora Document of Objectives of September 9, 1983, have failed to produce an agreement, and other trade and economic measures have failed to resolve the conflict. At the same time, the legislation for humanitarian assistance is about to expire. If no further action is taken, it is clear that the Nicaraguan communists will steadily intensify their efforts to crush all opposition to their tyranny, consolidating their ability to use Nicaragua, in concert with their Soviet-bloc patrons, as a base for further intimidating the democratic nations of Central America and spreading subversion and terrorism in our hemisphere.

In these circumstances, the laws providing for humanitarian assistance to the Nicaraguan democratic resistance permit me to request authority to provide additional assistance, and specify expedited procedures for action by the Congress on my request. I am transmitting herewith a formal request for such additional assistance. As required by law, I have consulted with the Congress in formulating this request.

Why Negotiations and Other Measures Have Failed

In reports that I transmitted to the Congress in November 1985 and February 1986, I described the continued efforts by the United States to promote a negotiated settlement in Central America and in Nicaragua based on the Contadora Document of Objectives. Our persistent efforts to achieve a peaceful solution have failed to resolve the conflict because Nicaragua has continued to reject meaningful negotiations. Communist attempts to circumvent and subvert Contadora, apparently from the beginning of the negotiating process, have left a clear trail of lost opportunities for peaceful reconciliation. In most recent months, Nicaragua has repeatedly frustrated negotiations aimed at producing a final, comprehensive Contadora treaty.

Recent Contadora meetings to discuss a comprehensive, verifiable regional agreement have been inconclusive largely due to Nicaraguan intransigence on key issues. Following two rounds of talks in October, on November 11, 1985, Nicaragua made public a letter from President Ortega to the Contadora Group and Support Group governments setting forth objections to the September 12, 1985, draft agreement tabled by the Contadora Group governments. Nicaragua argued that it could not assume the obligations of a Contadora agreement unless it reached a prior accommodation with the United States.

On December 3, President Ortega formally requested a suspension in Contadora negotiations until May 1986, that is until after the governments to be elected in Costa Rica, Honduras, and Guatemala will have been installed. Costa Rica, Honduras, and Guatemala, however, joined 25 other OAS [Organization of American States] member states in voting for a resolution at the OAS General Assembly in Cartagena that urged continuation of the Contadora negotiations. Of all OAS members, only one member—Nicaragua—voted against that resolution. Subsequently, only Nicaragua refused to resume Contadora talks—a major reason why the United Nations General Assembly failed to achieve consensus on a resolution of support for the Contadora process.

(White House photo by Mary Anne Fackelman)

On March 3, 1986, President Reagan, with Secretary Weinberger (lower left), met with leaders of the United Nicaraguan Opposition (UNO): left to right are Arturo Cruz, the President, Adolfo Calero, and Alphonso Robelo.

On January 12, the Foreign Ministers of the Contadora Group and Support Group, meeting at Caraballeda, Venezuela, issued a joint statement intended to revitalize the process. The Foreign Ministers of the five Central American states, including Nicaragua, signed the "Declaration of Guatemala" on January 15, endorsing the Caraballeda message. Afterwards, the Government of Nicaragua issued a press communique which, although claiming "total adherence" to the Caraballeda message, characterized the various actions suggested in the Caraballeda message as prerequisites to resumption of Contadora negotiations. This communique also reaffirmed the Nicaraguan position of November 11 objecting to the Contadora draft agreement.

On February 5, President Ortega repeated this position in his speech to the Third Cuban Communist Party Congress in Havana noting that "the peace document that the Contadora Group submitted in September 1985 is unacceptable to Nicaragua."

On February 10, Secretary of State Shultz met with the Foreign Ministers of the Contadora Group and Support Group. The Secretary welcomed the good offices of the two Contadora groups to promote national reconciliation as expressed in the Caraballeda message, and offered to resume bilateral talks with Nicaragua simultaneously with the beginning of Sandinista dialogue with the democratic resistance. Secretary Shultz also informed the Foreign Ministers that the

United States was prepared to take further steps in response to changes in Nicaraguan behavior on the four key issues of concern—support of subversion, the Cuban/Soviet presence, the military buildup, and internal repression. He pointed out that a dialogue and cease-fire would mean that cessation of the application of force and the process of national reconciliation would go forward at the same time. My Special Envoy, Ambassador Harry Shlaudeman, began consultation with the Contadora and Support Group governments the week of February 16 on this initiative.

Meanwhile, the Sandinistas have rejected a February 6 proposal from opposition political parties in Nicaragua for suspension of hostilities, an effective general amnesty law for reconciliation of all Nicaraguans, a repeal of the state of emergency, an agreement for the establishment and observance of a new electoral process, effective fulfillment of Nicaragua's commitments for democratization, and international assistance in the implementation of these demands. Also, another Contadora negotiating session held February 14–15 was inconclusive because of continued Nicaraguan refusal to address the remaining issues to be resolved in the current Contadora draft agreement.

Description of Request

The request transmitted herewith asks your approval for the transfer of $100,000,000 from funds already appropriated for the Department of Defense so that those funds would also be available for assistance to the Nicaraguan democratic resistance. I am requesting this transfer authority, in lieu of a supplemental appropriation, because I regard this request as a matter of high priority for the national security of the United States. Including a proposal for additional funds in this request would have diverted attention from the basic national security issues here involved. However, the resulting reduction in the funds available for the Department of Defense, if not remedied, will inevitably impair ongoing efforts to restore and maintain the readiness of the armed forces. This impairment in defense readiness will be addressed separately.

The $100,000,000 to be made available for assistance to the Nicaraguan democratic resistance would include funds that have been appropriated to remain available for obligation beyond September 30, 1986. Obligations will be made on an incremental basis, with 25 percent available when the request is approved and an additional 15 percent to become available at 90-day intervals as reports are provided to the Congress on actions to achieve a resolution of the conflict in Central America. However, no obligations may be incurred after September 30, 1987.

Of the $100,000,000, $30,000,000 will be for a program of humanitarian assistance administered by the present Nicaraguan Humanitarian Assistance Office, including $3,000,000 exclusively for strengthening the observance and advancement of human rights. This emphasis on human rights reflects a determination that human rights must be respected. As in our support for democracy elsewhere, human rights training and assistance can be expected to achieve significant positive results.

Should a peaceful settlement of the conflict in Central America be achieved during the period these funds remain available, the remaining funds could then be used for assistance to Central American countries, including Nicaragua, for relief, rehabilitation, and reconstruction.

Approval of this request will permit me to use any department or agency in the Executive Branch, including agencies involved in intelligence activities, in carrying out programs and activities to assist the Nicaraguan democratic resistance. The statutory requirements for congressional approval of the use of such agencies, as well as statutes requiring prior authorization for the use of appropriated funds will be satisfied by the approval of my request.

Finally, the request contains a series of undertakings by me, which I am asking the Congress to accept. These undertakings, which were developed in consultations with the Congress, are intended to assure that a clear and explicit understanding exists between the Executive and Legislative Branches as to the purposes of the requested assistance to the Nicaraguan democratic resistance and United States objectives in Central America.

In particular, I am undertaking in this request:

- That United States policy toward Nicaragua will be based on Nicaragua's responsiveness to our well-known concerns about the Government of Nicaragua's close military and security ties to Cuba and the Soviet Union, its military buildup, its unlawful support for subversion and terrorism, its internal repression, and its refusal to negotiate in good faith with its neighbors or its own people;
- That, in addition to support for the democratic resistance, the United States will rely on economic, political, and diplomatic measures to address these concerns. In this regard, I am publicly affirming two offers that I have previously made through diplomatic channels in an effort to obtain a peaceful resolution of the conflict. First, we will engage in formal bilateral discussions with the Nicaraguan Government, to commence *simultaneously* with a church-mediated national dialogue in Nicaragua, as has been proposed by the United Nicaraguan Opposition. Second, we will take other positive actions in response to Nicaraguan steps toward meeting our concerns.

In determining how to implement these offers, I will consult with the Congress and will be guided by the observable behavior of the Government of Nicaragua. We will not be satisfied with expressions of intent. But we will respond to changes of behavior in areas such as freedom of the press and religion, reductions of foreign arms and military personnel, respect for a cease-fire, and cessation of support for insurgents and terrorists.

My request affirms that our actions are consistent with our right to defend ourselves and assist our allies, and are directed toward achieving peace based on the Contadora Document of Objectives and a democratic reconciliation in Nicaragua, all without the use of force by the United States. I do not intend to introduce the armed forces of the United States into combat against the Government of Nicaragua, and I affirm that I will not regard approval of my request for assistance as authorizing any such action.

The final undertaking in this request responds to the desire of the Congress to be kept informed about efforts to achieve resolution of the conflict in Central America. I am undertaking to report every ninety days on progress toward a negotiated settlement, as well as on the disbursement of assistance funds and on human rights issues. The continued availability of assistance funds will be contingent upon the receipt by the Congress of these periodic reports.

The Need For This Assistance

Since the beginning of my first Administration, there has been no foreign policy issue more directly affecting United States national interests than the conflict in Central America, for this conflict challenges not only our strategic position but the very principles upon which this Nation is founded. We can be justifiably proud of progress in the region to alleviate and ultimately eliminate the causes of that conflict. With strong support from the United States, freedom and democracy, the fundamental pillars of peace, have made dramatic gains. Guatemala, Honduras, and El Salvador have held free and open elections. Costa Rica continues its tradition as a vigorous democratic example. United States economic, political, and military support have strengthened the moderate center in Central America and reversed the tragic polarization on the left and right that threatened to engulf the region in endless violence. As a result, the only president in Central America who wears a military uniform today is Daniel Ortega of Nicaragua. He presides over a repressive regime, armed to the teeth by the Soviets and Cubans, which is the most immediate threat to the progress of its neighbors.

Few now question that the rulers of Nicaragua are deeply committed communists, determined to consolidate their totalitarian communist state. Their long, documented record of brutal repression leaves no room for doubt. Nor can there be any dispute that they seek to export their ideology through terrorism and subversion to neighboring countries. Their neighbors' success in offering democracy as a viable alternative for the people of Central America is a major threat to the system they advocate. The Sandinistas have been constrained principally because they have not yet crushed opposition to their

regime at home. The struggle of the Nicaraguan democratic resistance for democracy in their own homeland has provided a shield for democratic progress in other Central American countries. But the Sandinistas, with massive Soviet and Cuban military assistance, have clearly made the elimination of these freedom fighters their number one priority. If they achieve that goal, there will be no remaining obstacle to their efforts to destabilize neighboring states.

Despite this threat to peace, we do not accept that conflagration is inevitable in Central America. The path to peace is clear. The origin of the conflict in Nicaragua is the revolt of the Nicaraguan people themselves against tyranny. A church-mediated dialogue, serious negotiations between the Sandinistas, and the external and internal opposition, including the democratic resistance, is the place to begin. The United States strongly supports such negotiations, and we welcome the efforts of the Latin American nations of the Contadora Group and Support Group to promote national reconciliation talks to resolve the Nicaraguan conflict. We will steadfastly support the Contadora process in his efforts to find a solution in Central America that will be the basis for lasting peace. We will also continue to look for flexibility in the Nicaraguan position and are prepared to respond with appropriate measures to encourage them to come to terms with their own people in a democratic framework.

At the same time, we can entertain no illusions that the Sandinistas will enter negotiations on steps to allow legitimate democratic dissent unless democratic forces in Nicaragua can credibly and forcefully assert their right to a voice in Nicaragua's future. The Sandinistas' record of repression of democratic opposition groups leaves little hope that they will willingly follow such a course. They will never embrace open, democratic norms unless confronted with undeniable demands from steadily growing numbers of Nicaraguans prepared to fight for liberty and for their right to participate in their country's political life.

Our experience with the Sandinistas over six and a half years points unmistakably to the need to accompany diplomatic policy with substantial pressure focused on the same objectives. Without power, diplomacy lacks leverage. The Sandinistas will not take meaningful steps toward national reconciliation until they realize that opposition to the consolidation of a Marxist-Leninist regime is too strong to be repressed. Approval of this request will enable the United States to be in a position to provide assistance that permits the resistance to conduct sustained operations in Nicaragua and expand their area of operations. The resistance will be able to incorporate more of the thousands of volunteers waiting to join their forces but who cannot be accepted for lack of supplies. They will be able to establish a stronger presence among a larger segment of the Nicaraguan population, thus increasing the pressure on the Sandinistas to enter into dialogue with all opposition elements, and to negotiate seriously in the Contadora process.

The cause of the United States in Nicaragua, as in the rest of Central America, is the cause of freedom and ultimately, our own national security.

The Soviet Union and its satellites understand the great stakes in Nicaragua. The Soviets have already made their decision to support the Sandinistas. Cuba's Castro has already made his decision to support the Sandinistas. Libya's Qadhafi has already made his decision to support the Sandinistas saying, we support them, "... because they are fighting America at its doorstep. Nicaragua means a great thing; it means fighting America near its borders."

Congress must act decisively to prevent an outcome deeply injurious to the security of our Nation.

If the enemies of democracy thousands of miles away understand the strategic importance of Nicaragua, understand that Nicaragua offers the possibility of destabilizing all Central America, of sending a tidal wave of refugees streaming toward our southern border, and of tying down the United States and weakening our ability to meet our commitments overseas, then we Americans must understand that Nicaragua is a foreign policy question of supreme importance which goes to the heart of our country's freedom and future. With its vote, Congress will make its decision.

Those fighting for freedom in Nicaragua deserve and desperately need our help. The humanitarian assistance approved by the Congress in 1985 has proven insufficient. Cuban and Soviet military aid in the form of training and sophisticated hardware have taken their toll. If the Nicaraguan democratic resistance is to continue its struggle, and if peace, democracy, and security in this hemisphere are to be preserved, the United States must provide what is necessary to carry on the fight. If we fail to help friends in need now, then the price we will pay later will be much higher.

Your approval of the request I am transmitting to you will provide the necessary help. I urge the prompt enactment of a joint resolution expressing that approval.

RONALD REAGAN

REQUEST FOR ADDITIONAL AUTHORITY AND ASSISTANCE FOR THE NICARAGUAN DEMOCRATIC RESISTANCE

Pursuant to the provisions of section 722(p) of the International Security and Development Cooperation Act of 1985 (P.L. 99-83) and section 106(a) of chapter V of the Supplemental Appropriations Act, 1985 (P.L. 99-88), I hereby request that the Congress approve additional authority and assistance for the Nicaraguan democratic resistance as follows:

(1) That the sum of $100,000,000 appropriated by the Department of Defense Appropriations Act, 1986, as contained in P.L. 99-190, shall be available for transfer by the President to appropriations available for assistance to the Nicaraguan democratic resistance and shall be available for that purpose, subject to the terms and conditions of this request.

(2) That the funds transferred under paragraph (1) will include funds that have been made available for obligation beyond September 30, 1986, as provided by law: *Provided*, That not more than 25 percent shall be available for obligation upon the enactment of a joint resolution approving this request, and an additional 15 percent shall become available upon submission of each report to the Congress required by paragraph (6)(E) of this request, and no obligations may be incurred after September 30, 1987.

(3) That, of the funds transferred under paragraph (1), $30,000,000 shall be available during the period of availability of those funds for continuation of a program of humanitarian assistance to be administered by the Nicaraguan Humanitarian Assistance Office established by Executive Order 12530, of which at least $3,000,000 will be used exclusively for strengthening programs and activities of the United Nicaraguan Opposition for the observance and advancement of human rights.

(4) That, notwithstanding the proviso contained in paragraph (2) of this request, in the event of a peaceful settlement of the conflict in Central America during the period that the funds transferred under paragraph (1) are available for obligation, any remaining balance of such funds shall then also be available for purposes of relief, rehabilitation, and reconstruction in Central American countries, including Nicaragua, in accordance with the authority of chapter 4 of part II of the Foreign Assistance Act of 1961.

(5) That the approval by the Congress of this request be deemed to satisfy the requirements, terms, and conditions of section 105(a) of the Intelligence Authorization Act for Fiscal Year 1986 (P.L. 99-169) as well as statutory requirements for the authorization of appropriations (including section 10 of P.L. 91-672, section 502 of the National Security Act of 1947, and section 8109 of the Department of Defense Appropriations Act, 1986), subject to—

(A) all applicable provisions of law and established procedures relating to the oversight by the Congress of operations of departments and agencies; and

(B) the further terms and conditions specified in this request.

(6) That the approval by the Congress of this request be deemed to constitute the acceptance of the following undertakings:

(A) United States policy toward Nicaragua shall be based upon Nicaragua's responsiveness to continuing concerns by the United States and Nicaragua's neighbors about—

(i) Nicaragua's close military and security ties to Cuba, the Soviet Union, and the Warsaw Pact allies, including the presence in Nicaragua of military and security personnel from those countries;

(ii) Nicaragua's buildup of military forces in numbers disproportionate to those of its neighbors and equipped with sophisticated weapons systems and facilities designed to accommodate even more advanced equipment;

(iii) Nicaragua's unlawful support for armed subversion and terrorism directed against the democratically elected governments of other countries;

(iv) Nicaragua's internal repression and lack of opportunity for the exercise of civil and political rights that would allow the people of Nicaragua to have a meaningful voice in determining the policies of their government; and

(v) Nicaragua's refusal to negotiate in good faith for a peaceful resolution of the conflict in Central America based upon the comprehensive implementation of the September 1983 Contadora Document of Objectives and, in particular, its refusal to enter into a church-mediated national dialogue as proposed by the Nicaraguan democratic resistance on March 1, 1985.

(B) The United States will address these concerns through economic, political, and diplomatic measures, as well as through support for the Nicaraguan democratic resistance. In order to assure every opportunity for a peaceful resolution of the conflict, the United States—

(i) will engage in simultaneous bilateral discussions with the Government of Nicaragua with a view toward facilitating progress in achieving a peaceful resolution of the conflict if the Government of Nicaragua engages in a church-mediated national dialogue, as proposed by the United Nicaraguan Opposition; and

(ii) will take other positive actions in response to steps by the Government of Nicaragua toward meeting the concerns described in subparagraph (A).

(C) The duration of bilateral discussions with the Government of Nicaragua and the implementation of additional measures under subparagraph (B) shall be determined, after consultation with the Congress, by reference to Nicaragua's actions in response to the concerns described in subparagraph (A). Particular regard will be paid to whether—

(i) freedom of the press, religion, and assembly are being respected in Nicaragua;

(ii) additional arms and foreign military personnel are no longer being introduced into Nicaragua;

(iii) a cease-fire with the Nicaraguan democratic resistance is being respected; and

(iv) Nicaragua is withholding support for insurgency and terrorism in other countries.

(D) The actions by the United States in response to the concerns described in subparagraph (A), authorized by the approval of this request, are consistent with the right of the United States to defend itself and to assist its allies in accordance with international law and treaties in force. Such actions are directed to achieving a comprehensive and verifiable agreement among the countries of Central America, based upon the 1983 Contadora Document of Objectives and internal reconciliation within Nicaragua, based upon democratic principles, without the use of force by the United States. The approval of this request shall not be construed as authorizing any member or unit of the armed forces of the United States to engage in combat against the Government of Nicaragua.

(E) The President will transmit a report to the Congress within 90 days after the date of approval of this request, and every 90 days thereafter, on actions taken to achieve a resolution of the conflict in Central America in a manner that meets the concerns described in subparagraph (A). Each such report shall include—

(i) a detailed statement of any progress made in reaching a negotiated settlement, including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

(ii) a detailed accounting of the disbursements made to provide assistance with the funds made available pursuant to paragraph (1); and

(iii) a discussion of alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a statement of the steps taken by the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses.

MESSAGE TO THE CONGRESS, MAR. 19, 1986[2]

Since I transmitted my message to the Congress on February 25 requesting additional assistance for the Nicaraguan democratic resistance, I have heard from many thoughtful Members of Congress, as well as from Latin American leaders and the leaders of the Nicaraguan democratic resistance. Many have raised the question of how the additional authority I have requested could be implemented so as to help persuade the Government of Nicaragua to engage in a serious effort to resolve the conflict in Central America through peaceful means.

I am determined to make every effort to protect our vital interests and achieve peace without further loss of life. That is why on February 10 I proposed simultaneous talks by the Government of Nicaragua—with their opposition and with the United States. That is why on February 25 I affirmed my commitment to direct the additional assistance I have requested toward a comprehensive and verifiable agreement among the countries of Central America, based on the Contadora Document of Objectives. And that is why on March 7 I appointed Ambassador Philip Habib as my special envoy for Central America.

On Sunday night, I described to the American people the threat to our security that confronts us in Central America. As I said then, we are still willing to pursue vigorously a diplomatic effort to achieve a lasting peace. Approval of my request for additional assistance to the Nicaraguan democratic resistance does not mean that a military solution is inevitable. It is, however, essential that the Congress act now to approve this assistance if diplomacy is to have a chance. Accordingly, I am providing in this message a further explanation of how I will implement the authority I have requested.

(White House photo by Bill Fitz-Patrick)

President Reagan and his special envoy to Central America Ambassador Philip C. Habib.

If the Congress approves my request I will send my special envoy on an urgent mission to the capitals of the Contadora and Support Group nations. He will ask them to join with us in urging the Government of Nicaragua to initiate a national dialogue with representatives of all elements of the democratic opposition, designed to achieve the goals set out in the widely heralded proposal announced by six opposition Nicaraguan political parties on February 7, 1986. Their proposal, which has been endorsed by the Nicaraguan democratic resistance, calls for an immediate cease-fire, an effective general amnesty, abolition of the state of emergency, agreement on a new electoral process and general elections, effective fulfillment of international commitments for democratization, and observance of implementation by relevant international groups and bodies.

President Duarte's additional proposal for simultaneous dialogue with the Salvadoran guerrillas, a proposal endorsed by the democratic Presidents of Costa Rica, Honduras, and Guatemala, reinforces the importance of an international dialogue in Nicaragua to address the objectives of the six-party proposal of February 7.

In order to give the Government of Nicaragua every reasonable opportunity to respond favorably, and to provide an incentive for a positive response, I will limit the assistance to be provided to the Nicaraguan democratic resistance for 90 days following approval of my request to the following:

(1) humanitarian assistance, as defined in section 722(g) of P.L. 99-83, including support for programs and activities to strengthen respect for human rights;

(2) logistics advice and assistance;

(3) equipment and supplies necessary for defense against air attack;

(4) support for democratic political and diplomatic activities; and

(5) training in radio communications, collection and utilization of intelligence, logistics, and small-unit skills and tactics.

Following this 90-day period, additional types of assistance will be provided to the Nicaraguan democratic resistance only if—

(1) I have determined, after consultation with the Congress,

(a) that the Central American countries have not concluded a comprehensive agreement based on the Contadora Document of Objectives;

(b) the Government of Nicaragua is not engaged in a serious dialogue with representatives of all elements of the democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, and religion; and

(c) there is no reasonable prospect of achieving these developments through further diplomatic measures, multilateral or bilateral, without additional assistance to the Nicaraguan democratic resistance;

(2) I have reported my determination to the Congress; and

(3) Fifteen days have elapsed following my report to the Congress, during which the Congress may take such legislative or other action as it deems appropriate.

Should the conditions described in subparagraph (a) or (b) of paragraph (1) later be achieved, assistance to the Nicaraguan democratic resistance will again be limited to the categories, described above, available during the initial 90 days following approval of my request, for so long as the Government of Nicaragua acts in good faith to maintain those conditions.

In order to keep the Congress fully and currently informed of developments relating to diplomatic efforts to achieve a peaceful resolution of the conflict during the 90 days following approval of my request, I will appoint a special bipartisan commission to report on negotiations, whose reports will be made available to the Congress. This commission shall be composed of individuals, none of whom shall be a Member or employee of the Congress or an officer or employee of the United States, recommended by the Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate, with a fifth member of the commission to be recommended by the four other commissioners.

This approach represents a sincere effort to achieve peace through negotiations. In order to further this effort, I will make $2,000,000 of the funds I have requested for assistance to the Nicaraguan democratic resistance available to the Central American democracies (Costa Rica, El Salvador, Guatemala, and Honduras) to facilitate their participation in regional meetings and negotiations. In addition, I will encourage those countries and the Contadora and Support Group nations to make regular and public reports on the status of negotiations, the likelihood of achieving a comprehensive agreement, progress toward national reconciliation, and the obstacles thereto.

Moreover, the United States will assist all indigenous groups which are committed to work together for democratic national reconciliation in Nicaragua based on the six-party proposal. We will require only that they respect international standards of conduct, refraining from violations of human rights or other criminal acts, and that they work together toward this common goal.

In this regard, the democratic resistance has been broadening its representative base. The United Nicaraguan Opposition (UNO) now includes the largest of the Indian/Creole resistance groups (KISAN), and has forged cooperative relationships with other democratic resistance elements. The UNO has also engaged in constructive discussions with the Southern Opposition Bloc (BOS). And UNO has further strengthened unity by ensuring that all its military forces are responsive to its civilian leadership. We wholeheartedly support these developments and will encourage the democratic opposition to take further steps that will increase its unity and its appeal to the Nicaraguan people. Toward this end, I will reserve not less than $10,000,000 of the funds I have requested for assistance to resistance forces otherwise eligible and not currently included

Peace Proposal Offered to Nicaragua

WHITE HOUSE STATEMENT, MAR. 5, 1986[1]

President Duarte's proposal to Daniel Ortega yesterday has created a new opportunity for peace in Central America. We applaud President Duarte's willingness to renew a dialogue with the Nicaraguan-backed guerrillas in El Salvador if the Nicaraguan communists are also willing to begin a dialogue with the democratic resistance in Nicaragua.

President Duarte's offer creates an opportunity to begin simultaneously three parallel sets of talks aimed at peace and national reconciliation throughout Central America. If the Nicaraguan Government responds favorably, we could soon see: 1) a dialogue leading to internal reconciliation and democracy in Nicaragua; 2) talks for bringing an end to the conflict in El Salvador; and 3) the simultaneous resumption of talks between the United States and the Nicaraguan Government.

These three sets of talks offer the best hope of ending the strife and the bloodshed in Central America and creating new possibilities for peace and democratic progress throughout the region. We call upon Mr. Ortega to accept President Duarte's proposal and agree to negotiate with the democratic resistance now. We hope that the eight Contadora and support group nations will enthusiastically support President Duarte's proposal. These three sets of simultaneous talks would provide a great impetus to the Contadora group's efforts to mediate a comprehensive, negotiated settlement of the conflict in Central America.

[1] Text from Weekly Compilation of Presidential Documents of Mar. 10, 1986. ■

within UNO, one-half of which shall be for BOS and one-half shall be for the Indian resistance force Misurasata.

However, no group shall receive assistance from the United States if it retains in its ranks any individual who engages in—

(1) gross violations of human rights (including summary executions, torture, kidnapping, forced recruitment, or other such violations of the integrity of the person); or

(2) drug smuggling, or significant misuse of public or private funds.

There are two other issues, relating to funding, that I ask you to consider.

First, there has been inaccurate public speculation about what additional funds for assistance to the Nicaraguan democratic resistance might be available beyond the $100 million for fiscal years 1986 and 1987 that I have requested be transferred from amounts already appropriated to the Department of Defense. I want to state unequivocally that I will not augment this $100 million through the use of CIA or any other funds that have not been approved by the Congress for this purpose.

Second, when I proposed to the Congress a Central America Democracy, Peace, and Development Initiative to implement the recommendations of the National Bipartisan Commission on Central America, I included Nicaragua among the countries that could benefit from this initiative. The Congress accepted my recommendation in enacting a new chapter of the Foreign Assistance Act of 1961. The Congress also authorized in that Act, as the Bipartisan Commission recommended and I requested, the appropriation of the full $1,200,000,000 in nonmilitary assistance for Central America for fiscal years 1988 and 1989. However, the current authorization for fiscal year 1987 falls short of this goal. This, combined with appropriations shortfalls from previous years, is an obstacle to timely progress. I will ask the Secretary of State, the Administrator of the Agency for International Development, and the Director of the Office of Management and Budget to develop a plan to overcome the funding shortfalls that have occurred. In addition, I urge the Congress to provide the full amounts of economic assistance I have requested in my budget for fiscal year 1987 so that the necessary long-term commitment urged by the Bipartisan Commission will be fulfilled, and so that the promises of peace and freedom will be realized throughout Central America.

Upon the enactment of a joint resolution approving my request, I shall issue an Executive order to provide for the implementation of the undertakings I have expressed in this message and in my message of February 25. The Secretary of State, or his designee, will be responsible, under my direction, for policy guidance and coordination of United States Government activities under that Executive order.

In conclusion, I must stress that our diplomacy cannot succeed without the demonstrated resolve of the United States to protect its own interests and those of the brave men and women who are fighting for democracy in Central America. The time for decision is now. Your vote on my request will be a fateful one. I need and urge your support on this vital issue.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Mar. 3.

[2]Text from Weekly Compilation of Presidential Documents of Mar. 24, 1986. ■

Honduras Receives U.S. Assistance to Repel Sandinista Attacks

DEPARTMENT STATEMENT, MAR. 25 1986[1]

On March 22, within 48 hours of the House rejection of aid to the Nicaraguan resistance, Sandinista military units crossed into Honduras in what appears to be a large-scale effort to locate and destroy resistance logistic spaces, training centers, and medical facilities which they believed to be in the area.

Contrary to some reports, this does not seem to be a "hot pursuit" operation by the Sandinistas since no resistance units were withdrawing from Nicaragua at the time of the Sandinista attack. Early in the morning of March 23, a large Sandinista military force reportedly conducted four assaults in the vicinity of a Nicaraguan refugee center located more than 15 kilometers north of the Nicaraguan-Honduran border. These attacks were reportedly repulsed by new resistance student volunteers which were armed that very morning.

By late in the evening on March 23, several Sandinista special counterinsurgency battalions were heavily engaged in Honduras. These units normally have 15–20 Cuban advisers integrated down to the company level. At that point on March 23, one of these battalions attempted to withdraw back into Nicaragua, but their route of exfiltration was evidently blocked by a large resistance column which had moved back to the border region from Nicaragua. This battle apparently continued throughout the day on March 24, with as many as 1,500 Sandinistas in two task forces participating in the action deep inside Honduras. Throughout the battle on March 23 and 24, the Sandinistas supplied their units inside Honduras with heavy artillery fire, volleys of rocket fire from Soviet-made BM-21 multiple rocket launchers, and MI-8 gunships.

Last night, in response to the armed attack into sovereign Honduran territory, President Azcona formally requested urgent U.S. military assistance, to include assisting in lifting Honduran troops as necessary and other materiel assistance in order to repel this and future Sandinista attacks. In response to this request, President Reagan has notified pertinent Members of Congress that he intends to exercise his authority under Section 506(a) of the Foreign Assistance Act, in order to provide Honduras with up to $20 million in emergency assistance in the form of materiel, services, and training. The military aid which has been requested includes air defense weapons, conventional ordinance, emergency spare parts and armament for helicopters, and essential training. The use of the President's 506(a) authority responds to the unforseen emergency which exists in Honduras and will be provided from Department of Defense resources since these emergency requirements cannot be promptly met by other means.

The Secretary of Defense has dispatched Gen. John Galvin, Commander in Chief, U.S. Southern Command, to Honduras to assess the situation and provide up-to-date intelligence and advice to the Honduran Government. Gen. Galvin has been instructed that if U.S. military resources are used to provide Honduran troop-lift support to the Honduran Government units that every effort must be made to avoid placing members of the U.S. Armed Forces into situations where imminent involvement in hostilities would be indicated by the circumstances.

As of this morning, there are reports that there are significant numbers of Sandinista casualties, and several Sandinista prisoners have been captured. According to resistance sources, the Sandinista prisoners have indicated that their missison was to

attack what they believed to be a resistance training center, nearly 20 kilometers inside Honduras, proceed to exit the Honduran territory after destroying resistance supplies and medical facilities. Both the resistance and Honduran intelligence sources indicate that reinforcing attacks by up to four Sandinista battalions can be expected within the next 24 hours. The resistance radio has broadcasted that large numbers of Nicaraguan civilian refugees are in the area and that they are in desperate need of food, water, and medical supplies.

The President, having notified Congress in accordance with the law, is signing a formal determination today authorizing the release of the emergency assistance to which I made reference.

[1] Read to news correspondents by State Department deputy spokesman Charles Redman. ■

Captured Weapons Displayed at the State Department

PRESIDENT'S REMARKS (EXCERPTS), MAR. 13, 1986[1]

These captured weapons . . . are proof of Sandinista crimes against their neighbors and against the people of Nicaragua . . . These rifles, land mines, grenade launchers, and other weapons did not just miraculously appear in the hands of communists in El Salvador or the M-19 terrorists in Colombia . . . .

. . . Nicaraguan communists are using their country as a staging area for aggression against their neighbors, while totally subjugating their own people. Their campaign of internal repression and external aggression is being aided and abetted by the Soviet Union, Cuba, East Germany, Bulgaria, Iran, Vietnam, Libya, and other radical states, movements, and organizations.

The fledgling democracies of Central America cannot be expected to stand alone against this kind of concerted, international communist effort. And let's make no mistake—this nation, too, is threatened.

If we do not act now to counter this subversive aggression by helping the brave men and women of the Nicaraguan democratic resistance, Americans will, in the not too distant future, look to the south and see a string of anti-American communist dictatorships. And if that happens, it'll do no good to ask who's to blame. It will be an irreparable disaster. And that's why I'm asking the Congress to set aside partisan politics and act now to protect our national security by helping those who want a democratic outcome in Nicaragua . . . .

[1] Text from Weekly Compilation of Presidential Documents of Mar. 17, 1986. ■

(Dept. of State photo by Walter Booze)

President Reagan addresses guests assembled in the Diplomatic Lobby of the State Department to view a joint Defense Department-State Department display of documents and Nicaraguan-supplied weapons seized in El Salvador. Seated at the right: (front row, left to right) are Napoleon Romero, former high-ranking Salvadoran guerrilla; Alvaro Baldizon, former chief investigator of Nicaragua's Ministry of the Interior; and Teofilo Archibald, Miskito-Creole leader in the United Nicaraguan Opposition (UNO); (back row, left to right) Secretary Shultz; Vice President Bush; and Secretary Weinberger.

END NOTES

March 1986

The following are some of the significant official U.S. foreign policy actions and statements during the month that are not reported elsewhere in this periodical.

March 1
Vietnam gives the U.S. 49 MIA/POW case reports and repeats its promise to repatriate more human remains.

March 5–6
U.S.-Soviet officials meet in Bern to discuss ways to prevent the spread of chemical weapons. Deputy Assistant Secretary Hawes represents the U.S.

March 5
In Rome, Ambassador Nitze addresses the Foreign Affairs Committee of the Italian Chamber of Deputies on the U.S.-Soviet Geneva arms control negotiations.

March 6–20
Deputy Assistant Secretary Wisner travels to Lisbon and southern Africa for talks with government leaders in Zambia, Zimbabwe, Botswana, South Africa, and Mozambique.

March 6
U.S. tables a draft resolution before the UN Human Rights Commission in Geneva that strongly urges the Government of Chile to implement recommendations made by a special UN observer in an effort to end persistent and serious human rights violations.

U.S.-Soviet officials meet in Geneva to discuss issues concerning southern Africa. Assistant Secretary Crocker heads the U.S. delegation.

The second annual U.S.-Japan subcabinet level consultations on foreign policy and foreign aid is held in Washington, D.C. Under Secretary Armacost heads the U.S. delegation.

March 7
President Reagan announces his appointment of Philip C. Habib as U.S. special envoy to Central America to achieve diplomatic solutions to conflicts in the region, especially Nicaragua.

The U.S. orders the Soviet, Ukrainian, and Byelorussian missions to the UN to reduce their personnel over a 2-year period from the current level of 275 to a staffing level of 170 by April 1, 1988. The U.S. is concerned that the unreasonably large size of the Soviet UN missions poses a threat to national security citing continued activities unrelated to UN business, including espionage.

March 9–11
Assistant Secretary Murphy visits Egypt to meet with President Mubarak and other Egyptian officials to discuss matters of bilateral concern.

March 10
The UN Commission on Human Rights adopts two resolutions calling for the immediate withdrawal of foreign troops from Afghanistan and Cambodia. The resolution on Afghanistan is adopted by a vote of 31 (U.S.) to 6, with 5 abstentions. The vote on the Cambodia resolution is 30 (U.S.) to 9, with 2 abstentions.

March 11
The following newly appointed ambassadors present their credentials to President Reagan: Cesar Guillermo Atala Nazzal (Peru); Paavo Llmari Rantanen (Finland); Dominador Kaiser Bazan Jimenez (Panama); Fernando Illanes de la Riva (Bolivia); Francisco Posada de la Pena (Colombia); and Leandre B. Bassole (Burkina Faso).

March 18
Under Secretary Armacost delivers documents seized by U.S. Customs officials to Jovito Salonga, chairman of the Philippine commission investigating the wealth of former President Marcos.

March 19–21
The U.S.-Israeli Joint Political-Military Group meets in Israel to examine the threat to mutual interests posed by an increase of Soviet involvement in the Middle East.

March 20–21
U.S. consults with France, West Germany, and the U.K. to discuss the GATT Agreement on Trade in Civil Aircraft.

March 20
U.S. condemns Iraq for use of chemical weapons in its 6-year war with Iran.

March 21–24
U.S. and Pakistan delegations meet in Islamabad to discuss the post-1987 assistance program. An agreed statement, subject to U.S. congressional approval, is released following the meeting. Under Secretary Schneider heads the U.S. delegation.

March 21
President Reagan meets with UN Secretary General Perez de Cuellar to discuss the U.S. commitment to goals and principles of the UN Charter.

March 27
The Senate approves President Reagan's request for $100 million to aid the contras fighting the Sandinista Government of Nicaragua. The vote is 53 to 47. On March 20, the House voted 222 to 210 against a similar request.

Secretary Weinberger and Federal Minister of Economics Bangemann of the Federal Republic of Germany sign a memorandum of understanding concerning the participation of German firms, research institutions, and other entities in the SDI research. They also sign a joint understanding of principles regarding industrial, scientific, technological, and security cooperations.

March 31
AID Administrator McPherson announces that an additional $10 million will go to the U.S. food aid program for Haiti.■

Current Actions

MULTILATERAL

Antarctica
Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Buenos Aires July 7, 1981.[1]

Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Canberra Sept. 27, 1983.[1]
Notifications of approval: U.S.S.R., Feb. 24, 1986.

Astronauts
Agreement on the rescue of astronauts, the return of astronauts, and the return of objects launched into outer space. Done at Washington, London, and Moscow Apr. 22, 1968. Entered into force Dec. 3, 1968. TIAS 6599.
Ratification deposited: Australia, Mar. 18, 1986.

Commodities—Common Fund
Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.[1]
Signature: Uruguay, Feb. 13, 1986.

Cultural Property
Convention on the means of prohibiting and preventing the illicit import, export, and transfer of ownership of cultural property. Done at Paris Nov. 14, 1970. Entered into force Apr. 24, 1972; for the U.S. Dec. 2, 1983.
Ratifications deposited: Portugal, Dec. 9, 1985; Spain, Jan. 10, 1986.

Defense
Memorandum of understanding concerning a cooperative study of the surface effect ship 200. Signed at Ottawa, Bonn, London, Madrid, Washington, and Paris. Entered into force Feb. 7, 1986.
Parties: Canada, Nov. 26, 1985; France, Feb. 7, 1986; Federal Republic of Germany, Dec. 6, 1985; Spain, Dec. 19, 1985; U.K., Dec. 10, 1985; U.S., Dec. 23, 1985.

Environmental Modification
Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977. Entered into force Oct. 5, 1978; for the U.S. Jan. 17, 1980. TIAS 9614.
Accession deposited: Pakistan, Feb. 27, 1986.

Genocide
Convention on the prevention and punishment of the crime of genocide. Adopted at Paris Dec. 9, 1948. Entered into force Jan. 12, 1951.[2] 78 UNTS 277.
Senate advice and consent to ratification: U.S., Feb. 19, 1986.[3]

Human Rights
International covenant on economic, social, and cultural rights. Adopted at New York Dec. 16, 1966. Entered into force Jan. 3, 1976. 999 UNTS 3.[2]

International covenant on civil and political rights. Adopted at New York Dec. 16, 1966. Entered into force Mar. 23, 1976. 999 UNTS 171.[2]
Accessions deposited: Niger, Mar. 7, 1986.

Judicial Procedure
Convention on the civil aspects of international child abduction. Done at The Hague Oct. 25, 1980. Entered into force Dec. 1, 1983.[2]
Extended to: Province of Prince Edward Island, Feb. 12, 1986, by Canada.[3]

Jute
International agreement on jute and jute products, 1982, with annexes. Done at Geneva Oct. 1, 1982. Entered into force provisionally Jan. 9, 1984.
Ratification deposited: Egypt, Feb. 5, 1986.

Maritime Matters
International convention on standards of training, certification, and watchkeeping for seafarers, 1978. Done at London July 7, 1978. Entered into force Apr. 28, 1984.[2]
Accession deposited: Israel, Jan. 16, 1986.

Amendments to the international convention on load lines, 1966 (TIAS 6331, 6629, 6720). Adopted at London Oct. 12, 1971.[1]
Amendments to the international convention on load lines, 1966 (TIAS 6331, 6629, 6720). Adopted at London Nov. 15, 1979.[1]
Acceptances deposited: Chile, Jan. 21, 1986.

Patents—Microorganisms
Budapest treaty on the international recognition of the deposit of microorganisms for the purposes of patent procedure, with regulations. Done at Budapest Apr. 28, 1977. Entered into force Aug. 19, 1980. TIAS 9768.
Ratification deposited: Italy, Dec. 23, 1985.

Patents—Plant Varieties
International convention for the protection of new varieties of plants of Dec. 2, 1961, as revised. Done at Geneva Oct. 23, 1978. Entered into force Nov. 8, 1981. TIAS 10199.
Ratification deposited: Federal Republic of Germany, Mar. 12, 1986.

Property—Intellectual
Convention establishing the World Intellectual Property Organization. Done at Stockholm July 14, 1967. Entered into force Apr. 26, 1970; for the U.S. Aug. 25, 1970. TIAS 6932.
Accession deposited: Sierra Leone, Feb. 18, 1986.

Property—Industrial—Classification
Nice agreement concerning the international classification of goods and services for the purposes of the registration of marks of June 15, 1957, as revised. Done at Geneva May 13, 1977. Entered into force Feb. 6, 1979; for the U.S., Feb. 29, 1984.
Notification of ratification: Switzerland, Jan. 22, 1986.

Refugees
Protocol relating to the status of refugees. Done at New York Jan. 31, 1967. Entered into force Oct. 4, 1967; for the U.S. Nov. 1, 1968. TIAS 6577.
Notification of succession deposited: Tuvalu, Mar. 7, 1986.

Space
Convention on registration of objects launched into outer space. Done at New York Jan. 14, 1975. Entered into force Sept. 15, 1976. TIAS 8480.
Accession deposited: Australia, Mar. 11, 1986.
Ratification deposited: Pakistan, Feb. 27, 1986.

Sugar
International sugar agreement, 1984, with annexes. Done at Geneva July 5, 1984. Entered into force provisionally Jan. 1, 1985; definitively Apr. 4, 1985.[4]
Ratification deposited: Mexico, Mar. 14, 1986.

Terrorism
International convention against the taking of hostages. Adopted at New York Dec. 17, 1979. Entered into force June 3, 1983; for the U.S. Jan. 6, 1985.
Accessions deposited: Jordan, Feb. 19, 1986; Malawi, Mar. 17, 1986.

Timber
International tropical timber agreement, 1983, with annexes. Done at Geneva Nov. 18, 1983. Entered into force provisionally Apr. 1, 1985; for the U.S. Apr. 26, 1985.
Accessions deposited: Austria, Mar. 6, 1986; India, Feb. 19, 1986.
Ratifications deposited: Belgium, Luxembourg, Feb. 21, 1986.

UNIDO
Constitution of the UN Industrial Development Organization, with annexes. Adopted at Vienna Apr. 8, 1979. Entered into force June 21, 1985.
Accessions deposited: Belize, Feb. 27, 1986; Namibia (Council for), Feb. 21, 1986.

Wheat
1983 Protocol for further extension of the wheat trade convention, 1971 (TIAS 7144). Done at Washington Apr. 4, 1983. Entered into force July 1, 1983; definitively for the U.S. Dec. 3, 1985.
Ratification deposited: Brazil, Mar. 10, 1986.

BILATERAL

Bangladesh
Treaty concerning the reciprocal encouragement and protection of investment, with annex, protocol and exchange of notes. Signed at Washington Mar. 12, 1986. Enters into force 30 days after the date of exchange of ratifications.

TREATIES

Barbados
Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, with exchange of notes. Signed at Bridgetown Dec. 31, 1984.
Ratified by the President: Jan. 14, 1986 (with reservation).
Ratifications exchanged: Feb. 28, 1986.
Entered into force: Feb. 28, 1986.

Canada
Agreement extending the agreement of Mar. 11, 1981 (TIAS 10111), regarding the North American Aerospace Defense Command (NORAD). Effected by exchange of notes at Washington Mar. 19, 1986. Entered into force Mar. 19, 1986; effective May 12, 1986.

Chile
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Washington Feb. 6, 1986. Entered into force Mar. 17, 1986.

China
Agreement amending agreement of Aug. 19, 1983, as amended, relating to trade in cotton, wool, and manmade textiles and textile products. Effected by exchange of notes at Washington Feb. 5 and 12, 1986. Entered into force Feb. 12, 1986.

Colombia
Agreement amending agreement of July 1 and Aug. 11, 1982 (TIAS 10543), as amended, relating to trade in cotton, wool, manmade fiber textiles and textile products. Effected by exchange of letters Feb. 7 and 18, 1986. Entered into force Feb. 18, 1986.

Ecuador
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Washington Jan. 14, 1986. Entered into force Mar. 10, 1986.

Egypt
Supplementary protocol to the treaty concerning the reciprocal encouragement and protection of investments of Sept. 29, 1982. Signed at Cairo Mar. 11, 1986. Enters into force upon entry into force of treaty.

El Salvador
Agreement for the sale of agricultural commodities. Signed at San Salvador Dec. 20, 1985. Entered into force Feb. 18, 1986.

Finland
Agreement concerning trade in certain steel products, with understanding and related letters. Effected by exchange of letters at Washington Jan. 18, 1985. Entered into force Jan. 18, 1985; effective Oct. 1, 1984.

France
Memorandum of understanding relating to the development of technology-based ventures between small U.S. and French companies. Signed at Washington and Paris Feb. 21 and 25, 1986. Entered into force Feb. 25, 1986.

Federal Republic of Germany
Memorandum of understanding concerning the exchange of Air Force officers. Signed at Bonn and Washington Jan. 15 and Feb. 20, 1986. Entered into force Feb. 20, 1986.

Guatemala
Agreement governing cooperation in mapping, charting, and geodesy. Signed at Washington and Guatemala Feb. 14 and 27, 1986. Entered into force Feb. 27, 1986.

Haiti
Treaty concerning the reciprocal encouragement and protection of investment, with annex and protocol. Signed at Washington Dec. 13, 1983.
Transmitted to the Senate for advice and consent: Mar. 25, 1986 (Treaty Doc. 99-16).

Hong Kong
Agreement amending agreement of June 23, 1982 (TIAS 10420), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Hong Kong Feb. 12 and 17, 1986. Entered into force Feb. 17, 1986; effective Jan. 1, 1986.

Hungary
Agreement extending the air transport agreement of May 30, 1972, as amended and extended (TIAS 7577, 8096, 10704). Effected by exchange of notes at Budapest Jan. 30 and Feb. 11, 1986. Entered into force Feb. 11, 1986; effective Jan. 1, 1986.

Iceland
Agreement concerning the provision of training related to defense articles under the U.S. International Military Education and Training (IMET) program. Effected by exchange of notes at Reykjavik Jan. 7 and Feb. 12, 1986. Entered into force Feb. 12, 1986.

Ivory Coast
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Abidjan Jan. 31, 1986. Entered into force Mar. 10, 1986.

Japan
Agreement concerning trade in certain steel products, with arrangement, agreed minutes and related letter. Effected by exchange of letters at Washington May 14, 1985. Entered into force May 14, 1985; effective Oct. 1, 1984.

Agreement extending the agreement of May 2, 1975, as extended (TIAS 8088), concerning an international observer scheme for whaling operations from land stations in the North Pacific Ocean. Effected by exchange of notes at Tokyo Mar. 18, 1986. Entered into force Mar. 18, 1986.

Korea
Agreement amending agreement of Dec. 1, 1982, (TIAS 10611) as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Washington Jan. 13 and 21, 1986. Entered into force Jan. 21, 1986.

Maldives
Agreement amending and extending agreement of Sept. 7 and 19, 1984, relating to trade in wool sweaters, with annex. Effected by exchange of letters at Male Jan. 6 and 14, 1986. Entered into force Jan. 14, 1986; effective Sept. 29, 1985.

Morocco
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Rabat Dec. 23, 1985. Entered into force Jan. 21, 1986.

Treaty concerning the encouragement and reciprocal protection of investments, with protocol. Signed at Washington July 22, 1985.
Transmitted to the Senate for advice and consent: Mar. 25, 1986 (Treaty Doc. 99-18).

Nigeria
Agreement concerning the provision of training related to defense articles under the U.S. IMET program. Effected by exchange of notes at Lagos Nov. 19, 1985, and Feb. 26, 1986. Entered into force Feb. 26, 1986.

Oman
Memorandum of understanding relating to storage facilities for U.S. prepositioned petroleum products, with annexes. Signed at Shaw Air Force Base and Muscat July 31 and Sept. 18, 1985. Entered into force Sept. 18, 1985.

Pakistan
Agreement amending agreement of Mar. 9 and 11, 1982, (TIAS 10408) as amended, relating to trade in cotton textiles and textile products. Effected by exchange of letters at Washington Feb. 4 and 6, 1986. Entered into force Feb. 6, 1986.

Panama
Cooperative arrangement for the production of topographic maps of Panama, with annexes. Signed at Washington at Panama Jan. 29, 1986. Entered into force Jan. 29, 1986.

Treaty concerning the treatment and protection of investments, with annex and agreed minutes. Signed at Washington Oct. 27, 1982. Transmitted to the Senate for advice and consent: Mar. 25, 1986 (Treaty Doc. 99-14).

Peru
Agreements amending agreement of Jan. 3, 1985, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchanges of letters at Washington July 17 and Sept. 26, 1985; and Oct. 24, 1985, and Jan. 23, 1986. Entered into force Sept. 26, 1985; and Jan. 23, 1986.

Philippines
Agreement concerning the provision of documents to Government of the Republic of the Philippines. Effected by exchange of notes at Washington Mar. 15, 1986. Entered into force Mar. 15, 1986.

Sao Tome and Principe
Agreement concerning the provision of training related to defense articles under the U.S. IMET program. Effected by exchange of notes at Libreville and Sao Tome Apr. 2, 1985, and Feb. 26, 1986. Entered into force Feb. 26, 1986.

Senegal
Treaty concerning the reciprocal encouragement and protection of investment, with annex and protocol. Signed at Washington Dec. 6, 1983.
Transmitted to the Senate for advice and consent: Mar. 25, 1986 (Treaty Doc. 99-15).

Seychelles
Agreement concerning the provision of training related to defense articles under the U.S. IMET program. Effected by exchange of notes at Victoria Nov. 14, 1985, and Feb. 21, 1986. Entered into force Feb. 21, 1986.

Singapore
Agreement amending and extending agreement of Aug. 21, 1981, as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Singapore Feb. 20 and 21, 1986. Entered into force Feb. 21, 1986; effective Jan. 1, 1986.

South Africa
Agreement concerning trade in certain steel products, with arrangement and related letter. Effected by exchange of letters at Pretoria and Washington Jan. 10 and 18, 1985. Entered into force Jan. 18, 1985; effective Oct. 1, 1984.

Spain
Agreement concerning trade in certain steel products, with arrangement and related letter. Effected by exchange of letters at Madrid and Washington Dec. 18, 1984, and Jan. 18, 1985. Entered into force Jan. 18, 1985, effective Oct. 1, 1984.

Tunisia
Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, with exchange of notes. Signed at Washington June 17, 1985.
Transmitted to the Senate for advice and consent: Mar. 13, 1986 (Treaty Doc. 99-13).

Thailand
Treaty on mutual assistance in criminal matters, with attachments. Signed at Bangkok Mar. 19, 1986. Enters into force upon the exchange of instruments of ratification.

Turkey
Treaty concerning the reciprocal encouragement and protection of investments, with protocol. Signed at Washington Dec. 3, 1985.
Transmitted to the Senate for advice and consent: Mar. 25, 1986 (Treaty Doc. 99-19).

United Kingdom
Memorandum of understanding on the participation of the U.K. in the ocean drilling program as a regular member, with annex. Signed at Washington Jan. 13, 1986. Entered into force Jan. 13, 1986.

Zaire
Treaty concerning the reciprocal encouragement and protection of investment, with annex and protocol. Signed at Washington Aug. 3, 1984.
Transmitted to the Senate for advice and consent: Mar. 25, 1986 (Treaty Doc. 99-17).

[1]Not in force.
[2]Not in force for the U.S.
[3]With declaration(s) and reservation(s).
[4]In force provisionally for the U.S. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
35	3/3	Shultz: address before the Veterans of Foreign Wars.
*36	3/3	U.S. position on an HDTV standard for the studio and international exchange of programs.
37	3/4	Shultz: statement before the Subcommittee on Foreign Operations, House Appropriations Committee.
*38	3/12	Paul D. Wolfowitz sworn in as Ambassador to Indonesia (biographic data).
*39	3/12	Gaston Sigur, Jr., sworn in as Assistant Secretary for East Asian and Pacific Affairs (biographic data).
*40	3/13	Shultz: remarks at reception for diplomats, Mar. 7.
41	3/13	Shultz: statement before the Subcommittee on Foreign Operations of the Senate Appropriations Committee.
*42	3/14	Program for the official visit of Canadian Prime Minister Mulroney, Mar. 17-20.
*43	3/14	Shultz: news briefing on the appointment of Ronald Lehman as SALT negotiator.
*44	3/17	Shultz: arrival remarks, Stockholm.
*45	3/17	Shultz: remarks at Soviet Embassy, Stockholm, Mar. 15.
*46	3/17	Shultz: remarks after meeting with Swedish Prime Minister Carlsson, Mar. 15.
*47	3/18	Shultz: remarks at the graduation of diplomatic security agent class, Mar. 14.
*48	3/18	Shultz: luncheon remarks before the Executive Council on Foreign Diplomats, Mar. 17.
*49	3/18	Shultz: luncheon toast in honor of Prime Minister Mulroney.
*50	3/19	Shultz: interview on "CBS Morning News."
51	3/19	Shultz: statement before the Subcommittee on Commerce, Justice, State, the Judiciary, and Related Agencies, Senate Appropriations Committee.
*52	3/20	Shultz: statement on Afghanistan's New Year.
53	3/21	Shultz: address before the Stanford University Alumni Association's first international conference, Paris.
*54	3/24	Shultz: question-and-answer session after meeting with President Mitterrand, Paris, Mar. 21.

*55	3/24	Shultz: remarks before the Turkish Businessmen's Association, Istanbul, Mar. 23.
*56	3/25	Shultz: luncheon toast, Ankara, Mar. 24.
57	3/26	Shultz: dinner toast, Ankara, Mar. 24.
*58	3/26	Leonard H. Marks appointed head of the U.S. delegation to the World Administrative Radio Conference for the Planning of the HF Bands Allocated to the Broadcasting Service (biographic data).
*59	3/26	Shultz: remarks after meeting with Prime Minister Chirac, Paris, Mar. 21.
*60	3/26	Shultz: arrival statement, Ankara, Mar. 24.
61	3/27	Shultz: statement on the death of Ambassador Loy Henderson, Mar. 25.
62	3/28	Shultz: news conference, Ankara, Mar. 25.
*63	3/28	Shultz: remarks at U.S. Embassy, Athens, Mar. 26.
64	3/28	Shultz: luncheon toast, Athens, Mar. 26.
*65	3/31	Shultz: arrival remarks, Athens, Mar. 25.
*66	3/31	Shultz: interview on NBC-TV's "Today Show."
*67	4/1	Shultz: luncheon remarks in honor of Prime Minister Peres.
*68	3/31	Shultz: news conference, Rome, Mar. 29.

*Not printed in the BULLETIN. ■

Department of State

Free **single** copies of the following Department of State publications are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan

Strengthening American Security, TV address to the nation, Feb. 26, 1986 (Current Policy #798).

Freedom, Regional Security, and Global Peace, message to the Congress, Mar. 14, 1986 (Special Report #143).

Central America and U.S. Security, TV address to the nation, Mar. 16, 1986 (Current Policy #805).

Secretary Shultz

Enhancing Diplomatic Security, Senate Foreign Relations Committee, Feb. 4, 1986 (Current Policy #788).

Foreign Policy Challenges, House Foreign Affairs Committee, Feb. 5, 1986 (Current Policy #790).

International Affairs: FY 1987 Budget, Senate Budget Committee, Feb. 19, 1986 (Current Policy #795).

Nicaragua: Will Democracy Prevail? Senate Foreign Relations Committee, Feb. 27, 1986 (Current Policy #797).

Nicaragua and the Future of Central America, Veterans of Foreign Wars, Mar. 3, 1986 (Current Policy #801).

The Shape, Scope, and Consequences of the Age of Information, Stanford University Alumni Asso.'s first international conference, Paris, Mar. 21, 1986 (Current Policy #811).

Africa

U.S. Wants an End to Apartheid, Deputy Assistant Secretary Robertson, International Conference Against Apartheid, Ebenezer Baptist Church, Atlanta, Jan. 19, 1986 (Current Policy #787).

Promoting Positive Change in Southern Africa, Under Secretary Armacost, Carleton College, Northfield, Minn., Jan. 24, 1986 (Current Policy #789).

The U.S. and Angola, Assistant Secretary Crocker, Senate Foreign Relations Committee, Feb. 18, 1986 (Current Policy #796).

A Review of Recent Events in South Africa, Assistant Secretary Crocker, Subcommittees on Africa and on International Economic Policy and Trade, House Foreign Affairs Committee, Mar. 12, 1986 (Current Policy #806).

The Horn of Africa: U.S. Policy (GIST, Feb. 1986).

U.S.-Supported Human Rights Program in South Africa (GIST, Feb. 1986).

Arms Control

The Stockholm Conference and East-West Relations, Ambassador Barry, Royal Institute for International Affairs, London, Feb. 4, 1986 (Current Policy #793).

U.S. Strategic Force Structures: The Challenge Ahead, Ambassador Nitze, American Institute of Aeronautics and Astronautics Strategic Systems Conference, Monterey, Feb. 4, 1986 (Current Policy #794).

Negotiations on Nuclear and Space Arms, Ambassador Nitze, Foreign Service Institute symposium, Arlington, Mar. 13, 1986 (Current Policy #807).

The Promise of SDI, Ambassador Nitze, American Defense Preparedness Asso., Mar. 18, 1986 (Current Policy #810).

Department and Foreign Service

Diplomacy, the Foreign Service, and the Department of State, Under Secretary Spiers, Committee on Foreign Affairs, Boston, Feb. 26, 1986 (Current Policy #800).

Economics

Commodity Markets and Commodity Agreements, Under Secretary Wallis, National Coffee Asso., Boca Raton, Feb. 11, 1986 (Current Policy #791).

Structural Adjustment and the Trading System: Europe's Role, Under Secretary Wallis, Chamber of Commerce, London, Mar. 7, 1986 (Current Policy #804).

Protectionism (GIST, Feb. 1986).

Multinational Corporations (GIST, Mar. 1986).

Textile Import Control Program (GIST, Mar. 1986).

Environment

International Cooperation to Protect the Ozone Layer, Deputy Assistant Secretary Benedick, U.S. Workshop on Protecting the Ozone Layer, Mar. 6, 1986, and Assistant Secretary Negroponte, Senate Foreign Relations Committee, Mar. 18, 1986 (Current Policy #808).

Europe

Implementation of Helsinki Final Act, 19th Semiannual Report, April 1–October 1, 1985 (Special Report #134).

Bern Experts Meeting on Human Contacts (GIST, Mar. 1986).

Food

World Food Security (GIST, Mar. 1986).

Middle East

Review of Developments in the Middle East, Assistant Secretary Murphy, Subcommittee on Europe and the Middle East, House Foreign Affairs Committee, Jan. 28, 1986 (Current Policy #786).

Narcotics

The Drug Problem: Americans Arrested Abroad (GIST, Mar. 1986).

South Asia

Soviet Influence on Afghan Youth, Feb. 1986 (Special Report #139).

United Nations

Ethiopia: The UN's Role, Assistant Secretary Keyes, Senate Foreign Relations Committee, Mar. 6, 1986 (Current Policy #803).

40th Anniversary of the United Nations, Mar. 1986 (Bulletin Reprint).

Western Hemisphere

Drug Wars: The New Alliances Against Traffickers and Terrorists, Assistant Secretary Abrams, Council on Foreign Relations, New York City, Feb. 10, 1986 (Current Policy #792).

CBI and the U.S. National Interest, Assistant Secretary Abrams, Subcommittee on Oversite, House Ways and Means Committee, Feb. 25, 1986 (Current Policy #799).

Permanent Dictatorship in Nicaragua?, Assistant Secretary Abrams, Subcommittee on Western Hemisphere Affairs, House Foreign Affairs Committee, Mar. 5, 1986 (Current Policy #802).

U.S. Assistance to Haiti, Feb. 1986 (Special Report #141).

Documents on the Nicaraguan Resistance: Leaders, Military Personnel, and Programs, Feb. 1986 (Special Report #142).

U.S.-Argentina Relations (GIST, Mar. 1986). ■

Current Documents, 1983 Released

The Department of State on April 7, 1986, released *American Foreign Policy: Current Documents, 1983*. The book is the most recent volume in an ongoing Department of State series.

Like earlier volumes in the series, this book presents official public expressions of policy that best set forth the goals and objectives of U.S. foreign policy. Included are the texts of major official messages, addresses, statements, interviews, press conferences and briefings, reports, congressional testimony, and communications by the White House, the Department of State, and other Federal agencies or officials involved in the foreign policy process. The volume contains 1,477 pages arranged chronologically within 15 geographic and topical chapters and includes a list of documents, editorial annotations, maps, a list of names and abbreviations, and an index.

The volume covers the third year of the Reagan Administration. It presents the major statements by President Reagan, the Secretary of State, and other government leaders setting forth the most important general principles of American foreign policy in 1983. Policy statements are included on national security policy (including the announcement and promotion of the Strategic Defense Initiative), arms control, foreign economic policy (including the Williamsburg economic summit), terrorism, the role of the United States in the United Nations, the approach to human rights around the world, the concern with refugees, and the law of the sea. The volume also presents expressions of U.S. policy on Lebanon, Central America, U.S. military involvement in Grenada, the Soviet Union's destruction of the Korean Air Lines plane, and other regional and bilateral aspects of American foreign relations in 1983.

The *American Foreign Policy* documentary series began in 1950. Following the publication of three volumes covering the 1941–55 years, annual volumes entitled *American Foreign Policy. Current Documents* were issued for the years 1956–67. After an interruption, the series was resumed with the publication in August 1983 of *American Foreign Policy: Basic Documents, 1977–1980*. The annual volumes were revived with the publication of *American Foreign Policy: Current Documents, 1981* and *American Foreign Policy: Current Documents, 1982*. It is the Department's intention to publish the annual volumes for 1984 and 1985 this year.

Press release 71. ■

Background Notes

This series provides brief, factual summaries of the people, history, government, economy, and foreign relations of about 170 countries (excluding the United States) and of selected international organizations. Recent revisions are:

Algeria (Oct. 1985)
Congo (Dec. 1985)
Fiji (Nov. 1985)
Gabon (Sept. 1985)
Mexico (Dec. 1985)
Sudan (Aug. 1985)
Uruguay (Dec. 1985)
Western Samoa (Dec. 1985)
Yugoslavia (Oct. 1985)
Index (Dec. 1985)

A free copy of the **index only** may be obtained from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

For about 60 *Background Notes* a year, a subscription is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for $32.00 (domestic) and $40.00 (foreign). Check or money order, made payable to the Superintendent of Documents, must accompany order. ■

GPO Subscriptions

The following subscriptions are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Checks or money orders, made payable to the Superintendent of Documents, must accompany order.

Diplomatic List
This is a quarterly list of foreign diplomatic representatives in Washington, D.C., and their addresses. Annual subscription—$14.00 domestic; $17.50 foreign. Single copy—$3.75 domestic; $4.70 foreign.

Employees of Diplomatic Missions
This quarterly publication lists the names and addresses of employees of foreign diplomatic representatives in Washington, D.C., who are not included in the Diplomatic List. Annual subscription—$9.50 domestic; $11.90 foreign. Single copy—$4.50 domestic; $5.65 foreign.

Key Officers of Foreign Service Posts: Guide for Business Representatives
This pocket-sized directory is published three times a year. It lists key U.S. Foreign Service officers abroad with whom business representatives most likely would have contact. It also has the address and telephone number of all U.S. diplomatic posts. Annual subscription—$10.00 domestic; $12.50 foreign. Single copy—$4.25 domestic; $5.35 foreign.

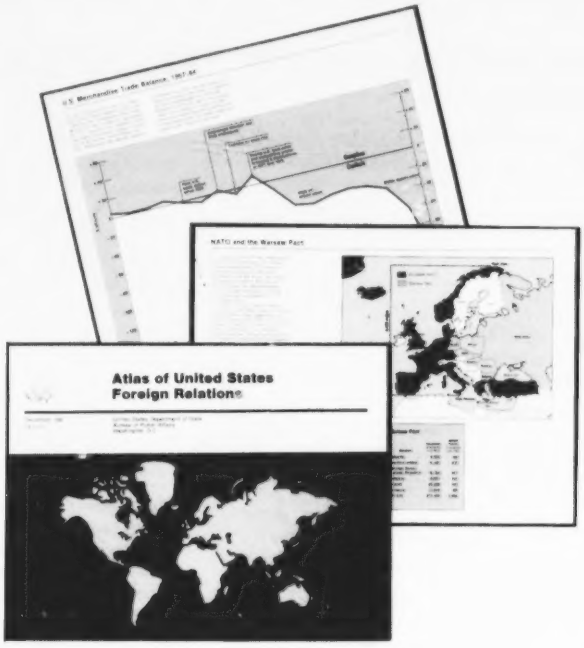
Treaties and Other International Acts
This subscription, issued irregularly, contains the texts of agreements entered into by the United States with other nations. Subscription price (150 issues)—$135.00 domestic; $168.75 foreign. Single copies vary in price.

Note: On infrequent occasions a series number is assigned to a volume of such large size and cost that it cannot be included as part of the subscription. When such a volume is issued, it is GPO policy to bring the matter to the immediate attention of all subscribers in order that they may account for the series number omitted from their subscription and to give them an opportunity to obtain the volume in question, if they wish to do so. ■

Atlas of United States Foreign Relations

The *Atlas of United States Foreign Relations,* December 1985, provides basic information about U.S. foreign relations for easy reference and as a educational tool. This is the second, revised edition of the atlas (first published in 1983). For this edition, most of the displays have been revised or updated, and some have been expanded or recast to reflect recent developments. Comprising 100 pages with 90 maps and charts, it is divided into six sections dealing with:

- Foreign relations machinery;
- International organizations;
- Elements of the world economy;
- Trade and investment;
- Development assistance; and
- U.S. national security.



GPO Order Form

Please send me _____ copy(ies) of the ***Atlas of United States Foreign Relations***
@ $5.00 per copy (S/N 044–000–02102–1)

Any customer ordering 100 or more copies for delivery to a single destination will be allowed a 25% discount.

Mail to: Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

GPO prices are subject to change without notice.
(Confirm by calling 202–783–3238.)

Enclosed is $_____ ☐ check or ☐ money order (payable to Superintendent of Documents) or charge to my

Deposit Account No. _____ – _____ Order No. _____

Credit Card Orders Only

Total charges $_____

Credit Card No. _____ Expiration date Month/Year _____

Please Print

Company or personal name

Additional address line

Street address

City State Zip Code

(or Country)

For Office Use Only

Quantity Charges

_____ Publications _____
_____ Subscriptions _____
Special shipping charges _____
International handling _____
Special charges _____
OPNR

_____ UPNS
_____ Balance Due
_____ Discount
_____ Refund

4/86

INDEX

May 1986
Volume 86, No. 2110

A hanistan. Afghanistan Day, 1986 (proclamation) 79
A ca
F dom, Regional Security, and Global ace (message to the Congress) 32
S Saharan Africa and the United States—rt 2 (Cook) 1
ola. South Africa's Proposal on Namibia d Angola (White House statement) ...45
s Control
FR Talks End 38th Round (White House atement) 54
otiations on Nuclear and Space Arms itze) 50
clear and Space Arms Talks Conclude Round 4 (Kampelman) 52
Nuclear Testing Limitations (Reagan, letter to Senate Majority Leader) 53
The Promise of SDI (Nitze) 55
Cambodia. Americans Missing in Indochina (Monjo) 63
Cameroon. Visit of Cameroon's President (Biya, Reagan) 48
Chad. U.S. Emergency Military Assistance to Chad (Department statement) 49
Canada. Visit of Canadian Prime Minister (Mulroney, Reagan, White House statement) 57
Congress
Americans Missing in Indochina (Monjo) ..63
Assistance for Nicaraguan Democratic Resistance (messages to the Congress) ..81
The CSCE Process and East-West Diplomacy (Armacost) 69
Freedom, Regional Security, and Global Peace (message to the Congress) 32
Northern Ireland and Ireland Assistance Legislation (message to the Congress) ..73
Nuclear Cooperation With EURATOM (letter to the Congress) 78
Nuclear Testing Limitations (Reagan, letter to Senate Majority Leader) 53
Report on U.S. Actions Toward South Africa (message to the Congress) 46
Response to Allegations on Case of Soviet Seaman Medvid (Ridgway) 75
A Review of Recent Events in South Africa (Crocker) 44
Trade Policy Directions for 1986 (Yeutter) 64
U.S. Assistance in Support of the Anglo-Irish Agreement on Northern Ireland (Ridgway) 72
epartment & Foreign Service. Diplomacy, he Foreign Service, and the Department f State (Spiers) 58
t Asia. Freedom, Regional Security, and lobal Peace (message to the Congress) .32
ope
CSCE Process and East-West Diplomacy rmacost) 69
F dom, Regional Security, and Global ace (message to the Congress) 32
Foreign Assistance. Assistance for Nicaraguan Democratic Resistance (messages to the Congress) 81
Germany. U.S.-West Germany to Cooperate on SDI Research (Defense Department statement) 78
Honduras. Honduras Receives U.S. Assistance to Repel Sandinista Attacks (Department statement) 86
Information Policy. The Shape, Scope, and Consequences of the Age of Information (Shultz) 40
Ireland
Northern Ireland and Ireland Assistance Legislation (message to the Congress) ..73
St. Patrick's Day, 1986 (Reagan) 74
U.S. Assistance in Support of the Anglo-Irish Agreement on Northern Ireland (Ridgway) 72
Laos. Americans Missing in Indochina (Monjo) 63
Law of the Sea. Rights and Freedoms in International Waters (Department statement) 79
Libya
Libya Fires on U.S. Vessels in International Waters (White House statement) 76
U.S. Response to Libyan Attack (Walters, U.S. letter to Security Council) 80
Maritime Affairs. Rights and Freedoms in International Waters (Department statement) 79
Military Affairs
Libya Fires on U.S. Vessels in International Waters (White House statement) 76
The Promise of SDI (Nitze) 55
U.S.-West Germany to Cooperate on SDI Research (Defense Department statement) 78
Namibia. South Africa's Proposal on Namibia and Angola (White House statement) 45
Nicaragua
Assistance for Nicaraguan Democratic Resistance (messages to the Congress) ..81
Captured Weapons Displayed at the State Department (Reagan) 87
Honduras Receives U.S. Assistance to Repel Sandinista Attacks (Department statement) 86
Nicaragua and the Future of Central America (Shultz) 37
Peace Proposal Offered to Nicaragua (White House statement) 85
North Atlantic Treaty Organization. NATO Nuclear Planning Group Meets in West Germany (final communique) 75
Nuclear Policy. Nuclear Cooperation With EURATOM (letter to the Congress) 78
Presidential Documents
Afghanistan Day, 1986 (proclamation) 79
Assistance for Nicaraguan Democratic Resistance (messages to the Congress) ..81
Captured Weapons Displayed at the State Department 87
Central America and U.S. Security 28
Freedom, Regional Security, and Global Peace (message to the Congress) 32
Northern Ireland and Ireland Assistance Legislation (message to the Congress) ..73
Nuclear Cooperation With EURATOM (letter to the Congress) 78
Nuclear Testing Limitations (letter to Senate Majority Leader) 53
Report on U.S. Actions Toward South Africa (message to the Congress) 46
St. Patrick's Day, 1986 74
Visit of Cameroon's President (Biya, Reagan) 48
Visit of Canadian Prime Minister (Mulroney, Reagan, White House statement) 57
Publications
Background Notes 93
Current Documents, 1983 Released 93
Department of State 92
GPO Subscriptions 93
Saudi Arabia. U.S. Proposes Arms Sales to Saudi Arabia (Department statement) ...77
Security Assistance
U.S. Emergency Military Assistance to Chad (Department statement) 49
U.S. Proposes Arms Sales to Saudi Arabia (Department statement) 77
South Africa
Report on U.S. Actions Toward South Africa (message to the Congress) 46
A Review of Recent Events in South Africa (Crocker) 44
South Africa's Proposal on Namibia and Angola (White House statement) 45
U.S.-Supported Human Rights Program in South Africa 47
South Asia. Freedom, Regional Security, and Global Peace (message to the Congress) .32
Trade. Trade Policy Directions for 1986 (Yeutter) 64
Treaties. Current Actions 89
U.S.S.R.
The CSCE Process and East-West Diplomacy (Armacost) 69
Freedom, Regional Security, and Global Peace (message to the Congress) 32
MBFR Talks End 38th Round (White House statement) 54
Negotiations on Nuclear and Space Arms (Nitze) 50
Nuclear and Space Arms Talks Conclude Round 4 (Kampelman) 52
Nuclear Testing Limitations (Reagan, letter to Senate Majority Leader) 53
Response to Allegations on Case of Soviet Seaman Medvid (Ridgway) 75
United Kingdom. U.S. Assistance in Support of the Anglo-Irish Agreement on Northern Ireland (Ridgway) 72
United Nations. U.S. Response to Libyan Attack (Walters, U.S. letter to Security Council) 80
Vietnam. Americans Missing in Indochina (Monjo) 63
Western Hemisphere
Central America and U.S. Security (Reagan) 28
Freedom, Regional Security, and Global Peace (message to the Congress) 32

Name Index

Armacost, Michael H 69
Biya, Paul 48
Cook, Philip R. Jr 1
Crocker, Chester A 44
Kampelman, Max M 52
Monjo, John C 63
Mulroney, Brian 57
Nitze, Paul H 50, 55
Reagan, President ..28, 32, 46, 48, 53, 57, 73, 74, 78, 79, 81, 87
Ridgway, Rozanne L 72, 75
Shultz, Secretary 37, 40
Spiers, Ronald I 58
Walters, Vernon A 80
Yeutter, Clayton 64

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

OFFICIAL BUSINESS
Penalty for Private Use $300

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

READEX FICHE
best copy available

86/2111

Department of State bulletin

The Official Monthly Record of United States Foreign Policy / Volume 86 / Number 2111

NEWARK PUBLIC LIBRARY

JUL 9 1986

June 1986

DEPOSITORY 378

LD 5. C
U.S. DOCUMENTS
NEWARK PUBLIC LIBRARY

Libya/1

Vice President/27

Economics/27

Europe/60

S1.3:

Department of State bulletin

Volume 86/Number 2111/June 1986

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

BERNARD KALB
Assistant Secretary for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

SHARON R. LOTZ
Assistant Editor

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

Department of State BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. The BULLETIN is indexed in the Readers' Guide to Periodical Literature.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

CONTENTS

FEATURE

1 U.S. Exercises Right of Self-Defense Against Libyan Terrorism *(President Reagan, Secretary Shultz, Caspar W. Weinberger, White House Statement)*

18 Security Council Considers U.S. Self-Defense Exercise *(Herbert S. Okun, Vernon A. Walters)*

The President

24 News Conference of April 9 *(Excerpts)*

The Vice President

27 Visits Persian Gulf

32 Visits Tunisia and Portugal

The Secretary

33 Visits France, Turkey, Greece, and Italy

35 Moral Principles and Strategic Interests: The Worldwide Movement Toward Democracy

Arms Control

39 Soviet Nuclear Test Ban Proposal *(White House Statement)*

40 CDE Talks Resume *(White House Statement)*

Department

40 U.S. Diplomatic History Records Transferred to National Archives

East Asia

41 U.S. Security Interests in the Philippines *(Gaston J. Sigur, Jr.)*

Economics

42 U.S.-EC Trade Dispute *(Malcolm Baldrige)*

44 OECD Council Session Held in Paris *(Final Communique)*

46 Foreign Unfair Trade Practices *(White House Statement)*

48 Structural Adjustment and the Trading System: Europe's Role *(W. Allen Wallis)*

Energy

51 The Oil Market and U.S. Energy Security *(E. Allan Wendt)*

Environment

55 Environment in the Foreign Policy Agenda *(Richard E. Benedick)*

58 International Cooperation to Protect the Ozone Layer *(Richard E. Benedick, John D. Negroponte)*

Europe

60 President Meets With Soviet Ambassador Dobrynin *(Secretary Shultz)*

63 Dealing With Gorbachev's Soviet Union *(Michael H. Armacost)*

64 Conference on Security and Cooperation in Europe *(President Reagan)*

66 25th Report on Cyprus *(Message to the Congress)*

General

67 Foreign Policy Challenge: A 25-Year Retrospective *(Michael H. Armacost)*

Middle East

70 Arms Sales Policies Toward the Middle East *(Richard W. Murphy)*

72 Gulf of Sidra Incident *(Letter to the Congress)*

Oceans

73 U.S., Canada, and Japan Agree on Salmon Harvests

Pacific

74 The Benefits of Collective Security *(Paul M. Cleveland)*

78 Compact of Free Association With Palau *(Message to the Congress)*

Terrorism

79 Counterterrorism Policy *(John C. Whitehead)*

United Nations

81 Ethiopia: The UN's Role *(Alan L. Keyes)*

Western Hemisphere

83 Hemispheric Cooperation in the Administration of Justice

85 Contadora Negotiations With Nicaragua *(White House Statement)*

86 The Alliance for Progress and Today's Development Policy *(Elliott Abrams)*

End Notes

89 April 1986

Treaties

90 Current Actions

Press Releases

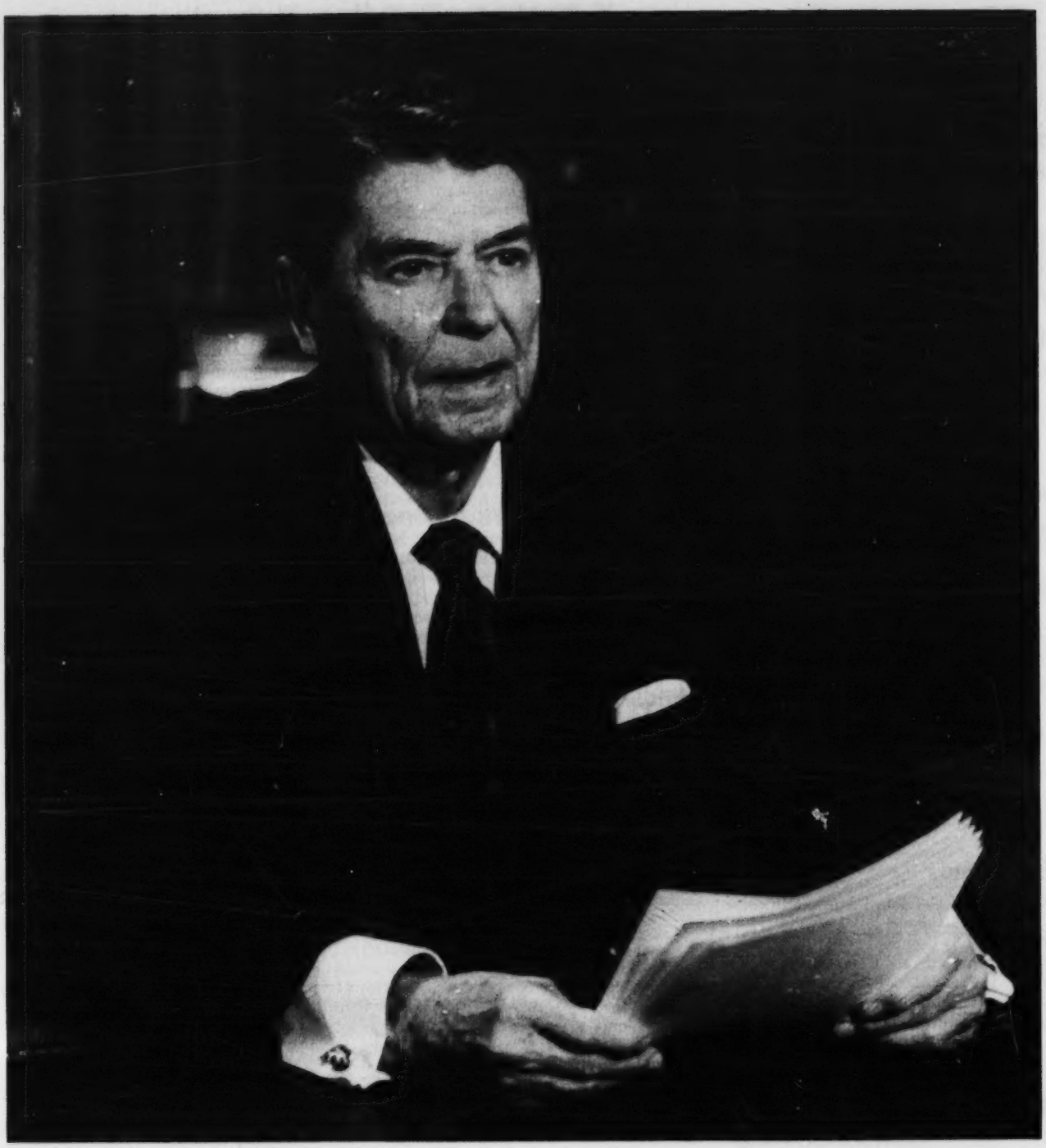
92 Department of State

Publications

93 Department of State

93 Foreign Relations Volume Released

Index



(White House photo by Terry Arthur)

President Reagan addresses the nation on television, April 14, 1986, on the U.S. air strike against Libya.

U.S. Exercises Right of Self-Defense Against Libyan Terrorism

WHITE HOUSE STATEMENT, APR. 14, 1986[1]

U.S. military forces this evening have executed a series of carefully planned air strikes against terrorist-related targets in Libya. These strikes have been completed, and our aircraft are returning.

Libya bears direct responsibility for the bombing in West Berlin on April 5 that resulted in the death of Army Sergeant Kenneth Ford and injury to a number of American servicemen and others. In light of this reprehensible act of violence and clear evidence that Libya is planning future attacks, the United States has chosen to exercise its right of self-defense. It is our hope that action will preempt and discourage Libyan attacks against innocent civilians in the future.

U.S. forces struck targets that were part of Qadhafi's terrorist infrastructure—the command and control systems, intelligence, communications, logistics, and training facilities. These are sites which allow Qadhafi to perpetrate terrorist acts.

In addition to the strikes at terrorist centers, the President also authorized limited defense suppression missions in order to defend our own forces engaged in this mission. Every effort was made to avoid civilian casualties and limit collateral damage and to avoid casualties to those American servicemen who are participating.

PRESIDENT'S ADDRESS TO THE NATION, APR. 14, 1986[1]

My fellow Americans, at 7:00 this evening eastern time, air and naval forces of the United States launched a series of strikes against the headquarters, terrorist facilities, and military assets that support Muammar Qadhafi's subversive activities. The attacks were concentrated and carefully targeted to minimize casualties among the Libyan people, with whom we have no quarrel.

From initial reports, our forces have succeeded in their mission. Several weeks ago in New Orleans, I warned Colonel Qadhafi we would hold his regime accountable for any new terrorist attacks launched against American citizens. More recently, I made it clear we would respond as soon as we determined conclusively who was responsible for such attacks.

On April 5 in West Berlin, a terrorist bomb exploded in a nightclub frequented by American servicemen. Sgt. Kenneth Ford and a young Turkish woman were killed, and 230 others were wounded, among them some 50 American military personnel.

This monstrous brutality is but the latest act in Colonel Qadhafi's reign of terror. The evidence is now conclusive that the terrorist bombing of LaBelle discotheque was planned and executed under the direct orders of the Libyan regime. On March 25, more than a week before the attack, orders were sent from Tripoli to the Libyan People's Bureau in East Berlin to conduct a terrorist attack against Americans to cause maximum and indiscriminate casualties. Libya's agents then planted the bomb. On April 4, the People's Bureau alerted Tripoli that the attack would be carried out the following morning. The next day, they reported back to Tripoli on the great success of their mission.

Our evidence is direct; it is precise; it is irrefutable. We have solid evidence about other attacks Qadhafi has planned against the U.S. installations and diplomats and even American tourists.

Thanks to close cooperation with our friends, some of these have been prevented. With the help of French authorities, we recently aborted one such attack—a planned massacre, using grenades and small arms, of civilians waiting in line for visas at an American Embassy.

Colonel Qadhafi is not only an enemy of the United States. His record of subversion and aggression against the neighboring states in Africa is well documented and well known. He has ordered the murder of fellow Libyans in countless countries. He has sanctioned acts of terror in Africa, Europe, and the Middle East, as well as the Western Hemisphere.

Today, we have done what we had to do. If necessary, we shall do it again. It gives me no pleasure to say that, and I wish it were otherwise.

Before Qadhafi seized power in 1969, the people of Libya had been friends of the United States. And I'm sure that today most Libyans are ashamed and disgusted that this man has made their country a synonym for barbarism around the world. The Libyan people are decent people caught in the grip of a tyrant.

To our friends and allies in Europe who cooperated in today's mission, I would only say you have the permanent gratitude of the American people. Europeans who remember history understand better than most that there is no security, no safety in the appeasement of evil. It must be the core of Western policy that there be no sanctuary for terror, and to sustain such a policy, free men and free nations must unite and work together.

Sometimes it is said that by imposing sanctions against Colonel Qadhafi or by striking at his terrorist installations, we only magnify the man's importance—that the proper way to deal with him is to ignore him. I do not agree. Long before I came into this office, Colonel Qadhafi had engaged in acts of international terror—acts that put him outside the company of civilized men. For years, however, he suffered no economic or political or military sanction, and the atrocities mounted in number, as did the innocent dead and wounded. And for us to ignore by inaction the slaughter of American civilians and

American soldiers, whether in nightclubs or airline terminals, is simply not in the American tradition. When our citizens are abused or attacked anywhere in the world on the direct orders of a hostile regime, we will respond so long as I'm in this Oval Office. Self-defense is not only our right, it is our duty. It is the purpose behind the mission undertaken tonight—a mission fully consistent with Article 51 of the UN Charter.

We believe that this preemptive action against terrorist installations will not only diminish Colonel Qadhafi's capacity to export terror, it will provide him with incentives and reasons to alter his criminal behavior. I have no illusion that tonight's action will ring down the curtain on Qadhafi's reign of terror. But this mission, violent though it was, can bring closer a safer and more secure world for decent men and women. We will persevere.

This afternoon, we consulted with the leaders of Congress regarding what we were about to do and why. Tonight, I salute the skill and professionalism of the men and women of our armed forces who carried out this mission. It's an honor to be your Commander in Chief.

We Americans are slow to anger. We always seek peaceful avenues before resorting to the use of force—and we did. We tried quiet diplomacy, public condemnation, economic sanctions, and demonstrations of military force. None succeeded. Despite our repeated warnings, Qadhafi continued his reckless policy of intimidation, his relentless pursuit of terror. He counted on America to be passive. He counted wrong.

I warned that there should be no place on earth where terrorists can rest and train and practice their deadly skills. I meant it. I said that we would act with others, if possible, and alone, if necessary, to ensure that terrorsts have no sanctuary anywhere. Tonight, we have.

(White House photo by Pete Souza)

On April 9, President Reagan participates with top advisers in an Oval Office briefing by Admiral William J. Crowe, Chairman of the Joint Chiefs of Staff, on plans for the Libyan operation. Clockwise from the President are: Secretary of State Shultz; Treasury Secretary Baker; Deputy Defense Secretary Taft; Admiral Crowe; Donald Fortier, Deputy Assistant to the President for National Security Affairs; CIA Director Casey; Chief of Staff Regan; and Attorney General Meese.

(White House photo by Pete Souza)

On April 14, hours before the Libyan maneuvers, President Reagan holds an Oval Office conference with national security adviser John Poindexter (right), Defense Secretary Weinberger, and Chief of Staff Regan (left).

(White House photo by Terry Arthur)

President Reagan addresses a point raised by Congressman Dante Fascell (far left) at the conclusion of an April 14 afternoon meeting with House and Senate leaders in the Old Executive Office Building regarding plans for the Libyan operation. Senators Richard Lugar (center left), Robert Dole (center), and Robert Byrd (seated) look on.

JOINT NEWS CONFERENCE BY SECRETARY SHULTZ AND SECRETARY WEINBERGER, APR. 14, 1986[2]

Secretary Shultz. The President has just described an act of self-defense on the part of the United States. The action was proportionate to the sustained, clear, continuing, and widespread use of terror against Americans and others by Qadhafi's Libya.

As the President said, we must remember—and of course Europeans particularly remember—that tolerance or appeasement of aggression has historically brought more aggression.

In Qadhafi's case, what we have seen over a period of years, and escalating in recent months, is a continuing increase in the use of terror. So this is not a question of something that we have done being countered by something he has done, and so on. It has been an escalation by Qadhafi that has called forward this act of self-defense on the part of the United States.

So under these circumstances, the President decided that it was time to act, and he did. Secretary Weinberger will describe precisely what the action was.

Secretary Weinberger. At about 7:00 p.m. eastern time, elements—medium units—of the Third Air Force attacked targets in the western Libyan zone and at the same time A–6s from the *America* and the *Coral Sea* attacked targets in the eastern Libyan zone as listed here [indicating chart].

The targets of the western zone were the military airport near Tripoli; the Aziziyah barracks, which are a command-to-control headquarters of the Libyan terrorist activities; and Sidi Bilal which is a training area, including a maritime diver training unit for terrorists, in the west.

In the east, the Jamahiriya barracks, which is an alternate command post from the Aziziyah barracks, was also attacked and the Benina Air Base from which defensive, suppressive activities and air defense would be mounted was attacked.

We used a combination of 500-pound and 2,000-pound laser-guided weapons and precision-guided delayed gravity

bombs. All of the Navy planes have returned without casualty. All of the F-111s, with one exception, have been accounted for and are returning. There is one that is not accounted for at this time. They will recover to their home bases somewhere in the neighborhood of about 2:00 a.m. eastern time.

The bomb damage assessment at the moment is limited, and we've not had full reports, but we do know that at Benina Air Base the base was closed. They were unable to launch any aircraft. They had no lights, no radar, no communication as a result of the attack.

We will have very full reports of the attack as the F-111s return to their bases in the early morning, and we will have more precise bomb damage assessments at that time.

The attack was carried out precisely as planned, and it was, as the President said, evidence of very great skill, both navigational as well as the organization of the attack which was a difficult one from the professional point of view and done with great effectiveness; we should have the full reports of the bomb damage assessment at that time. All the targets were terrorist-related and the criteria for selecting the targets was that they had a full terrorist connection; that we would minimize any collateral damage from civilian or other facilities nearby; that we would have full consideration for the safety of the pilots as a major consideration; and that they would be good night targets in the sense that they had good outlines that could be reflected on the radar and not mistaken for other targets.

Q. Was there an effort to get Qadhafi personally?

Secretary Weinberger. No, there was not.

Q. There were reports that some of his family had been injured.

Secretary Weinberger. We don't know anything about those reports. They're from the Libyan radio.

Q. How many do you think were killed?

Secretary Weinberger. We have no idea that we killed anybody.

Q. Do you believe that that F-111 was knocked down?

Secretary Weinberger. We don't have any indication of the fact at all. It's simply not accounted for at this time.

Q. [Inaudible] get shot down. What other explanation could there be for not—

Secretary Weinberger. There are any one of a number of explanations. It could have radio trouble. It could be going to another base because of the radio trouble. It could have had an internal problem, an internal explosion. But there's no indication that it went down or it was the victim of any enemy fire or anything of the kind.

Q. There was also a report that you hit part of the French Embassy in Libya. Do you know anything about that report?

Secretary Weinberger. That would be, I think, virtually impossible.

Q. Did Mrs. Thatcher approve the F-111s taking off from British soil?

Secretary Weinberger. Yes, permission was granted.

Q. Could you tell us when the decision was made to proceed with this operation?

Secretary Weinberger. Over a considerable period of time, as the evidence mounted and as the discussions were held.

Q. Could you give us the number of aircraft involved?

Secretary Weinberger. Yes. There were about 18 F-111s initially that were planned for; there were about 15 A-6s and 7s and supporting aircraft; in addition to that, in the form of tankers, the E2-Cs, the fighter cover, and various other missions that were flown at the same time—a very considerable number. I don't have the exact total.

This is the route [indicating map] that was followed by the F-111s from the bases in England, at Mendenhall and Lakenheath and Upper Heyford, and the tankers followed along down there and they went through that. There was a total of about 2,800 nautical miles.

Q. Can you say if there was any permanent damage intended or likely to be inflicted by this, or is this really just a temporary—

Secretary Weinberger. Not on this scale. There was certainly no slight suggestion that it was any gesture of any kind. It was intended to do exactly as Secretary Shultz and the President said.

Q. Was the Soviet Union informed?

Secretary Weinberger. They were informed. George, do you want to have a little time?

Secretary Shultz. The Soviet Union was told that we had conclusive evidence of Libyan involvement in terrorist activity, including the Berlin bombing.

At the time of the military operation, that is, as it was taking place, the Soviet Charge here--the senior Soviet in Washington—was called in and told of the operation. He was told why, he was told of our evidence, and he was told that this action was directed against Libyan terrorism and was in no way directed against the Soviet Union.

Q. Do you think this settles the score with Libya? To what extent do you think this settles the score with Libya?

Secretary Shultz. It's not a question of settling scores. It's a question of acting against terrorism; of saying to terrorists that the acts they perpetrate will cost them. If you raise the cost, you do something that should eventually act as a deterrent. That is the primary objective, to defend ourselves both in the immediate sense and prospectively.

Q. What steps have been taken now in the wake of this attack in order to increase the security around U.S. Embassies abroad, especially in the Middle East?

Secretary Shultz. All of our Embassies are on alert, of course. We have reports and indications, quite substantial evidence, of Libyan efforts to attack—varying degrees of certainty on the evidence—up to 30 of our Embassies. So when I say that Qadhafi's planning is widespread, the evidence is quite clear that it is.

Q. The recent planning?

Secretary Shultz. Yes, absolutely.

Secretary Weinberger. I would also add that the military installations around the world are also on full alert for terrorist attacks of any kind from any quarter.

Q. If we have such good evidence, and if we have such good intelligence about this, particularly what the spokesman and the President said tonight, why were we unable to stop that Berlin attack if we knew one had been ordered the day before?

Secretary Shultz. We knew that they had ordered an attack in Berlin. Berlin's a big place. And we were in the process of trying to track down, and I think—in Berlin and in other places, through the intelligence we collected, through the cooperation with other countries and their intelligence, we have been able to abort and stop a number of terrorist acts. In this case, we were not able to identify the particular disco and get people cleaned out in time.

Secretary Weinberger. We were within 15 minutes, according to General Rogers [Gen. Bernard W. Rogers, Commander in Chief, U.S. European Command], of getting notifications with respect to this particular installation as to the fact that it was potentially a dangerous area.

Q. In light of the Syrian Government's pledge to back the Libyan Government in this crisis, are we now also on the alert for any Syrian-sponsored acts of terrorism directed against the United States?

Secretary Shultz. We are on the alert for any acts of terrorism against the United States, and, of course we have a collaborative pattern with other countries. We're as concerned about terrorism against others as we are about ourselves.

Q. You indicated that we now have evidence that the Libyans were planning some terrorist attacks against up to 30 U.S. Embassy or diplomatic facilities.

Secretary Shultz. That's right.

Q. Do we have any evidence of Syrian planning to attack or to launch terrorist attacks on Americans or American facilities?

Secretary Shultz. I have nothing that I'm prepared to talk about on that score at all. On the other hand, Syria has made the statement that you quoted; what that will turn out to mean remains to be seen.

Q. Why do we stand alone among the allies, with the exception of Margaret Thatcher, apparently? Why did the European Community caution us against retaliating? What more evidence [inaudible]?

Secretary Shultz. With respect to our allies, we have a variety of opinions, and I would have to say, having talked with a great many of them recently, opinions vary within those governments. I think in general what we see is a shift in the direction of seeing very clearly what Qadhafi is, what he is doing, and gradually more and more coming to the conclusion that something needs to be done about it.

Today the European Community Foreign Ministers met. They were not apprised of what we were going to do, although some of those governments were aware of our plans—obviously, the British—and they stepped up, in effect, their attitude of condemnation of Libya. They singled Libya out by name.

So there is movement. But, as you say, they do not yet share our conviction that action of this kind is necessary.

Q. Was there a Soviet response from the charge here or from any other quarter?

Secretary Shultz. Other countries will have to speak for themselves, including the Soviet Union.

Q. Looking at the routes followed by the aircraft, is that due to evasive action or is that to avoid flying over the soil of allies that might—

Secretary Weinberger. Obviously, if we had permission to fly a direct route, we would have not subjected the pilots to quite such a long flight. But given the available routes that we had, we left England and we reached Libya. But it would have been, obviously from an operational point of view, less risk to the pilots and a quicker time than it took to go the 2,800 nautical miles to get in there. When a route of that kind is chosen, you also try to do as much as you can by changes of altitude, and so on, to have the maximum evasiveness.

Q. 2,800 miles is an awfully long flight.

Secretary Weinberger. It is a very long flight.

Q. How could—if you had had permission to overfly—for overflights on that other—on other countries' soil? How short [inaudible]—

Secretary Weinberger. We'd probably saved maybe close to 1,200 nautical miles.

Q. [Inaudible].

Secretary Weinberger. 1,200 down and 1,200 back.

Q. What's the range of an F-111?

Secretary Weinberger. It's refueled. Its range is virtually unlimited as long as you can refuel it, and they were refueled many times.

Q. Was permission sought, for example, from France and denied?

Secretary Weinberger. I think that's a fair description.

Q. Other countries as well?

Secretary Weinberger. No. That was what was the—that would have been the direct route.

Q. The President cited, for example, that the French assisted in uncovering—

Secretary Weinberger. That was an earlier case. They did, indeed.

Q. What if this does not deter Qadhafi and terrorism continues? What then?

Secretary Weinberger. That gets us into the hypotheticals, and, as you know, I try not to deal with those. The President, I think, made it very clear that he didn't feel that this would necessarily, automatically spell the end of terrorism. But I think it will send an unmistakable signal, and I think it will go very far toward deterring future acts. As the President said, we're prepared to take other action if it does not.

Q. You are the one who said that this was not a ratcheting up, or words to that effect, but a response in self-defense. But what if Qadhafi strikes back? Do we not then have to ratchet up our military response?

Secretary Shultz. We will take the action that is wise as we see the situation unfold. What is clear tonight is that the United States will take military action under certain circumstances. That's established. That's very important. Now, the situation will unfold, and we'll see where we go from there.

(White House photo by Bill Fitz-Patrick)

President Reagan walks along the colonnade to the Oval Office on April 15, the morning after the Libyan incident.

Q. How much operational damage, though, did this do to Qadhafi and the terrorist operation? I mean, how long does this put him out of business? What I guess I'm asking is, is it operational damage or a psychological blow that you're hoping to strike?

Secretary Shultz. Of course, we don't have any real damage assessment as yet, and we will get that, and we'll know more precisely what happened. But we seek to reduce his capability of carrying on terrorist acts and, I'm sure, to some degree that was done. We also have registered the point with him and with other Libyans that they will pay a price; that there is a cost to engaging in terrorism around the world. So they know that.

Q. Did Mrs. Thatcher give unqualified support, or did she set limits on what she was prepared to allow these planes to—

Secretary Weinberger. No. Mrs. Thatcher had, obviously, many questions and concerns, and they were expressed. A response was made to them and permission was given to do what was done.

Q. There are additional reports that the French Embassy has been hit in Tripoli.

Secretary Weinberger. That I don't think is—could be accurate reports, because of the nature of the targets and the nature of the ordnance used.

"THE TODAY SHOW" INTERVIEW WITH SECRETARY SHULTZ, APR. 15, 1986[3]

Q. Let me talk about what we just heard in that report from Steve Delaney. Was there any strategic value to that residential neighborhood?

A. The attacks were conducted against two military airports, against two barracks areas where Qadhafi's immediate guard was stationed, and against a terrorist training facility. And insofar as exactly what has happened, we are still in the process of assessing damage, and I can't comment in any detail about it. But the entire operation was designed to hit terrorists and terrorist support targets.

Q. Let me, if I might, spend some time talking about that F-111. Is it still unaccounted for this morning as we speak?

A. That is the information that I have. It is unaccounted for.

Q. Are you now inclined to believe that it's lost?

A. I think it's up to the Pentagon to comment on that, and what they've said so far is that it is unaccounted for.

Q. If it has not surfaced by now—12 hours after the attack—what other options are there?

A. I will ask the Pentagon to make those statements about their aircraft.

Q. What can you tell us about the level of damage inflicted by the attack on the areas you targeted?

A. I don't have a lot of information on the extent of damage as we are conducting our own intelligence. Obviously there are reports on television and from the local area, and we hear those.

Q. The targets were military, as you noted, as the President noted. What—

A. Military terrorists. Terrorists and terrorist support infrastructure.

Q. Okay, why didn't we go after Qadhafi himself?

A. We are not trying to go after Qadhafi as such, although we think he is a ruler that is better out of his country. We tried to hit directly on the terrorist support targets, on the terrorist training camps, and on the guard around Qadhafi.

Q. In that effort it would seem that America, in this case, very much went it alone. Are you this morning disappointed, frustrated, upset that we didn't get more of a show of support from our allies?

A. Of course, part of the force took off from the U.K. with permission from the British. I was gratified to see the very strong supporting statement made by Sir Geoffrey Howe, the Foreign Minister of the U.K. It was also interesting, although the European Foreign Ministers yesterday cautioned restraint, they nevertheless have seemed to step up their concern about what's going on in Libya. So people are gradually seeing the true nature of this menace that Qadhafi and his terrorist tactics are to the free world.

Q. But specifically the lack of cooperation we got from the French. They added to the mileage of the trip and this comes on the heels, after a week of tough talk by the new Foreign Minister, Jacques Chirac. Are you disappointed?

A. We certainly would have preferred to have that overflight right, but as far as the French view of the matter is concerned, obviously it is for the French to say.

Q. Do you understand or empathize with those Europeans who are reluctant to be as aggressive in their stance towards Qadhafi?

A. No one likes to be aggressive. We certainly don't. And you have to take a balance, and in this case it seemed to us and seemed to the President that the weight on the balance was very clear. Here you have Qadhafi, not only responsible for the bombing of the disco in Berlin, where over 200 people were injured and two killed, but a man who has been proceeding through a long series of terrorist activities, including such broad matters as mining the Red Sea. So this man is a menace, and at some point you have to say, enough. He has to start paying some price for these terrorist outrages.

Q. I don't think anyone questions that. The action was one of self-defense. As a byproduct of that action, what do you think Muammer Qadhafi's image is this morning? Has it been enhanced, or has it been tarnished?

A. It has been shown that he and the people around him will pay a price for their terrorist activities, and that we hope will give him some pause and give others some pause as they undertake these terrorist actions around the world, of which we see all too many.

Q. Senator Dole said that once you've struck down this road, there's no turning back. And a lot of folks this morning are voicing concern that we've now chosen to proceed down a road of escalation that has no end. Is that true?

A. Of course the fact of the matter is that Qadhafi's activities and terrorism in general has been increasing. That is a road that the terrorists have been going down. They've been going down it while we have raised objections, while we have gone around and conducted diplomatic efforts to do something about it. We have put on economic sanctions; we've done a whole variety of things to stop this escalating trend. And the trend was punctuated by the terrorist murders, in effect, in the disco in Berlin. So this is not a matter of escalation on our part; it is a matter of trying to put a stop to the escalation that's been taking place.

Q. I guess what I'm asking is, okay, this was a justified response, this was a proportionate response. With increasing attacks, will we continue to strike back in proportion or will we escalate?

A. As the President said, if we must, we'll do it again. I just rely on what the President said in his speech last night.

Q. Qadhafi has always said that if you have evidence against me, publish it.

A. Yes.

Q. Will the public ever get to see this evidence that last night the President characterized as precise and irrefutable?

A. We have shown that evidence to Members of Congress, and I believe that they are satisfied that the President is completely justified in his statements.

Q. So as a final note, what's your greatest concern this morning? What potential aftershock most concerns Secretary Shultz?

A. Of course, what we want to see is an end to this terrorist activity, and we hope that this move will on the one hand shock people into seeing how serious it is and on the other bring about its diminution and a rallying of people. To that end, we have, of course, filed at the United Nations today early this morning our report on this self-defensive measure against terrorism, and we'll be carrying that ball in the United Nations today.

LETTER TO THE CONGRESS, APR. 16, 1986[4]

Commencing at about 7:00 p.m. (EST) on April 14, air and naval forces of the United States conducted simultaneous bombing strikes on headquarters, terrorist facilities and military installations that support Libyan subversive activities. These strikes were completed by approximately 7:30 p.m. (EST).

The United States Air Force element, which launched from bases in the United Kingdom, struck targets at Tripoli Military Air Field, Tarabulus (Aziziyah) Barracks and Sidi Bilal Terrorist Training Camp. The United States Navy element, which launched from the USS *Coral Sea* and the USS *America*, struck targets at Benina Military Air Field and Benghazi Military Barracks. One F-111 with its two crew members is missing. These targets were carefully chosen, both for their direct linkage to Libyan support of terrorist activities and for the purpose of minimizing collateral damage and injury to innocent civilians.

These strikes were conducted in the exercise of our right of self-defense under Article 51 of the United Nations Charter. This necessary and appropriate action was a preemptive strike, directed against the Libyan terrorist infrastructure and designed to deter acts of terrorism by Libya, such as the Libyan-ordered bombing of a discotheque in West Berlin on April 5. Libya's cowardly and murderous act resulted in the death of two innocent people—an American soldier and a young Turkish woman—and the wounding of 50 United States Armed Forces personnel and 180 other innocent persons. This was the latest in a long series of terrorist attacks against United States installations, diplomats and citizens carried out or attempted with the support and direction of Muammar Qadhafi.

Should Libyan-sponsored terrorist attacks against the United States citizens not cease, we will take appropriate measures necessary to protect United States citizens in the exercise of our right of self-defense.

In accordance with my desire that Congress be informed on this matter, and consistent with the War Powers Resolution, I am providing this report on the employment of the United States Armed Forces. These self-defense measures were undertaken pursuant to my authority under the Constitution, including my authority as Commander in Chief of United States Armed Forces.

Sincerely,

RONALD REAGAN

"WORLDNET" INTERVIEW WITH SECRETARY SHULTZ, APR. 16, 1986[5]

Q. Mr. Shevardnadze has cancelled his meeting with you as a result of the American action in Libya. Does this cancellation cause you concern, and in particular, do you feel it seriously jeopardizes the prospect for a summit between Mr. Gorbachev and President Reagan?

A. The United States took action against terrorism perpetrated by Qadhafi's Libya, and it was clear that the murder in the Berlin disco was caused by him and many other terrorist acts that we know about planned by him. So the action was an important action of self-defense.

We had told the Soviet Union very clearly that we had conclusive evidence of Qadhafi's involvement in that Berlin disco bombing, and we're, of course, disappointed that they didn't join us in this battle against terrorism.

As far as the talks with the Soviet Union are concerned, at the Foreign Ministry level or other levels, the problems are there. The need for discussion and the need for efforts at negotiations are there, and the United States is prepared to proceed. What the conclusions of the Soviet Union will be remain to be seen, but, as far as we're concerned, we're prepared to proceed.

Q. You used American planes based in Britain. Was this a military or political necessity and how did you persuade Mrs. Thatcher to allow you to do that?

A. The planes used from British bases, the F-111's, were able to be more precise. They were able to use their night equipment better, they could carry a heavier amount of bombs, and so it was militarily important to be able to use the planes from those bases. And, of course, we had a good back and forth with Mrs. Thatcher—Prime Minister Thatcher—not only from the standpoint of getting permission but hearing her views which had an impact on the President's decision. She was very helpful in every way in the conduct of this event countering terrorism.

Q. You say that your bombers attacked only military targets, and that your raid was a success. But we do

(White House photo by Pete Souza)

President Reagan listens as Gen. Charles Gabriel, Chief of Staff of the Air Force, gives a briefing on damage assessment of the Libyan incident at a meeting with key advisers in the Situation Room on April 15. From left are: President Reagan, Secretary Shultz, CIA Director Casey, Gen. Gabriel, Chief of Staff Regan, and Rodney McDaniel, special assistant to the President for national security affairs.

know that women and children were killed. Is that a success?

A. The targets were two military airfields and two places where guards surrounding Qadhafi and supporting his terrorist planning were located; and then, fifth, a terrorist training base. Those were the targets, and basically we hit those targets. Of course, we did this, and one reason for wanting precision in the bombing, insofar as you possibly can, was to avoid related civilian casualties, and we regret any such casualties.

Sometimes, of course, when civilians put themselves in a military place, they open themselves to this kind of unfortunate byproduct.

Q. Ambassador Walters told the European leaders that the United States has proof that attests to the guilt of Libya in terrorist attacks. What kinds of proof are they?

A. We have a variety of kinds of proof, and we hesitate always to be too explicit with it because being too explicit tends to dry up your intelligence. Intelligence is a key in countering terrorism, as every government knows, and as must be apparent to any citizen.

The kind of proof that we had in the case of the Berlin bombing, which I will mention because President Reagan brought it out in order to be totally convincing, was in the form of messages from Libya to their so-called People's Bureau in East Berlin telling them to plan this attack. Then messages going back to Libya from the bureau, saying that they had been able to put bombs in place. Then a message from the bureau, saying that they had successfully seen this carried out, and they had done it in a way that didn't leave any of their own fingerprints on it, and then a message of congratulations back from Libya to the People's Bureau. So that series of messages was quite conclusive.

Of course, we made a major effort to warn people, and we were going around and had almost reached that disco when the bomb, unfortunately, went off. We weren't able to reach it ahead of time.

Q. Should you, choosing the military reaction in spite of the fact that the reasons are not equivalent, the United States choose the same results as terrorism too in some opinions? Deaths of innocents, deaths of children, is a reality. Doesn't [inaudible]—does invite the way of the military actions?

A. The problem here is that when you have a terrorist, particularly a state conducting terrorist activities, threatening people, actually carrying out these brutal murders, there comes a time when you have to say to that terrorist, it's going to cost you to do that. You're not going to get away with it completely, and we're not going to cringe in the face of threats.

I think it's very important for us to remember the lesson of history that appeasement of aggressors does not pay; it only encourages aggression, and we've seen this aggressive pattern of behavior of Qadhafi growing. So we think that it is time, perhaps past time, to blow the whistle and to say to him, "You are going to pay a cost for these activities that are so disruptive of civilian life and normal patterns of life and behavior and governmental processes in our democratic countries."

Q. Would you repeat, would you insist, in this type of action if Libya was near the United States coast?

A. Of course.

Q. Some analysts think that the present one is the gravest crisis between the European allies of the United States since the Atlantic alliance was created. Even countries which are very sincere and faithful allies of the United States, as Italy—this was proven when the missiles were deployed—are now critical of the American policy. Can you comment about that?

A. Of course, alliance solidarity is of critical importance, and we all need to keep reminding ourselves that for 40 years now there has been peace in Europe. The NATO alliance has contributed tremendously to that. Included in the operation of that alliance is the stationing of U.S. forces in Europe, put there by the American taxpayer, and that has helped to keep the peace.

Now, these attacks—and there have been many—on NATO targets and, in particular, this attack on Berlin was aimed exactly at those American forces that are there keeping the peace. And we believe it's important to recognize that and to not allow this pattern of murder and intimidation and terrorist activity to continue, to show that we're going to stand up to it.

I welcome the statements of Prime Minister Craxi and others in Italy who have been increasingly critical of Libya and increasingly realistic about what Libya is really doing. I think the statement made by the European Community Foreign Ministers just a couple of days ago marked a genuine step in the direction of seeing this problem for what it is, and we welcome that.

Q. Don't you think that the military attack against Libya and generally the American policy about Libya could jeopardize for a long period every chance of negotiations in the Middle East?

A. I think, on the contrary, it is Qadhafi's Libya who opposes negotiations for peace in the Middle East. Whenever somebody steps forward and looks as though they might be getting organized in some manner in which an Arab country or countries could sit down and negotiate with Israel, people like Qadhafi oppose it. They oppose what we would normally think of as the peace process, and when an outstanding and courageous leader such as President Sadat is murdered, they glory in that.

So Qadhafi is not a person on the side of the peace process in the Middle East; quite to the contrary. And so his terrorist actions against peace in the Middle East have to be resisted and countered just as much as these actions in Europe.

Q. After the attack, what are your feelings now? Do you think that Mr. Qadhafi is going to play a rougher game in supporting terrorism?

A. There is lots of intelligence about Qadhafi's plans that were in place before our response in self-defense at the Berlin and related incidents. So we know about many of these plans, and, of course, we're on the alert, and some of them have already been aborted. It's a major set of problems out there.

Q. It's hard to believe you didn't want to kill Qadhafi in a certain way.

He has not been very talkative since you bombed Tripoli and other areas in Libya. Are you getting information about Qadhafi? How is he doing?

A. We don't have any information about his whereabouts.

Q. Most of Europe aerial space has been off limits to the U.S. strike force. Are you discouraged or angered?

A. It would have made our strike much safer and—able to conduct it probably a little more effectively if we had been able to overfly France—would have shortened it a great deal. However, we were able to mount this operation entirely over water with no help from any of the continental European countries, and it's too bad we had to do it that way, but we did it. And I must say from the standpoint of the capacity to do that, it was a real military feat, and it was interesting to see how capable our military are.

Q. How do you analyze the killing this morning of a U.S. citizen in Khartoum, Sudan? Aren't you afraid of a new terrorist campaign against U.S. citizens all over the world? Aren't you afraid of having helped Qadhafi to obtain a strong backing from the Arab world, especially among the Moslem fundamentalists?

A. I have to ask in response to questions like that, haven't you noticed that these terrorist activities of Qadhafi were going on over a sustained period, were widespread before this American military action? The American military action was an act of self-defense, particularly in response to the Berlin murder, but in response to this overall general pattern. So what he's now doing is a continuation of what he has been doing, and from my standpoint I think that it is well that the President of the United States has been taking decisive action.

The person shot in Khartoum—whether that is something that was directly planned by Qadhafi or not, we don't have any direct intelligence on that, although he certainly has threatened and threatened in Khartoum. I'm glad to say that person has been moved to a good medical hospital, has had an operation, and is currently reported as being in stable condition.

Q. When Vice President Bush visited the gulf, did he inform Saudi Arabia and Bahrain of the operation? If so, what was the reaction? If no, why didn't you inform your allies in the area? Second, what are your plans for the extremist groups in Lebanon?

A. As far as information is concerned, of course, we informed people about our conclusions as to the responsibility for the Berlin bombing. When it came to advance information about our military operation, of course, we had to be very careful about that, because you minimize your casualties, and you maximize the effectiveness of what you do if you can have an element of surprise, and that was attained. So there is a limit to the amount of advance information you can give to people.

Q. Did the Europeans more or less force your President to act because they did not cooperate in the fight against terrorism and specifically against Libya?

A. The Europeans and the United States have been cooperating very effectively against terrorism for a considerable period, and there are many examples of effective cooperation. And I would say to you, located in Bonn, that the Government of Germany has been in the forefront of countries dealing effectively with terrorism, and there's just too much of it in Germany. We all know that and regret that.

Insofar as Libya is concerned, of course, we have been urging stronger measures against Libya and continue to do so. We do see a pattern in which various European countries in different ways have been gradually moving in a more effective direction, and we welcome that. Of course, we wish that they had placed sanctions on, that they had moved the People's Bureaus out, and so on, but, nevertheless, there has been a strong pattern of cooperation, and it will continue.

I might say in that regard that Chancellor Helmut Kohl's statement yesterday was a very thoughtful and helpful statement. In particular we noted his call to move forward now in more and more effective efforts to counter terrorism on a joint basis.

Q. Several minutes ago the Chancellor addressed the Federal *Bundestag*, and he said, "We cannot accept when the White House spokesman merely says that the declaration of the European Community did not play a role in the U.S. decision." Will you please comment on that?

A. Of course, you're just reading that to me, and I don't want to comment on that. I will say about the European Community statement, we thought it was a good statement. It moved matters along. We're glad to see that.

We, of course, noted that it was hastily organized as Gen. Walters' trip around became known. As that was taking place, of course, our own intelligence about what happened in Berlin and who was responsible for it was being made known to people in a very clear-cut way. The President's decision and organization to take the steps that we took to raise the cost of terrorism to Qadhafi were well underway.

But I regard the statement of the European ministers as being a very helpful statement, and we certainly intend to continue fully in our work with our European partners on this important problem. As I said a minute ago, we welcome Chancellor Kohl's statement of yesterday, calling for continued effective efforts, and more so, on countering terrorism.

Q. The Soviets cancelled our meeting with Shevardnadze for the next month. Do you know another date for this, and what in general do you believe concerning the summit—Reagan-Gorbachev—and the East-West relationship?

A. Let me repeat what I said a moment ago, that, first of all, it was very important, we believe, for everybody, including the United States, including Europe, that decisive action be taken to show that terrorism, particularly state-supported terrorism, carries a cost. That is what the United States did.

The Soviet Union was told about our unequivocal evidence of what happened in Berlin and who was responsible for it. They knew very well who was the terrorist in this case. They have made a decision. I think their statement was along the lines that the meeting planned

for mid-May would not be appropriate at this time, or some such phraseology as that.

Insofar as our dealings with the Soviets are concerned, the problems are there. The need for negotiation and discussion is there, and we're prepared to continue on and try to resolve these problems as best we can.

Q. The opposition Labor Party in Britain has condemned the American action, and there have been a number of demonstrations in London against it. My question is, how concerned are you that the use of bases in Britain as a launching pad for this raid might have strengthened Labor Party policy, which is to get rid of American bases, if they come to power?

A. I'm always impressed with the common sense of the British people, as I've observed it over a long period of time. It seems to me that common sense dictates that when you have terrorism running wild, when you have a state supporting it, when you have a leader of that state bragging about it, when you have that state involved in all sorts of efforts to thwart peace, when you have that state out of its People's Bureau in London firing and killing a British policewoman, when you have all of these things put together, and you have the unequivocal evidence of what that state did in Berlin, that people will recognize that it's important not to appease that aggressor, not to tolerate that aggressor but to show that aggressor that there is going to be a cost. And it seems to me people will see that point, and see also the point that there has been peace in Europe for the last 40 years, and one of the reasons for that is the strong and cohesive NATO alliance. And as part of that alliance, you have American troops stationed in Europe.

When you have those peacekeepers attacked, something has to be done about it, and the people, I think, will basically see that point. I certainly hope so.

Q. Spanish Minister of Foreign Affairs Fernandez-Ordonez insists that Spain was not warned beforehand about the attack. Do you think that the Spaniards prefer to believe they were tricked rather than being seen as accomplices?

A. Of course, Gen. Walters, our Ambassador to the United Nations, made a trip through Europe and gave our evidence on Berlin. People heard the President's statement in his press conference earlier in the week. I believe that the Spanish Government was well aware of what we were intending.

Q. You said right before that Col. Qadhafi is not popular among most of the Arab governments, but now we have the impression that after the attack, all the Arab governments, they are in favor of Qadhafi, the government [inaudible] of Qadhafi. Did you underestimate that kind of reaction of the Arab world?

A. We expected that people in the Arab world would, in their statements, support Qadhafi. What they say privately is rather different. I think there is a widespread sense that Qadhafi is a menace directly to them. After all, he's the man who mined the Red Sea. So I don't think there are any illusions in the Arab world about Qadhafi, really.

Q. King Fahd [inaudible] some days ago a message coming from Tripoli. What was the subject of this message, and did you have any contact, other contact, with Tripoli before the raid?

A. We have a protecting power, so-called, in Tripoli—Belgium. They are the designated place where communications can take place on an official basis, and there has been no real back-and-forth at all through that channel.

As far as we're concerned, it's easy for Qadhafi and Libya to reestablish a relationship with the United States. What they have to do is change their behavior and stop supporting terrorism and murder all over the world. That's all.

Q. Referring to your remarks concerning that the United States informed the Soviet Union of what was going on in Berlin and other places, have you any optimism that in the future it might be possible that the United States and the Soviet Union will cooperate to defeat terrorism?

A. We certainly would like to see that happen, and it is perhaps important in that respect to note that both the Soviet Union and the United States supported a UN resolution in the Security Council recently condemning terrorism. So gradually people's perceptions of the importance of the problem are heightened, and we, at any rate, need to keep working at it and, of course, keep working as we have been very closely with our friends and allies in Europe to put this terrorist menace as it's exhibiting itself in Europe and elsewhere—but we see it in Europe aimed at NATO targets—to put this terrorist menace down. That's what we have to do.

Q. The purpose for the military action in Tripoli wasn't to kill Colonel Qadhafi. What was, then, the purpose of hitting his private residence?

A. The purpose was to hit the two military airports, the two barracks areas, that contained people that support Qadhafi—his infrastructure, you might say—and the one terrorist training camp. Those were the targets that we picked out, all of them having to do with the support of terrorism, and that's what we went after. Any collateral damage, we regret.

AMERICAN JOURNALISTS' INTERVIEW WITH SECRETARY SHULTZ, APR. 17, 1986[6]

Q. I was wondering what kind of message, really, the United States is trying to send on terrorism. Here we are attacking Libya and yet a few days later pulling out of Sudan. Isn't that a mixture of resolve and retreat?

A. We are successfully sending the message that terrorism is going to pay a cost, that it is a very serious problem, and people need to focus in on it; recognize, in the case of Libya, that this is a country that is heavily involved in terrorism, and people are going to have to do something about it.

I think there is a rapidly escalating realization of those propositions, and we were very heartened, for example, by the general tone and outlook of the meeting of the European Foreign Ministers today in Paris, that [Deputy Secretary of State] John Whitehead attended, that I think was very positive.

Insofar as the Sudan is concerned, the Ambassador in the Sudan had judged several days ago—he was not aware of what was going to happen in Libya—that the situation was of such a nature that we should reduce the numbers of people, particularly dependents. We will be in the Sudan, our mission is there, we will carry out our functions, but we reduced the general level of exposure. But our message is very clear about terrorism, and I think that the action in Tripoli helped to underscore it.

Q. Is the Administration prepared, if Libya is tied to the shooting in Sudan, to respond once again with military force?

A. We will judge each situation as it goes, and we're not going to get put in the position where there's some sort of automatic pilot here. But, certainly, we are investigating the shooting, and we will take steps.

Q. Could you discuss for us the night of the raid? Did you hope that a bomb might have knocked Col. Qadhafi out of business?

A. He was not a direct target.

Q. But his home was.

A. But we had in our mind, in the targeting, first of all, to hit things that were directly sponsoring terrorism, such as the training facility and things in the Libyan infrastructure that were in one way or another supporting it. And we also, recognizing that there is a considerable dissidence in the Armed Forces of Libya with Qadhafi and what he's doing, tried in the targeting to send two messages.

First of all, that from the standpoint of equipment that the military put some store by, that the terrorist activities of Libya may cost them some of that equipment, and it literally did.

And, second, that the Praetorian guards that surround Qadhafi and intimidate people are not invulnerable, so they were a target.

So that was part of the conception of how the targets were selected—terrorist-oriented in the sense that I have described.

Q. Do you think that a coup could be encouraged in the aftermath of this—by this bombing raid?

A. If a coup takes place, that's all to the good. We know there are lots of people in Libya who think that Libya would be better off if Qadhafi weren't there, and there are even more people not in Libya who think that. [Laughter] But whether there is a movement toward a coup taking place, I don't have enough information to feel confident talking about.

Q. What do you make of this shooting, and so forth, that's reported from Tripoli in the last few days?

A. I hesitate to try to characterize it, because the information that I have is not—I'm not confident enough of it to want to talk about it.

Q. Would you have shed a tear if Col. Qadhafi had been in that house that got destroyed and been knocked out? In other words, some people say, "Well, if Qadhafi was gone, then maybe a big pro-Soviet element might take over, and it might even be worse."

A. I think that those who would take over in the absence of Qadhafi would undoubtedly have a more Libya-oriented orientation. Certainly there are plenty of problems in Libya that they need to address, and the resources they have to do it with are a lot less, given the very big drop in the foreign exchange available to Libya.

Q. The British have taken it on the chin in the last couple of days for aiding us in our attack on Libya. Do you think that's going to make it more difficult to win allied support for antiterrorist activities?

A. I think that everybody has to recognize that appeasement of terrorists and being intimidated by terrorists only feeds them. We have to get out of that psychology. So it seems to me in Europe what's happening, as evidenced by the attitudes of the Foreign Ministers in their meeting—last Saturday, was it?—and then in the meeting today is one of saying we have this major, difficult, important, debilitating problem, and we're going to have to face up to it and be as effective as we possibly can in dealing with it. We're not going to be intimidated, and we're not going to temporize with it. That's the mood, and I think that's the right mood. I think the British are playing a very strong and effective and laudable role in all of this.

Q. Do you think that the irritation that has been displayed this week by some people about the lack of allied response will encourage the mood which rises and falls in this city about pulling out some of the American troops in Europe?

A. I don't think so. I think that the value and importance of our alliance is clear, as we consider further actions on terrorism, and, of course, as we continue the process of a kind of dual-track strategy of deterrence, on the one hand, and readiness to work at problems, on the other, with the East. And the U.S. presence and the troop presence, and in other ways, people regard here and there as very significant. I have pointed up and they have pointed up in our discussions, including the discussion I had with [West German Foreign Minister] Hans-Dietrich Genscher, the fact—and he said in Germany the fact that the person killed was a U.S. soldier in Berlin was a matter of especially deep concern.

So I think that this is one of those cases where, of course, there were differences of view, and we took an action that we felt we had to take. People's views about it varied. On the other hand, the key element here is that we have very quickly coalesced in recognizing the problem and having, really on a much stronger basis than was true, let's say, a week or so ago, a sense of motion and commitment.

Q. Do you believe that the Soviet cancellation of the Shevardnadze meeting with you is a tactical move and that the meeting will be put back on track before too long?

A. I hope that the meeting will be put back on the track. What I can say is from the U.S. standpoint we think that terrorism is a major problem, and we have to do what we have to do about it and take action against it. We feel that we dealt properly with the Soviets in this instance. We told them in advance the nature of the problem. After the bombing, we told them that we had conclusive evidence, so they knew quite well what the nature of this general

evolving situation was likely to look at. They heard the President's press conference on Tuesday night, I guess it was.

From our standpoint, that's one thing, and the fact is there are many problems, there are many important matters that can be worked at, negotiated about, discussed with the Soviet Union—that hasn't changed—and I think it's time to roll up our sleeves and get at it.

In the meetings that I had with [Soviet] Ambassador Dobrynin, the President had with Ambassador Dobrynin, just exactly that spirit was engendered, and I hope that we can carry on along those lines. From the standpoint of the United States, that's what we intend to do, but, of course, it takes two to do it.

Q. On that point with the Russians, Mr. Gorbachev in his letter to Col. Qadhafi, which was released last night by TASS, says that, "We repeatedly made serious warnings to the American Administration about the dangerous consequences of the continuation of this anti-Libyan policy, not only for the situation in the Mediterranean but the entire international situation." What kinds of warnings were received from the Soviets, and what do you expect of them now in the area?

A. I don't know precisely what he's referring to, and I don't want to speculate about what they may or may not do. But let me point out to you that our action was not anti-Libyan; it was anti-terrorism, and "anti" the kind of activity that Qadhafi is promoting, using the assets of Libya.

The President went out of his way to say, "We have nothing against the people of Libya; it's the terrorism that's coming from there that is our problem."

Insofar as our assertion of rights to international waters are concerned, that is not only a proper thing to do, but it works in the Soviet interest as well as any other maritime power that individual countries not just be able to assert rights to international waters and have that get accepted.

Q. What do you make of, when they say, as they have last night apparently to envoys in Moscow, that they have a right to international waters in the "Med"?

A. They do.

Q. Does this mean that they're getting ready to do something?

A. They absolutely do. We agree completely with that. They even have a right to go in the Gulf of Sidra, just as we did.

Q. Had you foreseen that the Soviets might cancel the meeting between yourself and Mr. Shevardnadze as a result of the Libyan attack?

A. We didn't try to predict. I think it's a mistake to do too much of that. We have to consider what we think is the right thing to do here in relation to our own efforts to do something about terrorism and to make our point of view clear and to raise the cost to terrorists. Obviously, we think about all the different consequences. But we didn't try to predict in some precise way. I am not surprised that they took some action.

On the other hand, as I said, I hope that the meeting will be reestablished. However, that's for them to decide. From our standpoint, we're prepared to roll up our sleeves and get to work on the problems that are there.

Q. On the subject of terrorism, what kind of atmosphere is President Reagan going to run into in Tokyo, and on this subject what does he want to achieve there?

A. I'll say that Prime Minister Nakasone, in our meetings with him, couldn't have been stronger in his views about the threat of terrorism and the importance of countering it. And judging from the outlook and tone and content of the European Foreign Ministers meeting today, which undoubtedly reflects the views of their heads of state, that is very much their view. So I would look for a constructive discussion on this subject.

I think we all agree that one of the good things, as was reported to us through John Whitehead of the meeting today, is the general mood that people have that issuing statements is a fine thing, but what we need to concentrate on is what we are doing. It's actions that speak louder than words at this point.

Q. Just a connecting point here, predicting what may happen after the raid, what about the American hostages? Have you received anything that would suggest that their lives are in greater danger now, aside from what one could speculate about?

A. We haven't received anything in any direct way. We work on that problem continuously and feel that it would be best to work on it and not comment about it—leave it alone.

Q. Dante Fascell [Chairman, House Foreign Affairs Committee], when he came back from this meeting with Mr. Gorbachev, quoted the Soviet leader as saying that he would look at any verification regime that we wanted to present to him. I'm aware of the fact that they talked about a comprehensive test ban and haven't seemed to want to actually look at specific regimes. But are we in any way calling his bluff or testing him on what he told Dante Fascell?

A. We discussed the Gorbachev conversation with Dante Fascell and Bill Broomfield [senior Republic member on the House Foreign Affairs Committee], and I met with them when they reported to the President. I met with him yesterday again to kind of hear a little more and dig a little deeper into what they heard and their analysis.

I think part of the process of rolling up our sleeves and getting to work on problems is doing it with respect to the question of tests, and we've each had things to say on that subject. So that's one in which we should engage, and there are a whole host of others, as you know. But we certainly will follow up on that.

Q. Since the French refusal to allow overflights on Monday, they have been the butt of barbs here from everyone from standup comics to members of Congress—whatever the distance there is there. [Laughter]

A. You're on the record, too. You don't know what—[laughter].

Q. Is that still justified in view of the latest dealings that you have had, that the Administration has had, with the French in the past 24 hours? Do you see any change in their attitude since they made that decision before the strike?

A. They were part of this meeting that I've referred to, which was a harmonious meeting in the sense that people were generally agreeing. It wasn't as though one was over here, and another was over there, and so on. In the meeting that I had with Chirac, whenever that was—I can't calibrate; about 2 weeks ago, 2½ weeks ago—Chirac has a very strong view of the importance of strong action and cooperative action on terrorism, so he said to me; Mitterrand also volunteered statements on this subject. The French are working at this, and as we're very well aware did abort a terrorist attack that could have done a lot of damage to innocents. So the French are, I think, increasingly and very much alert to this problem. They chose not to let us overfly France, and we regret that, but that doesn't mean France doesn't take this problem seriously.

Q. You don't have a problem that goes beyond that particular decision?

A. As we all recognize, the French are very special to deal with. They are discreet about each individual thing, and are a joy in some cases [laughter] and not so much of a joy in others. This is one we didn't enjoy.

Q. Bernie [Kalb, State Department spokesman] said quite carefully at the briefing today that the President had not arrived at a final decision on whether to continue abiding by SALT II, but he did say that Ambassadors Nitze and Rowny [special advisers to the President and the Secretary on arms control matters] would go to discuss a proposed decision with the allies next week. Can you tell us what that proposed decision is?

A. No, and I don't think that the President, so far as I know, has decided how he wants to approach that. The Nitze-Rowny statement is by way of saying that in this process of finally deciding what the President decides, we will, in a systematic and careful way, listen to the views of our allies.

Of course, we have been listening to their views, and we've had cables in from all of them and we've had quite a lot of discussions. Just for example, yesterday Hans-Dietrich Genscher was here. He commented on the subject, and so on. So there is a great deal. But we believe it's useful at a certain stage in the process to do it on a careful and systematic basis through Nitze and Rowny who know the subject well and have been very successful in explaining our views, eliciting their views, and bringing us back a very good readout, so we'll do that.

Q. Do you expect that will support your position, that is, the position of those who argue that SALT II should not be undercut, and it will help you prevail?

A. The consultative process is something that we, as a good ally, do. It has been a very important part of the strong cohesion and cohesiveness and strength of the alliance. It has paid big dividends for everybody, both for us and for the Europeans and Japan. They like it.

Insofar as whatever my views or other peoples' views are concerned, I provide them to the President and then he decides what he wants to do, and I support that.

Q. You must have some personal feelings this week after the attack on Libya about your long effort that began a couple of years ago to bring along the American public and convince them that even if there were some casualties—innocent casualties—and so on, it was important to take this step, this military step, against terrorism.

Can you tell us a little bit about how you feel about that evolution? I assume you wouldn't want to gloat, but there's a certain feeling that I can imagine you might have of being on a roll, in a way, and finally getting over that hump of some sort in dealing with this issue. Can you comment on that?

A. I think there's been an evolution in our thinking—all of us. I wish that we weren't at this point. I wish that somehow, years ago, we had been able to so discourage terrorism that we wouldn't have this problem on our hands. So if having felt that it was a growing menace I had been proved wronged, I would have liked that a lot better. So I don't have any particularly good feeling about the fact that it's necessary to take such strong measures to deal with this.

I do think that the President's decision was a right one, an important one; it was—within the government—discussed in a very constructive manner. I don't think, within the circle of the President's advisers, it was even at all controversial whether we should do this. We had a lot of discussions about targeting and so on. But I think it was clear to everyone that with the conclusive evidence and with the buildup and the widespread Libyan efforts and so on that it was important to take an action.

Q. Is there a sense of being over a hump in that the next time there won't be a debate over whether or a debate over sort of tactics of how to do it?

A. I think there always should be an intensive examination any time you're considering using military means. That's a very big, difficult, important step. It always should be considered very carefully.

What we have said all along, and which I think is, in a sense, more demonstrably true now as a result of this step, is that we have a policy that has a lot of dimensions to it. That partly is a question of the awareness level and the support. Very importantly, a question of raising the intelligence capabilities here and elsewhere—and the capacity to interact which has gone extremely well—which has allowed us to abort quite a few terrorist acts that, say, 3 years ago would probably have taken place.

We have a lot of things in place and more coming on stream that are essentially protective around the world and enable us to carry out our mission in a more secure environment. We have a variety of meaures—I like to call them "measures"—of active defense; and, undoubtedly, this was the most active that we've taken, but we have taken others.

Q. In his televised speech Monday night, and again in a Law Day proclamation yesterday, the President talked about the use of quiet diplomacy in taking the action against Libya. Can you tell us a little bit about what the quiet diplomacy involved, and did it involve direct dealings with the Libyans or was he talking about quiet diplomacy involving third countries?

A. He was referring to third countries. We haven't had any successful diplomatic contact with the Libyans at all. There have been various statements floated by Qadhafi that he's ready to meet with somebody, coming through this or that intermediary. But I think it has been clear, and we wanted to make it clear to everyone, that it's very easy for Libya to rearrange its relationship with the United States. All it has to do is change its behavior, and when it does we'll be delighted.

We have had intense diplomatic activity. In other words, discussions with countries all over the world, and particularly in Europe and the Middle East, on the nature of the Libyan problem, on the importance of taking measures about it, explaining the things that we were doing.

John Whitehead's trip of a few months ago is an example of something that was, I think, an important and very successful part of this whole process. So the President was referring to that kind of activity.

Q. Could I try to clarify your response to whether we were aiming at Qadhafi? I'm confused. You said we weren't aiming at him, but we were aiming at the infrastructure. We wanted to—you used the word "cripple," we wanted to hurt the military there.

I mean, if Qadhafi is the source of all the terrorism, why would you want to bombard three of his lieutenants? Why wouldn't you kill the man himself? I don't understand the logic or the explanation of whether or not we were really aiming for Qadhafi. We apparently killed, at least, one member of his family?

A. We had a strategy and target selection, which I explained to you. We didn't have a strategy of saying that we wanted to go after Qadhafi personally. We have a general stance that opposed direct efforts of that kind, and the spirit and intent was in accord with those undertakings.

Q. In this whole situation, there have been a number of obvious negative results of your attack. You have had problems with your allies; you lost an airplane; you killed some innocent civilians. There are now reports all over the world of various kinds of tension involving potential terrorism and some tied in with this.

Could you say at this point, first, whether you had foreseen any or all of those negative factors in advance, and whether you can point to any specific accomplishments on the plus side that have taken place beyond some of the assertions that we taught them a lesson or he has to pay a price?

A. My wife had an operation on her back a little over a year ago. When the doctor emerged from the operating room, he said to me, "I found exactly what I expected to find; I did exactly what I expected to do, and it will work completely." I thought, boy, he lives in a world of clarity [laughter]. As it turned out, he was right. It was a great performance, and she's getting around better and better.

In this world, you don't have that kind of clarity, but I think the net. But broadly speaking, we did what we expected to do. I might say I think, as an aside, the military skill or professionalism that was exhibited was extraordinary.

Once again, we see some of the weaponry that the Libyans had. It didn't seem to perform all that well. Whether it was because the Libyans were using it or what, I don't know, but it was not that great.

We did what we intended to do, and I think, on the whole, the results, taken in the balance, are very positive. Certainly, we had an immediate spectrum of views from our friends around the world, some very much in support, some with different views, and so on.

But reading off of today's meeting, as an example, I think the awareness of the problem and the need to do something about it is certainly much sharper and stronger, and I don't say it just because of what we did. It's really because of the fact that people are only too aware that all of these threats that people are so aware of today, they didn't come about since our action. They were there.

To go back to your question about the Sudan—reductions in the Sudan and bringing the structure of our mission there down in size—that was underway beforehand and reflected a general assessment there.

So I think, as a general proposition, we're well ahead of the game on the basis of this action.

Q. It seems to me that to some degree, Libya was chosen as the target through a series of circumstances, and perhaps other countries might have been more likely a target had you had the evidence against them that you had against Libya in connection with specific terrorists. I think of Syria and Iran probably being, in many views, more responsible for world terrorism in Libya. What do you think about that? To what extent is that true?

A. Qadhafi is not the full extent of the problem. That's for sure. There are plenty of other problems, but he's very much a part of it. We have seen that with increasing clarity. The evidence has mounted. And in the case of the Berlin disco, it was absolutely clear, and so it was time to act. I think it was important to do it.

That doesn't mean there aren't other problems. There may be other things that we'll have to do. But, as I said earlier, we are not going to get into a kind of automatic pilot approach to this. You have to gauge each situation by itself.

Q. Is Qadhafi, by his somewhat isolation in the world already, an easier target for you than perhaps Syria?

A. Of course, he's been trying not to isolate himself. Syria and Iran, in particular, have been mutually supportive with him. I think he is really quite isolated—the reality of it—even among some states which will give rhetorical support to him.

When I was going around in Europe a couple of weeks ago, even some of the people I spoke to who. for instance, were concerned about our action in the Gulf of Sidra, started the conversation by saying, "Now, I want to be clear right from the beginning about Qadhafi, and I want you to know that I think A, B, C, D, E, so let's not be confused about my opinion."

So I think peoples' opinions have been moving along very strongly. It's kind of like what we see insofar as Central America is concerned, as the general line of opinion has been shifting; and nowadays people say I don't have anything good to say about Nicaragua, but—. And so the debate has shifted to a different level, and I think that is a good kind of movement. Qadhafi is pretty clearly labeled everywhere as a terrorist and as a person who is very undesirable.

I have something else that I wanted to say to you, but nobody asked me. [laughter].

Q. Don't be inhibited.

Q. Read the answer and then we'll give you the question.

A. You want me to read this whole answer? I will read it, but then you can pick it up.

The comprehensive trade agreement that President Reagan and Prime Minister Mulroney have undertaken to negotiate is important for the United States. The Senate Finance Committee will shortly decide whether to approve "fast-track" negotiating authority under the terms of the 1984 Trade Act. A positive decision by the committee will further U.S. interests in important ways.

- We will strike a blow for freer trade between our two countries, trade that will benefit U.S. exporters, create thousands of new jobs, and enhance the international competitiveness of both nations.
- We will convert past frictions on economic and trade issues into an example of international cooperation.
- We will enhance the special bilateral relationship between Canada and the United States, a relationship that showed its value most recently in Canadian support for our actions against Libya.
- We will find it easier in the future to address legitimate U.S. concerns on trade and investment issues with Canada, concerns of interest to the Finance Committee.
- We will be seen to be honoring an agreement reached at the highest levels of our two governments.

This Administration is firmly committed to consulting the views and interests of the Congress and the U.S. private sector as the negotiations proceed. I reaffirm that commitment now. Congress, for its part, must decide to let the negotiations go forward. We have within our grasp a landmark accomplishment, a cornerstone for further prosperity. We must not let it slip from us.

"FACE THE NATION" INTERVIEW WITH SECRETARY SHULTZ, APR. 27, 1986[7]

Q. We talked earlier to Secretary of State George Shultz, who is in Hawaii with the President on their way to the economic summit in Tokyo. We asked the Secretary whether the Administration is considering covert action against Qadhafi.

A. Whether it is with respect to Libyan terrorism or other forms of terrorism, it's important for us to have a variety of things that we can do, and there are many different things that we can do. They shouldn't get the idea that the only thing was to repeat an operation like we did the other day. There are economic sanctions; there are diplomatic efforts; there is the kind of isolation that's gradually happening to Libya; there is what we did the other day; there is the sort of thing we did when we brought down the terrorists who were responsible for the *Achille Lauro*. Covert action is something that we need to be using and in general, there are many things that need to be done secretly. We have to have a greater capacity in our country to recognize the importance of being able to do things without having them publicized ahead of time.

Q. But exactly what do you mean by "covert action?" Do you mean hiring other people to carry out a—what? Acts of—I know it couldn't be murder because that's illegal. What exactly do you mean?

A. There are all sorts of things, I suppose, that could be done and the whole notion of covert action is to have it something that is not described in detail. It's certainly intended to be disruptive.

Q. You have said that a coup against Qadhafi would be all to the good. Presuming that you'd like to see Qadhafi no longer be the ruler of Libya and perpetrating the kinds of acts you have blamed on him, would you like to see the prohibition lifted against political assassination?

A. No.

Q. Why?

A. Because I think it doesn't fit our way of thinking about how to do things.

Q. Shifting over to the Soviets in relation to the Libyan raid, they appear to be putting out the word now that they, in some way, warned the United States that if we did take military action against the Libyans, that that could cause a rift in U.S.-Soviet relations. Was there any warning ahead of time, through perhaps Mr. Dobrynin or any other officials, that they would not look kindly on a military raid?

A. I don't know whether you would call—what the right label would be for it, but we talked to the Soviets about Libyan behavior and how unacceptable it was and counseled them to do something about it, and we talked to them about Berlin. And of course, they, reading in our press about all of the things that were getting publicized, raised questions about that, but we can't—

And insofar as the question of whether or not we should refrain from taking action that we think is necessary and proper to put down terrorists, whether we should refrain because of the possible sensitivities of the Soviet Union, I don't think that we should. That's something that we properly must do: is defend ourselves against terrorists.

Q. Have the Soviets come out of this winners, to some extent? Have they increased their influence in the Middle East? There's talk that Qadhafi may give them the base in the Mediterranean they've wanted. Have we handed them something?

A. No, I don't think so; quite the contrary. I think that the fact that we

did what we did has gained respect for the United States. As a matter of fact, on the sheer military appraisal of it, what we did was quite an impressive operation. And while it's impossible to know for sure exactly what happened, it doesn't seem as though the Soviet weaponry performed all that well.

Q. You say that we gained some respect, and yet we are now having reports out of Libya that Mr. Qadhafi's power is fast being consolidated, and there are anti-American demonstrations all across the Middle East and Europe. Where exactly do you think we have gained this respect?

A. First of all, we have our self-respect. We have done something that I think Americans applaud, and we see that European governments, not simply related to our action but perhaps highlighted by it, are recognizing very clearly now the nature of Qadhafi and his regime, the importance of doing something about terrorism, and they are taking steps. They are recognizing the nature of these Libyan People's Bureaus: you have an embassy that is an organizer and supplier of terrorists, so they are expelling people. Actions are taking place.

Q. Is there any evidence at all that this raid has had the desired effect of reducing the terrorist threat? We've had a whole series of incidents over the last couple of weeks, many of which have been linked to Libya. Couldn't it be argued that this, in fact, has been a counterproductive thing to do?

A. You seem to be bent on the idea of showing that what we did didn't work or is wrong or something. I don't quite understand that. The fact of the matter is that there has been an all-too-large and increasing level of terrorism before we took this action; and we took the action because of the general pattern and the absolutely conclusive proof of Qadhafi's involvement in the Berlin disco bombing. It isn't as though a lot of terrorism has broken out since we took the action; it was going on before, and unfortunately, it continues. But certainly, the way to fight it is not just to sit back and complain. You've got to show that there are costs connected with terrorists to the terrorists. And I think that, in the long run, the action President Reagan took will turn out to have been a pivotal one.

Q. I don't think it's really right that we're trying to show that the raid wasn't a success. I think we're asking you to respond to the criticism. And in fact, another news organization quoted you as saying that you believe that Qadhafi is more dangerous than ever and that he may even have in his mind going after family members of President Reagan. Is that what you do think?

A. The other news organization must have made that up because—and we have said in the State Department that what they quoted me as saying, I didn't say.

Obviously, Qadhafi and Libya in Qadhafi's hands is a major problem and he has killed people all through Europe; he has mined the Red Sea; he is an aggressor in Africa. There is nothing good to be said for Qadhafi, and I hope he hears me.

Q. You have said that Libya is not the sole sponsor of terrorism, that Syria and Iran have also sponsored acts of terrorism. Why is it that our government officials—you included—speak so little about those countries when you speak of terrorism? And why was it that you and other officials moved to tone down President Reagan's threat that he would take action against Syria and Iran if there was evidence that they did carry out acts of terrorism against Americans?

A. Syria and Iran are both on our terrorist list, and have been, so we have been very concerned about their activities. There seemed to be an impression around that was not correct, that somehow the President was announcing a plan to make attacks on Syria and Iran, and I said there were no such plans and the President didn't say that either. So he was anxious to have the record set straight, and I did.

Q. Can I ask you about that TWA bombing, where four Americans were killed? There are some reports that we have evidence that the Syrians, not the Libyans, were involved in the bombing of the TWA plane and that our government is somehow reluctant to talk about that. Is there any truth to that?

A. No, we're not reluctant to talk about it except insofar as if we did have intelligence and we make our plans as to what to do about it, we'd like to be able to do things more quietly. In some cases, we have pretty good evidence; in others, we don't. In the case of the TWA, we're still working on it.

There are other instances of things that happened or that were intercepted and didn't happen because of good intelligence. We're able to trace things back.

Q. Is there some indication that Syria may have been involved in that one?

A. In which one are you talking about?

Q. In the TWA bombing?

A. I would say we don't nave the kind of information that would lead me to want to make a statement here on television about it.

Q. Terrorism is bound to be a major issue at the Tokyo summit that you are now on your way to. President Reagan has said he doesn't just want some declaration on the evils of terrorism, but he wants some agreement on how to deal with it. What, specifically, are you hoping for?

A. What we will do, I'm sure—not simply because we want to do it, but everybody does—is talk about the problem, talk about things that we can do about it individually and jointly, and with others, and improve our ability to act.

Probably, there will be some words issued, but the words are not the important things. The important thing is that more and more the free world is seeing that this is a major problem and that we have to take action in dealing with it. And so in the end, our actions will be the things that count.

Q. By "improving our ability," are you talking about such things as better intelligence-sharing, better police work? What about cutting off port and airport access rights to countries that sponsor terrorism?

A. We think it's a good idea, but not everybody agrees with us.

Q. How hard are you going to push at the summit? And are you going to go and complain to the allies for not backing us more strongly during our Libyan raid; France, particularly, not letting our planes fly over their territory? Or are you going to try to put that behind us?

A. We've had our difference on that, and it's been thoroughly aired. At the same time, France has done some things before and since to deal actively with Libyan terrorist threats; in at least one case, directly saving American lives and the lives of others around an American Embassy. So it isn't as though France is standing there inactive. They didn't go along with rights to cross their territory, but they are a very active participant in the fight against terrorism. And as we discuss the subject, we look to the future and the things that we feel we must do.

The Europeans can see it as clearly as we do. After all, most of these terrorist acts are taking place in Europe, so I'm sure there is going to be a very strong unanimity of view on the importance of having a strategy and a tactical ability to implement it.

Q. You're heading for a city that's already been described as an armed camp because of the security involved. Does it strike you at all that the terrorists, in a way, are beginning, almost, to win their war by curtailing our freedom of action? Here in Washington we're hearing about fences around the Capitol. Does that concern you?

A. Of course, it concerns me. It would concern me even more if we didn't have the common sense to protect ourselves adequately, and we're doing that at home and we're doing it abroad. Naturally when you get the heads of state of the seven key industrial democracies gathered together, it's a very juicy target for terrorists. So I think the proper and sensible thing to do is to take every precaution to see that nothing untoward happens. It would be alarming if that didn't take place.

[1]Weekly Compilation of Presidential Documents of Apr. 21, 1986.
[2]Held at the White House (press release 84 of Apr. 16).
[3]Press release 79.
[4]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Strom Thurmond, President *pro tempore* of the Senate (text from Weekly Compilation of Presidential Documents of Apr. 21).
[5]This interview was conducted by news correspondents in London, Madrid, Rome, Paris, and Bonn for broadcast by the U.S. Information Agency's facilities worldwide (press release 85).
[6]Press release 89 of Apr. 18.
[7]Press release 94 of Apr. 28. ■

Security Council Considers U.S. Self-Defense Exercise

Following are statements by Ambassadors Vernon A. Walters, U.S. Permanent Representative to the United Nations, and Herbert S. Okun, U.S. Deputy Permanent Representative to the United Nations, made in the Security Council.

AMBASSADOR OKUN, APR. 14, 1986[1]

The United States supports the view that it is the primary responsibility of this Council to maintain peace and security. In this connection, there is no action that this Council could more usefully take than to cause those who are violating international law in general and Article 2, paragraph 4, of the Charter in particular to cease those violations. Let me make clear that I am not speaking of an isolated instance of the use of force in violation of Article 2, paragraph 4, of the Charter, although that would be serious enough. What, unfortunately, this Council is faced with is a persistent course of conduct by a member state, Libya, in flagrant disregard of the most fundamental rules of international law.

Libyan Armed Forces are now present and in action on the territory of its neighbor, Chad; Libyan Armed Forces opened fire a few short weeks ago on American naval forces operating on and over international waters on the high seas.

As all of us in this chamber know, the force prohibited by Article 2, paragraph 4, of the Charter need not be used by uniformed members of the armed forces of a country. That has been established long ago and is a firm principle. It is just as much a violation of Article 2 of the Charter when individuals wearing civilian clothes plant bombs in airplanes or in crowded cafes. The fact that such actions which are targeted at innocent civilians also violate other rules of law, and are correctly described as terrorist acts, in no way decreases the extent to which they violate Article 2, paragraph 4, of the Charter.

It should also be recalled that Article 2 prohibits the threat of force. Now, in addition to using force, the Government of Libya has also threatened the use of force, not only against American citizens but against anyone who is allied with the United States or shares our view that the conduct of the Libyan Government is the conduct of an outlaw regime—an outlaw regime which is prepared to trample and does trample on the international norms which are the hallmark of a civilized international community. Specific threats have also been made against European cities, despite the protestations of innocence which we just heard at this table. The latest reports from Libya to the effect that they plan to move foreign workers to their military bases, if true, indicates an intention to use civilians to shield military operations. This would be another violation of the norms of civilized conduct and a truly horrible abomination.

It is the course of illegal conduct by the Government of Libya which must be dealt with. Any effort at preventive

diplomacy must focus on ways and means of bringing to an end this consistent policy of violations of fundamental norms.

The use of force in violation of Article 2, paragraph 4, gives rise to a right of self-defense. The right of self-defense, as Article 51 makes expressly clear, is an "inherent right." Nothing in the Charter of the United Nations restricts that right. There are, of course, specific procedures set forth in connection with its exercise. Specifically Article 51 requires that: "Measures taken by Members in the exercise of [that] right shall be immediately reported to the Security Council...."

When the United States was forced to respond to the Libyan attacks on our aircraft and ships operating on and over international waters, my government immediately reported this fact to the Council. It is revealing that Libya's contempt for the law of the Charter extends even to this procedural requirement. Although Libya's forces are present in Chad, although Libya has already fired missiles at our planes and ships, and although Libya has used force against innocent civilians and civilian targets, this Council has received no report filed by Libya pursuant to the requirements of Article 51. Facts are as scarce as a monsoon in the desert when it comes to Libya's treatment of this Council.

What Libya does provide for the Council, unfortunately all too often, are invective, polemics, protestations of innocence, and whining arrogance. We are faced with a regime which considers itself outside the law, which considers itself unrestricted by the Charter, which considers itself unaffected by global condemnations of terrorism, and considers itself evidently without any obligation to honor the rules of civilized conduct and human rights.

If the Council is to face its responsibilities and seek to reduce tensions in the area which Libya feels free to threaten, it must begin with measures to bring Libya into the fold of nations, into that fold of nations for which the requirements of the Charter are imperatives. Any action by this Council must be grounded on—and explicitly address—the persistent illegal conduct of Libya, conduct which has caused so much suffering and heightened tension. We do not suggest that the Council faces an easy task in grappling with the problems of a state which flouts all civilized rules. The task, however, is still essential, even though difficult. The Council will not be facing its responsibilities nor will it ease tensions if it seeks to avoid the root cause of the problem. That root cause, I repeat, is the murderous behavior of the Government of Libya and its agents.

AMBASSADOR WALTERS, APR. 15, 1986[2]

On April 14, in exercise of the inherent right of self-defense recognized in Article 51 of the Charter of the United Nations, U.S. military forces executed a series of carefully planned air-strikes against terrorist-related targets in Libya. These strikes have been completed, and the U.S. aircraft have returned to their bases.

U.S. forces struck targets that were part of Libya's military infrastructure—command and control systems, intelligence, communications, logistics, and training facilities. These are sites used to carry out Libya's harsh policy of international terrorism, including ongoing attacks against U.S. citizens and installations. This necessary and proportionate action was designed to disrupt Libya's ability to carry out terrorist acts and to deter future terrorist acts by Libya. In carrying out this action, the United States took every possible precaution to avoid civilian casualties and to limit collateral damage.

The United States took these measures of self-defense only after other repeated and protracted efforts to deter Libya from its ongoing attacks against the United States in violation of the Charter. But when quiet diplomacy, public condemnation, economic sanctions, and demonstrations of military force failed to dissuade Col. Qadhafi, this self-defense action became necessary. As stated by President Reagan on April 14: "Self-defense is not only our right, it is our duty. It is the purpose behind the mission undertaken tonight—a mission fully consistent with Article 51 of the UN Charter."

And may I quote Col. Qadhafi. On March 24, Col. Qadhafi said: "This is not the time for speaking, it is the time for confrontation and for war." On the 2d of March 1984, long before these incidents occurred, speaking in the People's Hall in Tripoli, he said: "We must force America to fight on a hundred fronts."

The murderous violence of recent Libyan attacks makes clear why the United States had to act. There is direct, precise, and irrefutable evidence that Libya bears responsibility for the bombing in West Berlin on April 5 that resulted in the deaths of Army Sergeant Kenneth Ford and a young Turkish woman and injury to 230 others, among them some 50 American military personnel. This brutal atrocity was but the latest in Col. Qadhafi's campaign of terror. More than a week before the attack, orders were sent from Tripoli to the Libyan People's Bureau in East Berlin to carry out a terrorist attack against Americans—an attack designed to cause maximum and indiscriminate casualties. Libya's agents then planted the bomb. On April 4, the People's Bureau alerted Tripoli that the attack would be carried out the following morning. The next day the People's Bureau reported back to Tripoli on the "great success" of the mission.

In light of this reprehensible act of violence—only the latest in an ongoing pattern of attacks by Libya—and clear evidence that Libya is planning a multitude of future attacks, the United States was compelled to exercise its rights of self-defense. The United States hopes that this action will discourage Libyan terrorist attacks in the future.

In addition to the evidence of direct Libyan involvement in the bombing of the West Berlin nightclub, the United States also has compelling evidence of Libyan involvement in other planned attacks against the United States in recent weeks, several of which were designed to cause maximum casualties similar to the Berlin bombing.

• In late March, Turkish police arrested two people in Istanbul who claimed they were to conduct terrorist operations against the United States in Turkey on behalf of the Libyans, again designed to inflict maximum casualties.

• On March 25, my government notified the Council, in accordance with Article 51 of the Charter of the United Nations, that the United States, in the exercise of its inherent right of self-defense, had ordered its forces to respond to hostile Libyan military attacks in international waters in the Gulf of Sidra.

• France expelled two members of the Libyan People's Bureau in Paris for their involvement in a planned attack on visa applicants waiting in line at the Embassy on March 28.

• Six days later, France expelled two Fatah Force-17 members recruited by Libya to conduct another operation against the United States in Paris.

• On April 6, a Libyan plot to attack the U.S. Embassy in Beirut resulted in a near miss by a 107-mm rocket which exploded on launch.

• At the time we acted, the Libyan People's Bureau in Vienna was in the process of plotting a terrorist operation against an unknown target on April 17.

• We have evidence that Libya is planning widespread attacks against Americans over the next several weeks in Europe, Africa, Latin America, and the Middle East. In addition, Libya has publicly pledged to attack the United States and its citizens. As Winston Churchill once said under similar circumstances: "Whose dogs do they think we are that they can kill Americans with impunity."

In sum, at issue here are:

• Libya's unjustified use of force in attacking U.S. forces in the Gulf of Sidra last month, in clear violation of Article 2(4) of the Charter. That in reply to a question asked earlier;

• Libya's admitted, continued policy of terrorist threats and use of force in violation of Article 2(4) of the Charter;

• This policy is not directed only against the United States but includes repeated Libyan threats, calls for terrorist action, and acts of aggression and subversion against its neighbors, against European countries, and against places as far away as Northern Ireland, the Philippines, and Central America.

In a document that was drawn up by the members of the European Community on Monday, they recognized Libyan terrorist activities and have indicated the measures they plan to take to combat these activities. It is no longer a question of who is doing it—it is clear who is doing it.

In the U.S. statement to the Council on April 14, we referred to the persistent course of conduct by Libya in violation of Article 2, paragraph 4, of the UN Charter in flagrant violation of the most fundamental rules of international law. The scourge of Libyan terrorism is

(White House photo by Bill Fitz-Patrick)

President Reagan listens to Ambassador Walters in a discussion concerning the response of European allies to the Libyan incident in the Oval Office on April 17.

not a problem for the United States alone. It threatens all members of the civilized world community. It challenges all members of this Council to give meaning to their commitment to uphold the principles of the Charter and to act in the common defense of those principles.

Col. Qadhafi's rhetoric and actions are not only anti-American, his support for terrorist violence is far-ranging and worldwide—his victims are of many nationalities. More than 40 so-called Libyan diplomats have been expelled from Western Europe since 1983 for involvement in criminal activities. Terrorist attacks by Libyan henchmen have ranged from the bloody outrages at the Rome and Vienna airports to the hijacking of an Egyptian airliner to Malta; to the streets of Bonn where two Germans were wounded during an attack on an anti-Qadhafi dissident; and to the murder of a British policewoman doing her duty outside the Libyan People's Bureau in London.

Closer to home, the regime of Col. Qadhafi has repeatedly sought to subvert its African and Arab neighbors; Chad, Egypt, Tunisia, and the Sudan have all felt Qadhafi's sting. The policy pursued by Libya is nothing but a consistent violation of Article 2(4) of the Charter.

It is hypocrisy to equate the answer to terrorism with terrorism. It is equating crime with those who fight crime. It is clear that the international community as a whole suffers from Col. Qadhafi's disrespect for accepted international norms of behavior. He has abused diplomatic privilege for terrorist purposes, reneged on international agreements, and blatantly used violence against political opponents. In sum, he has made terrorism an integral part of his foreign policy. Libyan attacks are not simply the random uses of violence but concerted violence directed against the values, interests, and democratic institutions of all freedom-loving states. It is a clear assault on international order, an assault on the Charter of the United Nations, and the principles which we, as members of this Council, are pledged to defend. Let us not shrink from this challenge.

AMBASSADOR WALTERS, APR. 21, 1986[3]

The United States rejects this draft resolution as totally unacceptable. We categorically reject its assumption that the essential problem before us stems from the actions taken by the Armed Forces of the United States against Libya. That is a false assumption, contradicted by the facts, by irrefutable evidence, and by the long and tragic list of countries which have suffered brutality after brutality at the hands of Libyan terrorism.

We deplore the failure of this draft to come to grips with the real issue before this Council: Libya's blatant, unrepentant, and continuing use of force in violation of Article 2, paragraph 4, of the Charter. For this Council to endorse such an erroneous and deficient draft would be to mock the oft-stated commitment of this body—and of the General Assembly—to oppose terrorism in all its forms as criminal conduct that must be resisted and punished.

My delegation is outraged by the fact that nowhere in this resolution did we find any mention of the brutal campaign of terror waged by Libya—a campaign that has grown and become increasingly violent over the years.

Col. Qadhafi did not merely state it is a time for war, he said: "We must force America to fight on a hundred fronts." Libya did not content itself with merely threatening to use force—itself a violation of the Charter. Col. Qadhafi followed through on his threats by launching murderous attacks against American citizens, by firing at our ships, and by plotting yet more deadly atrocities. How many Americans and innocents must be killed before our right to respond is recognized?

I need not elaborate on the U.S. position on this matter, which is set forth fully in our letter to the President of the Security Council dated April 14, 1986, and our statement in this Council on April 15. I wish to stress only this: If the inherent right of self-defense, specifically recognized in Article 51 of the Charter, does not include the right to protect one's nationals and one's ships, what does it protect? The idea that a state should be condemned for seeking to protect the lives of its nationals who are subject to armed attack is too absurd for further comment.

What do we find in this resolution before us? We see a harmful and potentially disastrous approach that equates the use of terrorism with an act of justified self-defense against terrorism: an approach that condemns acts of the United States against Libya but ignores totally Libya's documented, open, undeniable use of terrorism; an approach that perverts the meaning and the intention of the Charter of the United Nations and international law; and, finally, an approach that creates an appearance of evenhandedness, but not the reality. Nowhere is Libya asked to refrain from its murderous activities.

Operative paragraph 3 begins to reflect some awareness of the nature of the problem at hand. Unfortunately, it does so in such general terms that it conveys no idea of the magnitude of the threat posed by the activities of terrorists in general and by Libya's flagrant violations of Article 2, paragraph 4, of the Charter in particular. We are not dealing here with the acts of individuals or groups but rather with a state policy to use force by clandestine means or, as one speaker in the debate put it, "war by another name." Adoption of a resolution which fails to focus on these aspects of the situation and the specific conduct of Libya can only encourage more widespread violence and lawlessness by Libya. It would be highly imprudent and misguided for the Security Council to adopt any resolution along the lines of the present draft.

This text is a product of perverted thinking that distorts logic, values, and common sense. This text equates the criminal with his victim. As such, it will be opposed vigorously by the United States of America. We expect all nations of good will and true commitment to the values and principles of this organization to stand with us.

AMBASSADOR WALTERS, APR. 24, 1986[4]

I do not wish to dignify the personal insults to my government leaders by the Cuban Foreign Minister. The comparison with Hitlerism is disgusting.

Hundreds of thousands of Americans lost their lives fighting Hitler. He doesn't even know what Hitlerism is. My country has received more than a million refugees fleeing from the terror and repression of his country, 10% of the population has fled the terror and repression of his government, and he presumes to come here and give us lessons about what is terrorism and what is not terrorism.

We have just heard the statements of members of a delegation who participated in the ministerial-level meeting of the Coordinating Bureau of the Movement of Non-Aligned countries held in New Delhi last week. I wish to recall that the "nonaligned" issued a communique on April 15 which attacked the United States for all manner of wrongs, including a "dastardly, blatant, and unprovoked act of aggression" against Libya. Nonaligned alignment against the United States is not new, but rarely is it as brazen as it has been in this chamber this afternoon. A great conflict has been raging between Iran and Iraq for 6 years. Not one word of this shows in the nonaligned communique. Why? Why is there such easy unanimity to attack the United States and nothing to describe a great war which is raging and costing thousands of lives. But, perhaps this is nonalignment, I don't know.

Three days ago, the United States, joined by several other members of this Council, voted against a similarly flawed document which unjustifiably condemned U.S. action in Libya. They should know that my country is deeply indignant and will not forget this totally one-sided view of these recent events. I repeat, how many Americans must die before we will be recognized as having the right to take some action?

I ask myself in reading these two documents whether their authors really meant to confuse the criminal with the victim and whether they are fully aware of the implications of their charges. I am shocked that neither document took any account of Libyan terrorism, which has been repeatedly and amply demonstrated before the entire world. The Governments of the United Kingdom and the German Federal Republic have both acknowledged that they are in possession of irrefutable evidence of Libyan complicity with this dastardly crime in Berlin. Did they refer to Col. Qadhafi's numerous threats against the United States, including a call for war "on a hundred fronts?" As I said in this chamber on April 15: "It is hypocrisy to equate the answer to terrorism with terrorism. It is equating crime with those who fight crime."

In the face of repeated acts of violence against American citizens and after exercising great restraint, the United States reacted to intolerable actions by Libya. As President Reagan said last week: "To have remained passive in the face of Libya's terrorist attacks such as the Berlin bombing would have only encouraged more terrorism in the future."

It has been astonishing for me to hear my country denounced before this Council by some countries which have sought and received active cooperation from the United States in dealing with their own problems involving terrorism and have not shrunk from using extreme force themselves to deal with this problem.

There is another charge which I have heard during this debate and with which I wish to take issue. It has been said by a number of speakers that the U.S. action in Libya was condemnable because a big country attacked a small country. The references to the size of the two countries may be true—but that was the only element of truth in these accusations.

I would ask those who have told us what they saw in Tripoli, did they see the carnage of men, women, and children in Vienna and Rome airports? Did you see those children wounded in Berlin? Col. Qadhafi's agents have left a trail of broken and blasted bodies from Beirut to Berlin. Some choose never to mention these. I wonder why.

References to the size of a nation are irrelevant. What is relevant are the rights of nations, large or small—the rights which are recognized in international law and the UN Charter. Article 51 of the Charter specifically recognizes the right at issue in this debate, the right of self-defense by member states—the right to defend themselves and their citizens.

Talk about size misses the point regarding terrorism. In the nether world of terrorism, unfortunately, death comes in small packages. For example, the explosives found in a suitcase at Heathrow Airport last Thursday weighed less than 10 pounds. They would have been powerful enough to destroy an entire passenger airplane and all of its innocent passengers—one of them a baby, I might add. The explosive which damaged the TWA passenger plane on April 2 is believed by experts to have weighted less than one pound. Yet its force was strong enough to have ripped a hole in the side of the plane, caused the death of four passengers, and endangered the lives of the others on board. The weapons of choice intended for the U.S. Officers Club in Ankara last Friday were hand grenades; they could have taken a heavy toll of Americans and Turkish lives, if the attempt had not been foiled by Turkish authorities. And, in the most tragic incidents, one American and two British hostages were shot in the head and killed in Lebanon, while another American, a member of the U.S. Embassy in Khartoum, lies in serious condition in a hospital from a terrorist's bullet.

It does not take advanced technology or the resources of a large country to spread destruction in civilized society. Terrorism can be attempted by any small group of determined, fanatic, and—I should add—demented individuals. It is an even greater danger if it is backed by a state, such as Libya, in flagrant violation of Article 2(4) of the Charter.

I should like to make another point. Many speakers have drawn attention to the civilian casualties in Libya. These casualties were regrettable. But it is important to remember that their casualties were the result of a legitimate U.S. response to repeated past and planned acts of terrorism by Libya in violation of Article 2(4) of the Charter. It is also

a fact that civilian targets were avoided to the maximum extent possible. This was not the case with the terrorist incidents mentioned above.

The issues before this Council are not the size of states or civilian casualties. The chief issue remains the scourge of terrorism and how the civilized nations can deal with it.

Never once has Libya been named. Have the European countries pointed at Libya without proof? Fourteen Libyan "diplomats" have been expelled from European countries in the last couple of years for "criminal acts." I wonder how many of the nonaligned noticed that?

On the subject of statements which have been made by earlier speakers in this debate, I cannot fail to raise my personal objections to a particular comment by the Libyan delegate last Monday. The Libyan delegate said that the U.S. actions in Libya were actions "against the entire Arab nation." Such an accusation is patently untrue and amounts to a slander against the American people. It is untrue because the United States maintains close and valued relations with most of the countries in the Arab world. As President Reagan said yesterday: ". . . let no one mistake this for a conflict between Western democracies and the Arab world. Those who condone making war by cowardly attacks on unarmed third parties, including women and children, are but a tiny minority. We hope and pray the Arab world will join us to eliminate this scourge of terrorism." The Libyan delegate's remarks were slanderous against my country because the United States is, as we all know, a country made up of peoples of many different ethnic origins, including people from the Arab world. Arab-Americans are a full part of our American society; they value their ties with the Arab world; and they are an essential element of American-Arab cultural exchange. They share, with other Americans, our horror over the rise of terrorism and support efforts to combat it.

Allow me to make one final point. In the last few days, a number of countries, including especially countries in Europe, have taken actions which underscore their concern about Libyan terrorism. These actions have included measures to restrict the personnel and activities of the Libyan People's Bureaus and other measures to control and monitor the movement of both official and nonofficial Libyans. The United States welcomes these actions as part of the response which free societies need to protect themselves. We also welcome the Indian Prime Minister Rajiv Gandhi's denunciation at the nonaligned ministerial meeting of "all sorts of terrorist activities, whether by individuals or by a state." We hope that the wider international community will come to a similar appreciation of the danger that terrorism poses to the entire international community and will adopt the necessary measures to respond to that danger. We hope that these measures will be built upon and expanded in the future so that the fight against Libyan terrorism will one day become effective and ensure the safety of our citizens and societies. The United States, for its part, will not shrink from the struggle against terrorism and those who practice it against us.

---

[1]USUN press release 28.
[2]USUN press release 29/Rev. 1.
[3]USUN press release 34/Rev. 1 of Apr. 23, 1986.
[4]USUN press release 36. ■

News Conference of April 9 (Excerpts)

Excerpts from President Reagan's news conference of April 9, 1986.[1]

. . . .

Two events in recent weeks have underscored the urgency of our aid request to the [Nicaraguan] democratic resistance. First, the Nicaraguan communists sent troops into Honduras on a search-and-destroy mission to kill off the freedom fighters. Second, the Sandinista communists torpedoed the Contadora talks, talks conducted with 12 other Latin countries who seek peace in the region. And these events demonstrate that the Nicaraguan communists will never make peace with their neighbors or with their own people unless the pressure on them increases.

The communists must realize that they cannot crush their opponents, and our assistance can ensure that the freedom fighters are not crushed. That assistance will give Nicaraguans a choice, and it will give diplomacy a chance. Four out of five Central American countries now have democratic governments; democracies that our bipartisan policies helped to bring about. We must stick to this bipartisan strategy. And this coming week, the House of Representatives will be called upon to maintain that tradition.

Action now is essential, and we cannot afford further delay. This proposal must not be held hostage to any other legislation. Through its vote next week, the House can show the world that the United States is determined to defend freedom in Central America.

The Soviet Union, Fidel Castro, and the Sandinistas are determined to make the region a communist enclave. Well, we must not and we will not permit that to happen.

Q. Do you have any solid evidence that Qadhafi is responsible for the recent acts of terrorism? And if you are contemplating major retaliation, won't you be killing a lot of innocent people? I'd like to follow up.

A. We have considerable evidence, over quite a long period of time, that Qadhafi has been quite outspoken about his participation in urging on and supporting terrorist acts—a kind of warfare, as he has called it.

Right now, however, I can't answer you specifically on this other, because we're continuing with our intelligence work and gathering evidence on these most recent attacks and we're not ready yet to speak on that. And any action that we might take would be dependent on what we learn. And so, I can't go further.

Q. I know you must have given it a lot of thought, but what do you think is the real reason that Americans are the prime target of terrorism? Could it be our policies?

A. We know that this mad dog of the Middle East has a goal of a world revolution, Moslem fundamentalist revolution, which is targeted on many of his own Arab compatriots. And where we figure in that, I don't know. Maybe we're just the enemy because—it's a little like climbing Mount Everest—because we're here. But there's no question but that he has singled us out more and more for attack and we're aware of that. As I say, we're gathering evidence as fast as we can.

Q. Colonel Qadhafi threatened today to escalate the violence against American civilians and military targets throughout the world if his country is attacked. Does he have the ability to strike here on American soil?

A. We know that there are a number of his countrymen in this country. He has even suggested that he could call upon people to do that. And we certainly do not overlook that possibility. We're going to be on the alert and on guard for anything he might do. He has threatened repeatedly, and recently, that he will bring that kind of warfare to our shores, directly here.

Of course, it's kind of hard to keep up with him, because just a short time after this recent TWA explosion, he went on the air to state that this was an attack on innocent civilians and pure terrorism, and he wouldn't have anything to do with that. That's the same man that referred to the slaughter of the innocents in Rome and Vienna airports as a noble act.

So, I don't know whether you count on what he says for your real information. I think you just ignore that and go looking for facts.

Q. What precautions would you say Americans can take to prevent terrorist attacks at home?

A. We're doing everything that we can, and I think all of the law enforcement agencies of America are alerted of this fact. And we're not entirely helpless because, as I pointed out, I believe sometime recently—or the last time we were here—that in the last year we have aborted through our intelligence gathering in cooperation with our allies, we have aborted 126 planned terrorist attacks that never took place because of our having the information in advance.

Q. You have said that the Gulf of Sidra maneuvers were designed to protect U.S. maritime rights. As Commander in Chief, can you tell us what was so strategically important about the Gulf of Sidra in particular, or the concept of freedom of navigation in general, that you would risk the lives of American soldiers?

A. When we first came here, there had been a couple of years—that area of the Mediterranean, maybe because of its width and openness, has long been the place that has been chosen by our 6th Fleet there for the practice maneuvers that it must continue to take. And those maneuvers are very often very similar because you have new recruits and new crews and so forth, and you have to keep in practice. And he, then, before we were here—he drew that line and said that the waters behind that line were his. The rest of the world denied that and said those are international waters. But, for whatever reason, our Navy did not perform those maneuvers for a couple of years. And when we came here it was presented to us that if we did not just resume our normal practice, we could then give credence to his claim and just by our not ignoring that line establish the fact that it was his private preserve. And this was presented to me, and after full deliberation and consultation, I ruled that those who said this were right and that we should resume what had been a matter of practice with the 6th Fleet before. And so we did. And in 1981 we returned to having a maneuver.

Now, it doesn't mean that you sail in with a whole fleet just to thumb your nose at him across that line. You conduct the maneuvers out in the Mediterranean—but it does mean that there are some ships on the flank, some planes, that in the exercise will cross that line.

So, it isn't, as I say, a nose-to-nose confrontation that you make just to show off. And this was true in 1981, but

if you were to recall in 1981, two planes he sent out fired upon planes of ours. And we shot down those two planes, because I had ruled that any time there is going to be a possibility of hostility against our forces, they're going to be allowed to defend themselves. Now, we did that. Now, this maneuver was the seventh such maneuver that we have had in that area. So, it wasn't an unusual thing that we set out to do. And he did open hostilities, and we closed them.

Q. If I may, there is a wide perception, however, that the Administration was hoping to provoke Qadhafi and was prepared to escalate the military confrontation in the Gulf of Sidra. And I was just wondering whether you had given thought to the number of American lives that might have perished there.

A. I have to tell you that there's no decision that anyone in this office has to make that is harder to make than placing these young men and women of ours in uniform in a place where their lives are endangered. It is the most difficult thing to do. But it was not a deliberate provocation, and not sitting back saying, "Oh, goody, he's going to show his hand, and we'll clobber him." Not at all.

But even the Soviet Union recognizes those as international waters. And, again, just by usage or nonusage there of that area, what had been a normal practice for us for a number of years, would, as I say, lend credence to his claim and one day you'd just find that the world had accepted this. So, I think we've done this before in other waters and other parts of the world and other nations have also—to make sure that international waters are recognized as such.

And so, there are times when—yes, when people have to be endangered, but not idly and not just for a provocation.

Q. The United States is once again asking the Western allies to join with you and isolate Qadhafi. So far they have expelled some Libyan diplomats in Paris and in Bonn, but they've taken no economic sanctions in the wake of these most recent attacks. How much of a disappointment is it to you that the Europeans have not followed suit, and what do you plan to do about it?

A. We're continuing to communicate with them and talk with them, and we're encouraged by what we've seen—these two countries who have taken some action along this line. And I'm quite sure that this will be a subject we'll be talking about at the forthcoming summit with our allies.

Q. If I could follow up on that. You've used some very tough rhetoric about Qadhafi. Tonight you called him the mad dog of the Middle East. Do you ever worry that perhaps you're giving him exactly what he wants—the recognition of the highest office in this land?

A. You know, I'd never used the term mad dog before, but I saw one of you using it on television tonight, and I thought it sounded good. [Laughter]

Q. On the 20th of May, when the new U.S. submarine goes to sea for the first time, the United States will exceed the number of weapons allowed by the SALT II [Strategic Arms Limitation Talks] treaty unless you take two Poseidon class submarines out of service. Will you do that?

A. I am waiting right now—we've touched upon this and are discussing it, and I'm waiting for further reports on the actual violations of the Soviets. I know that I set a policy some time ago that we would continue to observe the restraints of the SALT II treaty, but in keeping with whether the other signatory to the treaty did so also.

Now, we know there have been violations, and we still have not come down hard on what balances what and what we should do. But we are willing to observe those restraints if they are willing, also. And I'm waiting for—we've had a lot of other things on our plate, so we just haven't made a decision on this.

Q. Might you try what's being called a proportional response, which is to say, instead of cutting up those old submarines, just drydocking them, which sort of walks the line in between?

A. This is all the kind of thing that we're talking about, and we just have not made the final decision as yet.

. . . .

Q. If I can bring you back to Mr. Qadhafi and the Middle East. There have been some reports today that say that you have already made a determination to retaliate. And yet your remarks earlier—you said any action that we might take would be dependent on what we learned. Do I take that to mean that you have not made any decision on retaliation yet?

A. This is a question that, as I say, is like talking about battle plans or something. It's not a question that I feel that I could answer, except that you all know that you've heard me on record for several years now—that if and when we could specifically identify someone responsible for one of these acts, we would respond. And so, this is what we're trying to do, is to find out who's responsible for a fine sergeant in our military dead and 50 young Americans lying in a hospital wounded because of that dastardly attack in West Berlin. And if there's identification enough to respond, then I think we should respond. And I've said that over and over again.

Q. If I may follow up. But there has, at the same time, been a lot of evidence or a lot of finger pointing toward Syria. But in recent months we have not heard anything that specifically targets the Syrians as also being perpetrators of terrorism. Is there a reason for that? Is it, possibly, because we think Mr. Assad can help get the Americans out of Lebanon?

A. No, no. We'll go wherever the finger points. But, so far, the leads have not gone in that direction on some of the more recent events.

Q. I'd like to switch subjects on you now. In view of your belief that a summit should be well prepared and produce substantive results, do you feel it's realistic to think that you can still meet your preferred June or July date?

A. It's getting pretty certain from our own standpoint that June is just about out now, although we will be having some meetings at the ministerial level here that were arranged with Dobrynin. We'll have them here this month [next month].[2] It still could be possible, however, for July. But if not then, later.

But I have made one thing plain. The fall months of our election are not going to be months that I will agree to a summit, and I will stick with that.

Q. So, after June or July what is your next best time, December? November?

A. I would think after the election, then.

Q. This has been asked in several forms, let me try another. The reported electronic intercept of congratulations from Qadhafi to the People's Bureau in Berlin, is that not sufficient evidence to the Libya bombing of the disco?

A. I'm not going to comment on anything that can reveal where we're getting information, or whether we're

getting information in that way or not. And I'm certainly not going to say—answer anything that might endanger some possible sources for that. So, I can't answer your question.

Q. There's a theory that Arab oil producers now are driving down the price of oil in order to hurt their competitors, including American oil producers. Do you think there's such a thing as oil that's too cheap?

A. I have to say that while we have said we believe that this whole thing with the oil prices should be settled on the basis of the free market, the market in oil is not completely free. There are some major producers of oil who are governments, not private corporations or business people.

And it's possible that what you'd want to keep your eyes open for, when we talk about hoping that this will be—that this whole thing will destabilize the price of oil is, you can't ignore the possibility—well, maybe somebody would think of driving it down to the point that they get rid of a lot of competition. And then they would do what comes naturally to a monopolist, and the price would start going up again, as it once did when others had a very dominant voice and hold on the oil market.

So, when I say free market—and I really mean that—I, at the same time, think that we must keep our eyes open to see that no one starts playing tricks for some kind of illicit future gain.

Q. If I could follow up, do you think that we're near that point? And if so, what kind of action would you take?

A. Now, I don't know whether we are or not—near that point. And as I say, this is just—this is really hypothetical. This is something you say, well, this could happen and so we mustn't just go blindly and pretend that not a thing like that could ever take place. But then we would have to see what our options were.

Q. I've got a question that's nonhypothetical. Vice President Bush has seemed to be talking lately about the need for low oil prices. Is he off the reservation? Do you disagree with what he's been saying?

A. No, in his own way, and more specifically, he's been saying pretty much what I've just been trying to say here, now. That the free marketplace is the one—the answer to this. But he has also been saying, talking about this same thing, that if someone is going to destabilize the whole petroleum industry by trying to take advantage of this present situation that we should be alert to that. And what he had in mind was that, obviously, here the United States has vastly reduced the amount of oil that we have to import. And now, if we suddenly, however, have made it uneconomic to produce oil in our own country to the point that we have to go back to further imports, we have, among other things, endangered our own national security. This is all that he's talking about. But we're saying the same thing.

Q. If I could follow up. A lot of Republican Senators have been saying that he's really hurting himself, politically. Do you agree with that?

A. I think some people must be reading things into this, or maybe it loses something in the transmission from as far away as he is. But, actually, I have made it a point to get exactly and specifically what he said. And I can't find myself quarreling with any of the remarks he's made.

Q. Do you have any concerns that the escalation of tensions with Libya and in that region may further endanger the American hostages still being held in Lebanon? And, also, do you have any news about their well-being that you might share with us?

A. No. We have constantly been, contrary to what some people think, working on that very problem. Those hostages, they've never been out of our minds for a minute, and our efforts have gone in every direction where there seemed to be an opening. The best that I can say to you is that with all the information we have, it indicates that they are well. But I would hesitate to think that anything that we might do in retaliation for terrorist acts now, these most recent acts, would actually affect them and their well-being. But, again, we have to deal with this terrorist problem. We cannot allow terrorists to believe that they can do this to the world.

Q. Is the problem of terrorism so serious that it would be inappropriate to consider the lives of these few Americans in setting American policy?

A. Let me say that they would be a very great consideration, always. And it would have to be a situation, depending on what all we learned, that would lessen the importance of any American in view of the major target and the more people that might be threatened.

What we're talking about now is not just hit or miss—is there going to be terrorism out there? We're talking about the accumulation of evidence of specific acts that are threatened, and that then we can take action in advance. As I said, we did last year, 126 times, to abort those efforts. And this continues to go on. So, we're still hopeful that we're going to get those hostages back.

I think I should—I've been kind of concentrating here in the center.

Q. Critics say that your policy toward Libya has been too confrontational. President Carter described Colonel Qadhafi as a polecat and said you don't poke a polecat. Now, what do you say to critics who say that military retaliation only begets more violence?

A. I could answer the other thing, that there's another side to that; that if somebody does this and gets away with it and nothing happens to them, that encourages them to try even harder and do more. And everyone is entitled to call him whatever animal they want, but I think he's more than a bad smell.

Q. If I could follow up, didn't the Gulf of Sidra suggest that perhaps military action here simply begat more terrorist response?

A. No. If he wanted to invent that as a provocation aimed at him, I've explained what that was—a practice that's been going on for several years, a number of years before I came here—long before—those maneuvers held there, and seven times since I've been here. And so, he just had to invent that to get on the air.

Q. Are we in a state of undeclared war with Libya?

A. Not on his side, he's declared it. We just haven't recognized the declaration yet, nor will we. No, it's, as I say, we're going to defend ourselves, and we're certainly going to take action in the face of specific terrorist threats.

Q. Mikhail Gorbachev really blasted you on Soviet television yesterday, accusing you of provoking another cold war and criticizing you for refusing to negotiate on the test ban treaty, for cutting the size of the UN delegation here. Is that the spirit of Geneva, and what does it bode for the next summit?

A. I evidently wasn't aware of that, that he said all those things about me, there. He must have been reading *Pravda* and TASS too much. Why don't we send him some American newspapers?

No, I think that his communication directly to me has certainly been in the spirit of Geneva, and my responses to him have been. So, maybe he was speaking to a different audience at that time. But we're trying to go forward and, as I say, we're planning for a summit here.

I know that they were upset about the action with regard to the UN, but that has been under consideration for a long time by us. The Soviet Union's delegation was bigger than the next two top delegations in the UN put together, which includes ours. And there had been enough defectors that we were aware that they weren't all delegates to the United Nations. They had extracurricular activities that were not for our benefit.

Q. What do you think the effect of future decisions, such as SALT II, would be on the summit preparations? Do you feel in any way that your hands are tied on the SALT II decision, which must be made before May 20th because of the summit preparations?

A. No. We're very much aware of wanting to keep these going. And many of these things are things we debated and discussed in the first summit meeting at Geneva, in those private meetings. And we'll be taking them up again in the next meeting, trying to make some sizable and realistic gains in lessening the tensions.

It all comes under the head of—what I told him when we first met. And that is that, the quote that I used was that countries don't mistrust each other because they're armed; they're armed because they mistrust each other. And that's what he and I had to do, was find deeds, not words, that we could perform that would lessen that mistrust to the point that we could reduce these massive armaments.

Q. You obviously condone the use of violence for the freedom fighters in Nicaragua. Why, then, do you condemn the use of violence for people your State Department claims are freedom fighters inside South Africa?

A. We don't condemn. We're trying every way we can to try and bring about meetings of the leaders on both sides. We know that there are two factions in South Africa, in the Government of South Africa. One of them stubbornly is holding to continuation of the past practices. The other, and this includes President Botha, wants change and has taken a number of steps—as many as he can get away with. But it's just like me dealing with the Hill up here. Sometimes he can't get all that he seeks.

But we are continuing to urge, and have made it plain—and I can tell you that he has agreed with us that he finds the past system repugnant and is trying to get changes as quickly as possible. And we're going to try.

Q. On the question of freedom fighters again, it's been reported that the freedom fighters in Angola are being given American Stinger missiles. Are you at all concerned that such high-technology American weapons might fall into the hands of terrorists not friendly to the United States?

A. I don't answer the questions on the nature of the armaments that we provide in cases like this. First of all, because I think if we feel that it is worthwhile for us to help militarily a force of that kind, then there's no reason why we should help their enemies know what weapons they have or what weapons are being denied them. So, I'm not going to answer that as to whether we are or aren't, on those.

. . . .

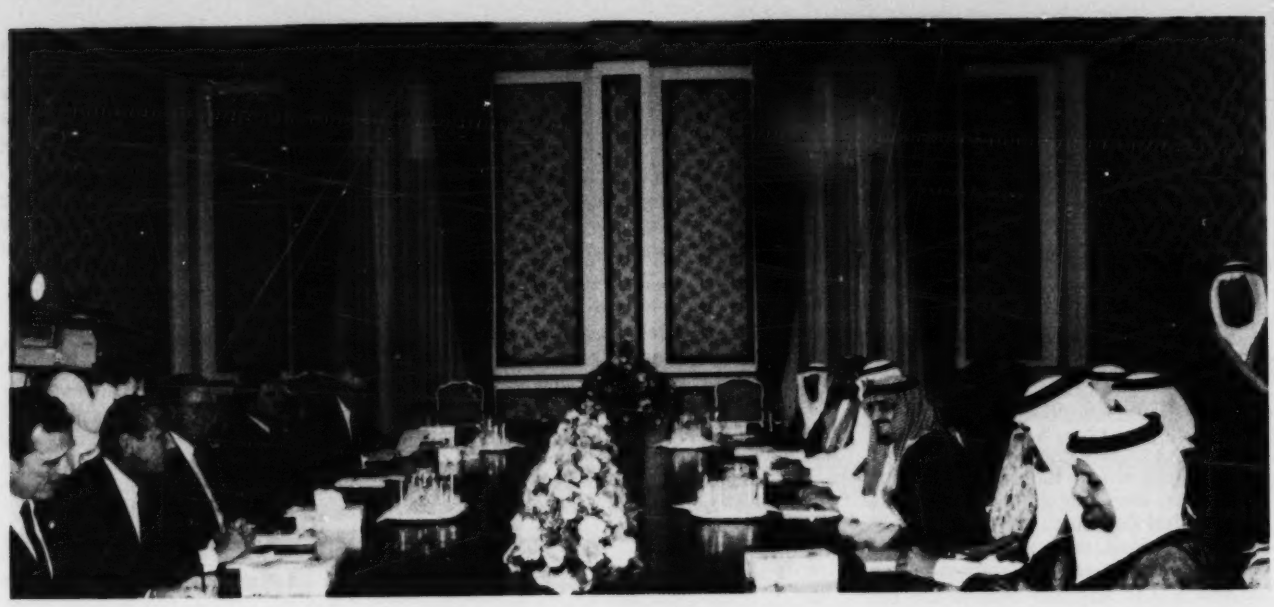
[1]Text from Weekly Compilation of Presidential Documents of Apr. 14, 1986.
[2]White House correction. ■

Vice President Bush Visits Persian Gulf

Vice President Bush visited Saudi Arabia (April 5–7, 1986), Bahrain (April 7–9), Oman (April 9–10), and the Yemen Arab Republic (April 10–12). Following are excerpts from remarks he made on various occasions during the trip.

(White House photo by Dave Valdez)

With His Majesty King Fahd bin Abd al-Aziz Al Saud in Dhahran, Saudi Arabia, on April 7.



Saudi Arabia

Today we honor almost half a century of close relations between Saudi Arabia and the United States. Fifty years ago, American oilmen . . . discovered petroleum in the Eastern Province. The first high-level, official contact came in 1945 when President Franklin Roosevelt met with King Abd al-Aziz Al Saud.

Over the years, the commercial ties between our two countries have grown stronger. Today Saudi Arabia is among America's most important trading partners. More than 300 American firms have offices here, and 40,000 Americans work here. Thousands of U.S. firms have Saudi distributors. . . .

But the U.S. relationship with Saudi Arabia is broader and more diverse than that . . . mutual security ties have been at the foundation of our relationship, and these ties remain of great importance.

Last night [April 6], I held a long meeting with the King. . . . Our conversations focused on security and economic issues . . . this country and region face a number of challenges . . . [including] the Iran-Iraq war, the scourge of international terrorism, the recent events in South Yemen, and the Soviet war on the Afghan people. . . . Regarding economics, the focus of discussion related to oil prices and production. I described the link we in the United States see between a strong domestic oil industry and the national security. I reiterated our desire to see market forces work.

Meeting with His Majesty King Fahd bin Abd al-Aziz Al Saud and other members of the Saudi Government in Dhahran on April 7 (top); and touring the new U.S. Embassy in Riyadh with Prince Saud bin Faisal bin Abdul Aziz, the Saudi Arabia Foreign Minister (on the right) and other Saudi officials (above).

With His Majesty Amir Shaikh Isa bin Sulman al-Khalifa in Manama, Bahrain, on April 8, 1986.

Lunching with U.S. servicemen aboard the U.S.S. *Enterprise* off the coast of Oman on April 9.

(White House photos by Dave Valdez)

Bahrain

The relationship between the Government of Bahrain and the Government of the United States is new—only 15 years old. The relationship between our people is not. Since the beginning of this century, the American people and the people of Bahrain have been partners for peace and progress.

Americans helped Bahrain develop its petroleum resources. Today Americans are deeply involved in the diversified Bahraini economy. Bahrain is host to the regional offices of 13 American banks. It also hosts the offices of a number of American computer and software firms.

Under the leadership of His Highness the Amir, Bahrain has developed a highly diversified economy . . . the Bahraini people have achieved the high levels of literacy needed to support such an economy. Bahrain has ensured that it can—in this age of high technology and jet travel—remain what it has been for centuries, one of the world's crossroads of trade and culture.

Bahrain is a member of the Gulf Cooperation Council . . . the United States supports the efforts of the members of the council to develop the means of protecting themselves against outside aggression . . . [and] efforts of the council members to help negotiate a settlement to the Iran-Iraq war that will preserve the sovereignty and territorial integrity of both countries.

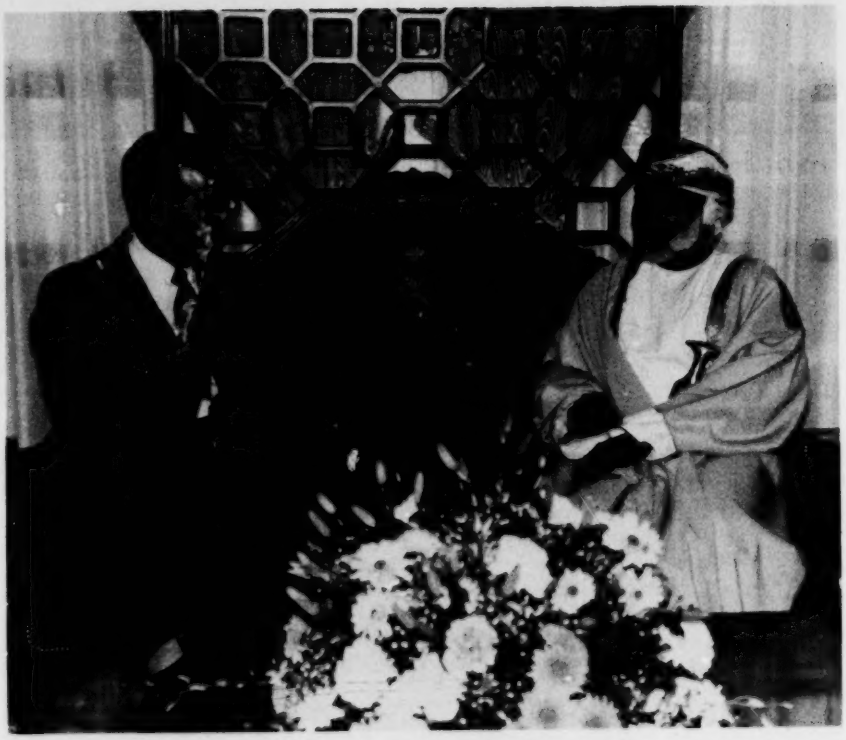
Addressing U.S. military personnel aboard the U.S.S. *Enterprise*.

Oman

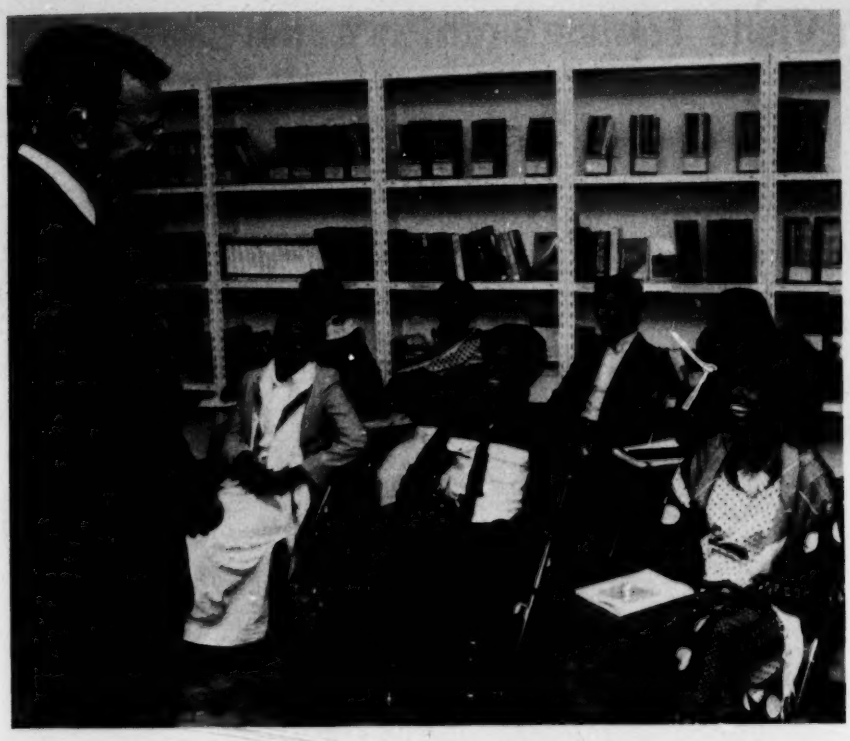
My country values highly its broadly based relationship with Oman, a relationship characterized by frequent and highly useful political consultations, by economic cooperation, and by shared security concerns. . . .

Under the Sultan, Oman has developed a modern education system, a sophisticated health care system, and is moving toward a more productive and diversified economy. Agriculture has seen enormous improvements in productivity. A modern road system has been established. Power and water systems are being provided for the benefit of the people. Earlier this morning, I witnessed the signing of a contract to expand even further the electric-power-generating capacity of the Sultanate. Literacy is up, and infant mortality is down. That is amazing progress in just a decade and a half.

The United States supports the economic aspirations of the Sultan and the people of Oman. We will continue to do so through the Omani-American Joint Commission and through vigorous efforts in the private sector.



With Sultan Qaboos bin Said in Muscat, Oman, on April 9.



At the American Language Institute in Sanaa, Yemen, (above) and on a tour of Souq (below) on April 11.

With President Col. Ali Abdallah Salih in Sanaa.

North Yemen

The people of Yemen trace their roots to the very dawn of civilization. The Kingdom of Sheba was here. Some of history's earliest trade routes converged here, and the merchants of this land were known far and wide. Yemen was not only a center of commerce but also an early center of Islamic learning. And Yemen was world renowned in centuries past as a center of scholarship in mathematics and science. . . .

America has been a partner of Yemen since the late 1950s. Today we are working with the Yemeni Government and the Yemeni people in such diverse areas as instructing farmers in more productive agricultural techniques, developing safe and reliable water supplies for villages, helping cities plan for rapidly growing populations, and helping to prepare Yemen's young people to lead their nation in the years ahead. All of these projects reflect America's faith in Yemen's future.

Today Yemen takes its place among the major oil-producing and refining countries of the Earth. It was less than two years ago, on July 4, 1984, that the Hunt Oil Company . . . discovered oil near here. This was the first oil ever to be found in this country. This refinery is the product of close cooperation between the oil company and the Yemen Arab Republic [and] demonstrates what economic cooperation . . . can mean to the Yemeni people. ■

(White House photos by Dave Valdez)

Vice President Bush Visits Tunisia and Portugal

For over 50 years, President Bourguiba has been among the wisest and most able leaders of this region. He has consistently espoused democratic values. He has consistently advocated the cause of peace. And he has consistently sought to lay foundations for a better life for all Tunisians. . . . In relations with the United States, he has kept his eyes on the continuing and overwhelming common interests and shared values that have made our two countries so close for so long.

Tunis
March 8, 1986

With President Bourguiba in Tunis.

With President Soares in Lisbon.

Last month the Portuguese people turned out in extraordinary numbers to elect a new President, and today he was inaugurated. . . . The United States salutes the spirit of the Portuguese people . . . [and] their dedication to freedom and democracy. . . . The friendship of the United States and Portugal . . . has been strengthened in the last several decades by Portugal's membership in NATO. And today it grows ever stronger as democratic institutions grow stronger here in Portugal.

Lisbon
March 9, 1986

(White House photos by Dave Valdez)

Secretary Visits France, Turkey, Greece, and Italy

Secretary Shultz departed Washington, D.C., March 20, 1986, to visit Paris (March 21-22), Istanbul (March 22-24), Ankara (March 24-25), Athens (March 25-28), and Rome (March 28-30). He returned to Washington on March 30.

Following are toasts and opening statements from news conferences made on various occasions during the trip.

DINNER TOAST,
ANKARA,
MAR. 24, 1986[1]

We last dined together only a little over a year ago, Mr. Prime Minister [Turgut Ozal] during your very successful visit to the United States. We have a saying about visits like that: You took the town by storm. That's the way it is said. Everybody in my country [inaudible]. You came as the representative of one of our most important allies, as the leader of a dynamic country committed to democracy, to an open economy, and to the defensive alliance of free nations united in NATO. Your keen intellect and enthusiasm greatly impressed official Washington, and Americans learned much about Turkey through your visit.

The 3 days we have just spent in Turkey confirm what you told us last year. The treasures of your past, which we saw in Istanbul, helped me to understand the magnificent heritage that inspires Turkey today. We have met a warm and hospitable people who clearly value our friendship. We have seen for ourselves the dynamism of the Turkish business community. We have seen evidence of the Turkish people's determination to improve their lives through hard work and the competition of the marketplace. Sailing up the Bosphorus, that historic, strategic crossroad, and looking north to the Black Sea, I gained a special appreciation of Turkey's unique position on the front line of NATO's defense.

Shared democratic ideals, and the determination to defend those ideals, are the very foundation of Turkish-American friendship. Since 1947, we have pledged our support to one another against assault from those who oppose the democratic way of life. Turkey joined us in NATO, and in Korea, because you recognized the danger to yourselves and to your friends and knew that none of us could oppose totalitarianism alone. That common threat still exists, and we need one another today as we needed one another then.

The United States gives high priority to its security relationship with Turkey. Since 1980, we have provided Turkey over $3 billion in military assistance, in addition to substantial equipment and technology transfers. We are committed to continuing high levels of assistance, for we know that in helping you to be strong, we are strengthening our own security as well.

Prime Minister Ozal, you said at Davos last year that true democracy is not possible without freedom in the marketplace. We agree wholeheartedly with that point of view.

The stability and security of Turkey are vital to the well-being of its citizens and to us as your ally. Economic growth is the foundation of that stability. The bold economic policies your government has adopted are the best guarantee of long-term growth and a promising future.

The United States has welcomed, and by its policy decisions, strongly supported, Turkey's economic revolution. Since you introduced your reforms in 1980, the United States has provided Turkey with $1.4 billion in balance of payments assistance and has rescheduled $720 million in debt in order to provide Turkish economic planners with more running room.

The U.S. economic policies have played a major role in the recent decline in global interest rates which will ease pressure on Turkish debt repayment, will ease pressure on our own debt payment. For every 1% drop in interest rates, as we calculate in Turkey's annual debt service obligations drop by over $100 million. So it ain't hay. Bilateral investment and tax treaties—the first already concluded, the second to be worked out soon—will further develop relations between our economic and business communities.

In 1985, trade between our two countries reached $1.9 billion, two-way trade, more than double what it was in 1983. Textiles and steel present special problems, of course, as they do in world trade generally. But there can be some progress even in textiles, and there is every reason why our trade as a whole will continue to grow.

Military partnership and economic cooperation are essential elements of the U.S.-Turkey relationship, but there is more: Turkey's attachment to democracy is profound. It finds expression in a free press and spirited public debate.

The U.S.-Turkish political dialogue on regional and international issues is expanding. We value Turkish support for the UN Secretary General's Cyprus initiative. We benefit from Turkey's special insights into developments in the Middle East, Southwest Asia, and East-West issues. We talked about some of these matters this afternoon, much to my benefit.

Both our nations are committed to fighting the calculated brutality of terrorism, which has claimed too many Turkish and American victims. The United States has prosecuted terrorists who attack Turkish officials. We intend to cooperate with Turkey in thwarting the terrorist conspiracy directed against all democratic societies.

Turks and Americans are committed to the rights of the individual. We welcome the improvement in Turkey's human rights record. The United States supports Turkish efforts in international fora to guarantee the right of the Turkish-speaking Muslims of Bulgaria to preserve their religious and cultural identity. In all these ways, we are working together to enhance our own security and defend and expand the freedoms we cherish.

I have tried to show just how important Turkey and the United States are to one another. America is Turkey's friend and ally. Our partnership must grow and develop. I will help in any way I can. And, more important, so will President Reagan. That is basically the message that President Reagan intended to send when he told me to come here to Turkey—that he supports what you are doing and wants to help in any way that he can.

And now, I ask you to join me in honoring, and pledging to strengthen even more, the friendship and cooperation between our two nations.

STATEMENT,
ANKARA,
MAR. 25, 1986[2]

First, I'd like to express my appreciation to my hosts here in Turkey, in particular the Foreign Minister [Vahit Halefoglu], who has been most generous

with his time and his hospitality. I've had detailed and very worthwhile discussions with him; of course, with President [Kenan] Evren just now, with Prime Minister Ozal, with Deputy Prime Minister [Kaya] Erdem, of course, the Foreign Minister, the Defense Minister [Zeki Yavuzturk], Parliamentarian leaders, and others.

These discussions covered a very broad range of questions. We discussed the defense and economic cooperation agreement (DECA) which, as you know, is ongoing. The United States believes the DECA is advantageous to both our countries and we're committed to maintaining the strong levels of cooperation under that agreement. We've also discussed the desirability of expanding our economic and commercial activities, and we've had discussion of international issues from the Iran-Iraq war to East-West issues, Middle East problems, world economic developments, and Central America. We discussed our mutual commitment to protecting individual rights and we discussed, in particular, the United States' strong support for Turkey's efforts to defend the right of the Turkish-speaking Muslims in Bulgaria to preserve their religious and cultural identity.

My colleagues and I leave Turkey profoundly impressed, once again, by the strength of character of the Turkish people, and by the historical and cultural sites that we've seen. I'm very pleased that the Foreign Minister, who has been so generous and hospitable to me, has accepted my invitation to visit me in the United States in due time, and I'll look forward to welcoming him there.

LUNCHEON TOAST, ATHENS, MAR. 26, 1986[3]

The United States has long cherished its relationship with the nation and people of Greece. Greek ideals of freedom and democracy inspired our own struggle for independence. American friends of Greece participated in your drive for modern nationhood. Millions of Americans of Greek descent have enriched and strengthened the United States.

Americans and Greeks fought and died together in the two great wars of this century. Americans have not forgotten the fierce courage and determination with which the Greek people fought against fascist oppression in World War II. Nor have we forgotten your contributions to global security on the distant battlefields of Korea. In the postwar era, we have been joined together by political, economic, military, and cultural ties. We are united in a strong and noble alliance that secures our freedom and defends the values our citizens hold most dear. We share together the burdens and responsibilities of defending democracy.

But Greek-American friendship is not merely a question of security. Greek traditions of art, architecture, drama, literature, and history have influenced all Americans. Thomas Jefferson, John Adams, and other founders of our nation were steeped in the classical tradition and our political institutions derive from fundamental Greek concepts. Our public buildings, our universities, our churches, and our homes reflect Greek classical models. American school children study ancient Greece as a prologue to their own history. As a result, Americans grow up believing that Greece, its people, and its life as a nation are of unique importance.

The strength of our shared values and common traditions will assure the continuity of U.S.-Greek relations even in times of difficulty. My government has welcomed your Prime Minister's calls for "calmer seas." We have also welcomed your personal willingness to embark on a step-by-step problem-solving effort to improve our relations and settle issues which have troubled us both in recent years.

Small- and medium-sized problems in our relationship have sometimes had a way of taking on lives of their own and creating frictions out of all proportion to their true significance. We need to learn to manage such irritants better and concentrate on the larger issues of agreement and common interests. Let us address our problems frankly and constructively during our talks together. I might just say that in our discussions this morning—in which 5 minutes of a private meeting that was scheduled turned into 1 hour and 45 minutes, much to the discomfort of our wonderful delegations—there was, nevertheless, a very positive and constructive and thoughtful interchange between us. And I found it to be most worthwhile. And I might say, you personally, as a Minister of Foreign Affairs [Karolos Papoulias], are a fresh breeze. And I look forward to our continuing, progressively improving work together.

Greek-American economic ties are another essential part of our complex relationship. There should be room for increased American investment in your country as a means of serving the economic interests of both our peoples. The overall state of U.S.-Greek relations has an immediate effect upon our joint economic progress. Predictability, stability, and forward movement in the relationship as a whole will inevitably bring about gain in areas such as investment, tourism, and the transfer of information and technology.

As we address bilateral matters, we also need to consider carefully how to strengthen our cooperation against the insidious threat of terrorism. The destruction of the Truman statue, which you very graciously and pointedly referred to in your toast, dramatizes how the proponents of violence, by targeting the symbols of Greek-American friendship, seek to undermine the basis of civilized and respectful relations among nations. In ancient times, the columns of the Parthenon were topped by a sculptured frieze whose mythological figures portrayed the conflict between civilization and barbarism. I saw this this morning myself. Today that same conflict continues in different forms, and we must rise to our challenge, as your ancestors rose to theirs.

Monuments can be toppled—at least temporarily—but no force can undo the vision President Truman brought to the postwar world or the fact that his policies helped preserve Greek democracy and reconstruct the Greek nation. The external threat which later brought us together in NATO remains as real today as in the days of the Truman doctrine. The shared interests which led our governments to conclude our defense and economic cooperation agreement in 1983 are as compelling today as then.

In our meetings since last August, we have worked hard for better relations. We have made some progress. The visits to Athens of my associates have contributed to our efforts. The atmosphere is greatly improved. You and I know that we can and should do much more. If we sustain the strong effort required, I have no doubt that we will succeed.

I ask you now to join me in a toast to the goal of a strong, mature partnership between the United States and Greece—a partnership based on mutual admiration and respect, on mutual confidence in each other's purposes, and a clear recognition that good Greek-American relations serve the vital interests of our two great people.

**STATEMENT,
ATHENS,
MAR. 27, 1986[4]**

I want to thank the Prime Minister [Andreas Papandreou] and his colleagues for all they have done to make my visit to Athens pleasant and productive. My talks here have been straightforward and constructive. Last year the Prime Minister expressed the wish to move Greek-American relations into what he termed "calmer waters," an objective also sought by President Reagan. My visit here demonstrated to me how far we have moved in that direction. We have made this progress through the step-by-step process the Foreign Minister and I agreed to last fall.

During my talks here, we were able to identify a list of significant steps that our two governments might look at: the defense and economic cooperation agreement which we signed in 1983 is functioning well; we have concluded all necessary steps for the sale of advanced U.S. fighter aircraft to Greece; we have concluded an agreement on the protection of military information, the Gsomia; we have just concluded an interim civil aviation agreement; we have been able to broaden and deepen our cooperation in meeting the challenge of terrorism. So, we have a record of achievement.

My talks here also enabled us to identify items on our common agenda which we will be working on together in the months ahead and, I believe, with potentially good results. These include: resolution of outstanding issues that will clear the way for negotiations on a base labor agreement and a comprehensive status of forces agreement; negotiations on an agreement for Voice of America facilities in Greece; further negotiations on the defense industrial cooperation, as described in our DECA; further trade and investment talks scheduled for early in May; examination of ways to make our cooperation in meeting terrorism even more effective.

We have also had good discussions on the future of U.S. military facilities in Greece. We did not come to a conclusion, but we did agree that a serious discussion of this question would take place in time to permit the orderly resolution of the questions well prior to December 1988.

We also reviewed other issues on the agendas of both countries. I emphasized my government's concern about the differences between our Greek and Turkish allies, our hope that they will be able to resolve them, and our interest in the peace and stability of the region. I expressed the hope that Greece will be able to find a way to return to full participation in NATO activities, and I underlined my government's interest in a lasting and fair settlement of the Cyprus question as well as our conviction that the [UN] Secretary General's initiative is the most promising route to that goal.

Finally, I had the pleasure of extending an invitation to the Greek Foreign Minister to visit Washington, and he has accepted.

**STATEMENT,
ROME,
MAR. 29, 1986[5]**

The Governments of Italy and the United States consult regularly as close allies and friends on important international issues. My meetings yesterday with President [Francesco] Cossiga, Prime Minister [Bettino] Craxi, and Foreign Minister [Giulio] Andreotti, and today with Interior Minister [Oscar Luigi] Scalfaro and Defense Minister [Giovanni] Spadolini, are part of that process.

Our discussions this time are covering these issues: We focused on recent developments regarding the Gulf of Sidra; and I was glad to have a chance to talk first hand with the Italian leaders in detail on this subject. Our naval exercises in these international waters were part of a global program to support traditional maritime rights of the international community. We exchanged our thoughts on the Iran-Iraq war and other Middle East issues. We talked about East-West issues and the importance of alliance solidarity. I explained our insistence that EC enlargement, which we support, not come unfairly at our expense. We went over the welcome progress of democracy, particularly in Haiti and the Philippines. I took advantage of the opportunity to meet with my Egyptian colleague, Foreign Minister [Abdel] Meguid, who was coincidentally in town. We had a good review of developments affecting Egypt, including that country's economy and the Middle East peace process. Later today, I will have the privilege of an audience with the Pope. Tomorrow my wife and I will attend Easter mass at Saint Peter's.

Before taking your questions, I would like to express my thanks to the Italian Government and Italian people for their gracious hospitality we have received throughout this visit.

[1]Hosted by Turkish Prime Minister Ozal. Press release 57 of Mar. 26, 1986.
[2]For the question-and-answer session which followed this statement, see press release 62 of Mar. 28.
[3]Made at the Foreign Ministry of Greece. Press release 64 of Mar. 28.
[4]For the question-and-answer session which followed this statement, see press release 69 of Apr. 2.
[5]For the question-and-answer session which followed this statement, see press release 68 of Mar. 31. ■

Moral Principles and Strategic Interests: The Worldwide Movement Toward Democracy

Secretary Shultz's address for the Landon Lecture Series at Kansas State University in Manhattan on April 14, 1986.[1]

It is, of course, an honor and a privilege to take part in an event that is named after Governor—as he is known throughout the country—Alf Landon. It has the symbolism of dignity, of intelligence, of commitment, and of humor. And I might say those virtues are embodied in Washington in Senator Nancy Kassebaum, with whom it is my pleasure to work, since she, particularly, is a member of the Foreign Relations Committee, my committee that I report to. And, of course, we have Senator Bob Dole who is giving us leadership in the Senate and other members of the Kansas delegation.

Someone once said of Alf Landon that "like every typical Kansan, he is an honest believer in self-government and civil liberties." So the Landon Lecture Series is an appropriate forum for some basic questions about self-government and civil liberties. Today, I would like to talk about democracy—although not inside the United States but abroad.

A struggle is spreading around the world for democracy. Kansas itself is a symbol of our own national struggle for this ideal. Kansas—"Bleeding Kansas"—

was once an infamous battleground. In the middle of the 19th century, this State—and this country—were bitterly divided by an institution that denied human beings their most fundamental rights. The destruction of slavery was slow and agonizing, requiring the bloodiest war this nation has ever known. But by redeeming its democratic promise, America was able to survive its wounds and, ultimately, to prosper.

Today, an extraordinary movement toward democracy is unfolding in diverse corners of the globe. Only a few days ago, the Roman Catholic Church published an "Instruction on Christian Freedom and Liberation," which observes that:

> [O]ne of the major phenomena of our time . . . is the awakening of the consciousness of people who, bent beneath the weight of age-old poverty, aspire to a life in dignity and justice and are prepared to fight for their freedom.

The evidence of this movement is striking, particularly in the developing world. The most dramatic example is the growth of the democratic center and the decline of social oligarchies in Latin America and the Caribbean. Today, 90% of the people of this neighboring region enjoy democratic government, compared to only one-third a decade ago. Examples in other areas include the return to democracy in the past dozen years in Spain, Portugal, Greece, and Turkey; a new government in the Philippines; and the movement toward democracy in Pakistan, Thailand, and Haiti.

We should also note the prosperity and stability under free institutions of the Association of South East Asian Nations, called ASEAN, and other Asian countries. The movement toward more open governmental and economic arrangements there and elsewhere has been aided by a growing recognition—in states as diverse as China and several in Africa—that socialist economics does not spur development, that free markets are the surer path to economic growth.

The best evidence for the growing power of this movement comes from people struggling against tyranny—particularly communist tyranny. The Soviet Union and its satellites, once thought immune to popular pressures, are now being challenged around the world: most notably by resistance movements in Afghanistan, Angola, Cambodia, Ethiopia, and Nicaragua.

Factors Common to Most Democratic Transitions

Nations have undergone different types of transitions to freedom and self-government. It is a complex process, which can move slowly and imperceptibly or explode in violent convulsion. Indigenous factors are central, and what is crucial in one place may not be in another. Nonetheless, there are certain overlapping factors common to most democratic transitions.

The first is the ruling order's loss of legitimacy. Economic decline, war, corruption, the death of a longtime leader—each factor alone, or with others, signals the failure of the ruling order and creates pressures for a new one to take its place.

A second consideration is the temper of the people and of the nations' elites. They have to "want" democracy. Elites favoring democracy, or who at least accept it as a practical necessity, are essential to providing the leadership necessary for the transition. Connected to this is the *quality of leadership.* Mrs. Aquino is proving an able leader in the Philippines, and King Juan Carlos has proven a model constitutional monarch in Spain. But poor leadership was a factor in the failed democracies of Latin America in the 1960s and early 1970s and in many of the states that became newly independent in the 1950s and 1960s.

The third factor is Western political and economic support. Democratic transitions take place through the efforts of the people themselves, but support from the United States and other Western countries can be crucial. In El Salvador, U.S. involvement has been decisive; and it has been important in Ecuador, Uruguay, and elsewhere in Latin America. Such support played a helpful role in the return of Spain and Portugal to democracy and in Turkey as well.

A fourth factor has been local reconciliation and amnesty. Without an effort to "bind up its wounds," a nation in transition cannot build the tolerance and compromise that are essential to democracy.

A fifth factor in transition to democracy is the role of independent power centers, such as the military and, in Roman Catholic countries, the church. The military is usually a crucial player: it may help to throw out the autocrat, as in Portugal and the Philippines. It may be a positive force for stability and encouragement of movement toward democracy, as in Brazil. Or it may acquiesce in the transition, as in Argentina and Uruguay. In recent years, the Roman Catholic Church has played a key role in countries like Spain and, again, the Philippines.

There are other factors shaping the complex process of democracy, such as the degree of literacy, the size of the middle class, the condition of the economy, and the strength of the democratic center against extremes of right and left. My point is simply that democratic transitions are complex; they are fragile, and they require careful nurturing to succeed. Just because we played a successful role in the Philippines doesn't mean we will always succeed. Some people fear the risks in such transitions, recalling developments of the 1970s in Iran and Nicaragua. But the many successful transitions to democracy that I've noted should give us confidence. And if we use our power wisely, become engaged where we can help, and understand the local forces at work, we can advance the ideals we hold so dear.

The U.S. Response

This democratic movement is out there; it's happening. The United States, as the strongest free nation in the world, is in a position to influence it. How should we respond?

Our position is unambiguous. The Reagan Administration supports human rights and opposes tyranny in every form, of the right as well as the left. Our policy is unequivocably on the side of democracy and freedom. [Applause] I'm glad to hear there is support for democracy and freedom in Kansas. [Applause]

But not everyone thinks we should respond. A leading argument against an activist U.S. policy comes from the "realist" school of critics. It accepts the fact of American power in the world but argues that we must exercise that power through a cool if not cold, a detached if not amoral, assessment of our interests. Our interests must predominate. In this view, the promotion of democracy abroad is a naive crusade, a narcissistic promotion of the American way of life that will lead to overextension and ill-advised interventionism. Moral considerations, we are told, should not have important weight in our foreign policy.

There are two problems, in my view, with this argument. The first is that the American people believe in our nation's ideals, and they want our foreign policy to reflect them. That is the reason why our recent actions in Haiti and the Philippines evoked such widespread support at home. The second is that the basis for this agument—the old dichotomy between realism and morality—is one whose meaning has changed sharply in today's world.

The realist critique ignores the crucial fact that our principles and interests are converging as never before. The reason is that in the modern world, which is shrinking to intimate size through new technologies, the growth of democratic forces advances our strategic interests in practical, concrete ways. What happens in southern Africa or East Asia matters to us economically, politically, and socially; and television and the jet plane won't let us ignore once-distant realities.

I find this convergence of principles and interests one of the most promising developments of this decade, because it gives us an opportunity to rebuild the once great bipartisan consensus on foreign policy, the consensus that fragmented over Vietnam.

National Interests

Just how does active U.S. support for democracy serve our interests? First, on the most fundamental level, we are aligning ourselves with the desires of growing numbers of peoples throughout the world. But there is more. We believe that when governments must base policy on the consent of the governed, when citizens are free to make their views known to their leaders, then there is the greatest prospect of real and lasting peace. Just as people within a democracy live together in a spirit of tolerance and mutual respect, so democratic states can—and do—live together the same way. The European Community and other inter-European bodies, for example, are models of international cooperation.

A second reason—democratic nations are the best foundation of a vital world economy. Despite our current trade problems, international commerce is central to our own economic well-being. Twenty percent of our gross national product is connected to trade today, compared with only 10% in 1950. People overseas have to be able to afford our goods; and nations that permit open economies, that give free rein to the individual and minimize government interference, tend to be the most prosperous. Not all such nations are democratic, but most are. They have confidence in their citizens and encourage them to act in ways that stimulate, rather than hamper, economic growth. Democracies also provide the political stability needed for economic development. Further, nations that experience rising living standards through peaceful trade do not want to risk their prosperity in war.

President Reagan put it simply to the UN General Assembly last October:

> Free people, blessed by economic opportunity and protected by laws that respect the dignity of the individual, are not driven toward the domination of others.

Third, the movement toward democracy gives us a new opportunity to advance American interests with only a modest commitment of our resources. In the past, it was thought that we could advance our interests, particularly in the developing world, only with a massive commitment of our political, economic, and, sometimes, military power. Today, the reality is very different: we have partners out there eager for our help to advance common interests.

America's friends and allies are all the more important today given the limits on our own resources, the steady growth in our adversaries' power, and the understandable concern of the American people that our friends carry their fair share of the burden. In Central America, Southeast Asia, Turkey, the Philippines, and elsewhere, the success of democracy furthers our own strategic interests.

Fourth, I believe that prudent U.S. support for democratic and nationalist forces has a direct bearing on our relations with the Soviet Union. The more stable these countries, the fewer the opportunities for Soviet interference in the developing world. Remember that it was Soviet intervention in Angola, in Ethiopia, and especially in Afghanistan that helped to undermine confidence in Soviet-American relations in the late 1970s. Success by freedom fighters, with our aid, should deter the Soviets from other interventions. A less expansionistic Soviet foreign policy would, in turn, serve to reduce tensions between East and West.

In an imperfect and insecure world, of course, we have to cooperate and sometimes assist those who do not share our principles or who do so only nominally. We cannot create democratic or independence movements where none exist or make them strong where they are weak. But there is no mistaking which side we are on. And when there are opportunities to support responsible change for the better, we will be there.

Foreign Policy Instruments

Our national interest in promoting democratic forces requires us to take a long, hard look at the means available to us. Despite recent successes, we have to be sober about what we can achieve; and we should anticipate setbacks. As I said earlier, political transitions are fraught with complexity.

The United States possesses a wide range of instruments for promoting our interests abroad. Decisions about which to use, and in what combination, will vary from case to case. Congress has to give us the necessary flexibility. Excessive restraints and micromanagement only complicate our efforts.

One factor is a fundamental aspect of every situation: *our own military and economic strength.* Diplomatic efforts and economic assistance cannot succeed if the United States is seen as unable or unwilling to defend its ideals, its interests, and its friends. That's why President Reagan's achievements in rebuilding our military and restoring our economic prosperity have done so much to enhance our position in the world. Congress ought to keep this in mind when it votes shortly on proposals that would sharply cut back on defense preparedness.

Let me now turn to the more specific instruments used to implement our policy.

Economic Assistance. The first is economic assistance. Sound economic development is conducive to democratic political development and stability. Openness to fair trade on our part contributes powerfully to this objective and benefits us as well. And this objective also explains why economic assistance has constituted the overwhelming percentage of our direct help to other governments. Under the Reagan Administration, three-quarters of our aid to the countries of Central America has been economic, rather than military, assistance. Worldwide, in the past 5 years, almost two-thirds of our assistance has been economic; only one-third military. And the Administration's Caribbean Basin Initiative, as an example, opened special trading opportunities to neighboring small economies.

American economic aid can be a powerful tool for democratic development. In Haiti, for example, we exerted the influence of our economic aid at a key moment to facilitate a peaceful transition to a new era, bringing the promise of democracy to a country long ruled by dictatorship. And we are now doing all we can to support the parties trying to establish democratic government there.

Security Assistance. The second instrument is security assistance to friends, which often complements our economic help. Security assistance serves a number of purposes: it helps allies and friendly countries to defend themselves and to deter threats of outside interference; it gives us influence to help mediate conflicts; it helps sustain our access to valuable bases in strategic areas; and it gives us the opportunity to promote the importance of respecting civilian government and human rights. Security assistance also enables allies and friends to accept defense responsibilities that we might otherwise have to assume ourselves—at much greater cost in funds and manpower. Dollar for dollar, it's the most cost-effective security money can buy.

El Salvador is the most recent example of how our military and economic assistance works together to enhance our security even as they strengthen indigenous democratic institutions. Five years ago, the communist guerrillas in El Salvador had launched their so-called final offensive. Rightwing death squads seemed out of control. And, to many, the prospects for democracy seemed hopeless. Our critics—many of whom also oppose aid to the Nicaraguan democratic resistance today—opposed our aid program as a waste of money, as support for an oppressive regime. How wrong they were.

After considerable debate, a majority in Congress came to support our program. The results are something all Americans can be proud of. Today, strengthened by our military aid and stabilized by our economic assistance, El Salvador is writing an extraordinary chapter in the history of democracy. In the midst of a guerrilla war, four fair elections were held in 3 years; a constituent assembly drafted a constitution; and a president, national legislature, and local officials have been elected according to the constitution's rules. Our assistance gave the long suffering people of that country the chance to speak out and choose democracy as the road to a better life. And they are carrying on the fight themselves. Contrary to the critics, we have not been drawn into any quagmire in El Salvador.

Diplomatic Engagement. The third instrument of U.S. policy in promoting democratic reform is diplomatic engagement. In the Philippines, our influence helped to bring about an election that enabled the Filipino people to make their views known—an election that ultimately led to a new government. Throughout that crisis, we put our prestige firmly behind the principles of democratic choice and nonviolence. The jubilant faces of the crowds in Manila in the days following Mrs. Aquino's accession to the presidency demonstrated for all the world to see just what America's ideals really mean.

Our diplomatic efforts directly advanced our strategic interests as well. A new, friendly government whose legitimacy is firmly based on the will of the people offers far better prospects for our future base rights in the country. Imagine the enmity we would have earned—and deservedly so—had we tried to block the will of the people and encouraged the use of military force to suppress them. What would have been the future prospect for our bases then?

We are also active in trying to help resolve a number of regional conflicts, believing that in each case a lasting solution depends on the free choice of the people involved: in Afghanistan, Cambodia, Ethiopia, southern Africa, and Central America. To facilitate such solutions, last October President Reagan proposed at the United Nations a plan designed to persuade the Soviet Union and the warring parties to work for peace, rather than to continue to pursue a military solution in each of these areas. We're still waiting for a positive response from Moscow.

We have broad agreement in this country on the use of these foreign policy instruments—U.S. military and economic strength, economic assistance, security assistance, and diplomatic engagement—to promote our goal of democratic development.

U.S. Military Power. The last of our policy instruments, one which evokes some controversy, is U.S. military power. It includes a variety of options: weapons sales, the use of military advisers, training, and, as a last resort, direct U.S. military action—as in Grenada.

Political support and modest U.S. military assistance to those resisting Soviet-supported or Soviet-imposed regimes are certainly a prudent exercise of U.S. power. In most cases, the resources involved are small; $100 million for the Nicaraguan democratic resistance, for example, is a modest investment in a region so critical to our security.

In such a case the power developed through our assistance may be the only force capable of bringing communist rulers to the negotiating table. But if the adversary won't negotiate, we must be prepared to offer the material assistance needed for victory. We do not favor open-ended escalation or a cynical policy of using the struggles of courageous people to "bleed," in Mr. Gorbachev's phrase, the Soviet empire. But we will help these people be effective in the fight that they have chosen to make for themselves.

Sometimes, our aid needs to be covert. Friendly countries which would funnel our aid may fear open involvement. The local group we are helping may have legitimate reasons not to have us identified as its ally. Covert U.S. aid may give us more room for political maneuver and our adversary more room for compromise. There are other factors as well.

We can never succeed in promoting our ideals or our interests if we ignore one central truth: *strength and diplomacy go hand in hand.* No matter how often this is demonstrated by history, some people simply cannot—or will not—grasp it. Over and over again we hear the refrain: "Forget strength, let's negotiate." No chips; no cards; no hand to play—just negotiate. Unfortunately, it's an objection based on an illusion.

As we work to support the trend toward democracy in the world, we must also remember an important lesson: formulas abound for transitions from traditional authoritarian rule, and recent history shows that such transitions do occur. But there are no successful, peaceful models for getting rid of Marxist-Leninist totalitarian regimes.

That is why our aid to the Nicaraguan resistance is so crucial. The tools we are working with—diplomatic and economic—will not prove effective without a sustained program of military assistance to the democratic resistance. If America is stripped of this tool, we inevitably will face the unwelcome choice between helplessness and starker action. Negotiations are a euphemism for capitulation if the shadow of power is not cast across the bargaining table. How many times must we learn this simple truth?

Critics who would deny us that tool refuse to face the fact that power is the

language the Nicaraguan communists understand. These critics favor the moral ends—the human rights—that have always comprised the idealistic element in U.S. foreign policy; but they ignore the fact that power is necessary as a guarantor of these noble ends. They advocate utopian, legalistic means like outside mediation, the United Nations, and the World Court, while ignoring the power element of the equation—even when faced with a communist regime whose essence is a monopoly of power and the forcible repression of all opposition.

Such an approach is riddled with contradictions. It applauds our support for freedom in the Philippines, Haiti, and South Africa. Some of its advocates even endorse our support for freedom fighters in far-off Afghanistan and Cambodia. But it opposes active efforts to bring freedom to nearby Nicaragua, where democrats on our very doorstep are fighting to save their country from communism.

This schizophrenic approach is not a policy; it's an evasion. It would doom the very ideals and hopes for negotiated solutions it advocates and would make the United States impotent where we are needed most.

Guarding Democracy

My topic today has been the significant trend toward democracy in diverse areas of the world and the consequences for the United States. Events—and U.S. policy—have been fostering a world of greater openness and tolerance. But democracy faces many enemies, brutal leaders who feel threatened by tolerance, by freedom, by peace and international cooperation. These enemies will stop at nothing in trying to destroy democracy: deception, propaganda, terrorist violence against innocent men, women, and babies. No tactic is too gruesome in their destructive manipulations. They are at war with democracy, and their means make all too clear their hostility to our way of life.

The terrorists—and the other states that aid and abet them—serve as grim reminders that democracy is fragile and needs to be guarded with vigilance. These opponents of our principles and our way of life think they can vanquish democracy by exploiting free peoples' love of peace and respect for human life and by instilling fear in ordinary citizens to demoralize them and undermine their faith in democracy. The most challenging test for the global movement toward democracy—the sternest test for all free nations—is to summon the will to eradicate this terrorist plague. Because terrorism is a war against ordinary citizens, each and every one of us must show a solider's courage. If the terrorists cannot instill fear in us, they are beaten. If free peoples demonstrate what Israel's Ambassador to the United Nations calls "civic valor," and if we do not hesitate to defend ourselves, democracy will prevail.

We live in a dynamic era. In the 1950s and 1960s, Marxist-Leninist revolutions and socialist economics seemed the wave of the future in the developing world. But today, those models have proved bankrupt—morally, politically, and economically. Democracy and freedom are the wave of the future. This trend is opening up new opportunities for U.S. foreign policy. We helped to create this trend, and we can continue to help it along with prudent policies that support other peoples as they strive to realize their own aspirations. In so doing, we advance both our moral ideals and our national interests.

This notable convergence of ideals and interests is the reason why I am optimistic about the future. As the world's first constitutional democracy, we Americans have always felt a profound stake in the ideal of democracy and its future in the world. As citizens of a nation founded on ideals, the Amerian people want their foreign policy to promote their highest values. I am confident the American people can support the goals I have enunciated here today.

I am also confident that we have broad public support for the basic policy instruments I have outlined. When we reach a broader understanding of the inescapable role of military power—our friends' power as well as our own—as one of these instruments, we will have completed the rebuilding of the once great bipartisan foreign policy consensus. And the United States will be an immeasurably stronger force for peace and freedom in the world.

[1]Press release 77. ■

Soviet Nuclear Test Ban Proposal

WHITE HOUSE STATEMENT, MAR. 29, 1986[1]

The President has taken note of General Secretary Gorbachev's speech on Soviet television today.

The United States has repeatedly made it clear that the practical step now needed in the area of nuclear testing limitations is to enhance mutual confidence in the ability of the two sides to verify existing agreements, in particular the unratified Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty. The President has made a series of concrete proposals to the Soviet Union in this regard, most recently on March 14. In this initiative the President invited Mr. Gorbachev to send Soviet experts to the United States to examine our new CORRTEX verification system and to observe a U.S. nuclear test in mid-April at our Nevada test site. The President made it clear that if this meeting leads to an agreement on verification—incorporating CORRTEX—which meets our concerns, he is prepared to move forward toward ratification of these two treaties. This proposal is still valid, and we expect the Soviet Union to respond to it seriously, as we have responded to all Soviet proposals.

As far as a nuclear testing moratorium is concerned, the U.S. position has not changed. From the time that the Soviets announced their moratorium last year, we made clear why a moratorium is not in the security interests of the United States, our friends, and allies. The United States has learned through experience that moratoria cannot be counted on to lead to the enhanced security desired. While the total elimination of nuclear weapons remains an ultimate goal, nuclear weapons remain needed to deter aggression and secure the peace. As long as this is the case, a moderate level of nuclear testing is needed to ensure the continued reliability, safety, and effectiveness of our nuclear deterrent.

Regarding a meeting between the President and General Secretary Gorbachev, the two agreed at Geneva "to meet again in the nearest future," and the General Secretary accepted the President's invitation to come to the United States in 1986. In December the President indicated to the General

Secretary which dates would be most convenient for this meeting. No reply has yet been received regarding this suggestion. Nevertheless, the President is confident that the General Secretary takes his agreement seriously and that he will respond in due course.

In the President's view, meetings at the highest level should deal with the entire range of important issues between our two countries. Nuclear testing is one of them, but only one; and it is an issue which is directly related to others such as the need—which we see as the highest priority—to reduce the levels of existing nuclear arms and to establish effective verification procedures. If the Soviet Union desires to make serious progress on the question of nuclear testing limitation, it should accept the President's longstanding proposal that we have our experts meet and should respond positively to the President's most recent offer.

[1]Text from Weekly Compilation of Presidential Documents of Apr. 7, 1986. ■

CDE Talks Resume

WHITE HOUSE STATEMENT, APR. 16, 1986[1]

Yesterday the Stockholm Conference on Confidence- and Security-Building Measures and Disarmament in Europe—the CDE—began its most critical session to date. If substantial progress is made, there will be a good chance of achieving a concluding document that will increase openness and make the military situation in Europe more stable and predictable. But much remains to be done if we are to reach an agreed document that will reduce the risk of military confrontation in Europe. If the East remains reluctant to move ahead with drafting such a document, time will run out on the CDE, which adjourns on September 19.

The President has instructed the head of the U.S. delegation, Ambassador Robert L. Barry, to work with our NATO allies, the neutral and nonaligned states, and the East to find solutions consistent with the conference mandate and our security requirements.

The conference must agree on the level and types of military activity that will be covered in the concluding document. We place high priority on agreeing on a threshold for notification of ground forces and combined arms activities which can be verified and which will result in equitable treatment for all 35 participating states. This can be accomplished by identifying structural and numerical parameters that would cover activities at a level significantly below those covered by the Helsinki Final Act.

In order to discourage the use of military forces for political intimidation, the U.S. delegation has been instructed to explore possibilities for elaborating the details of the measure requiring that major military activities be forecast.

The U.S. Government has repeatedly stressed our concern over compliance with international agreements and accords. All participating states must have the opportunity to verify the measures adopted in Stockholm. This can only be accomplished by inspection.

As we make progress on the content of confidence- and security-building measures, we will continue drafting on a statement reaffirming our common commitment under international law to refrain from the threat or use of force.

[1]Text from Weekly Compilation of Presidential Documents of Apr. 21, 1986. ■

U.S. Diplomatic History Records Transferred to National Archives

At a ceremony on April 16, 1986, Dr. Frank G. Burke, Acting Archivist of the United States, and Ambassador John R. Burke, Deputy Assistant Secretary for Classification/Declassification, Department of State, commemorated the successful conclusion of a 4-year agreement between the two agencies which provided for the transfer to and opening of the Department's 1950–54 records at the National Archives. They also announced the signing of a new agreement, which will result in transfer of the Department's 1955–59 records over the next 4 years.

Under the recently concluded agreement, which was the first in which another U.S. Government agency provided financial support to the Archives to enable official records to be opened to the public in timely fashion, some 10,000 boxes of State Department central and diplomatic post files were reviewed for declassification and processed for accessioning. These records cover such important topics as international organizations and conferences, international trade and economic affairs, international political relations, national security affairs, and international transportation, communications, science, and information. Inquiries concerning these records should be addressed to the Diplomatic Archives Branch (NNFD) of the National Archives for the central decimal files, and to the General Branch of the Civil Archives Division for the post files.

The success of the project has prompted State and the Archives to conclude a second agreement effective March 1, 1986, through March 31, 1990. This new agreement provides for declassification review and processing of the Department's central and "lot" files for the period 1955–59. Because of budgetary constraints, the new agreement is somewhat less comprehensive than the first, but it still will provide for the eventual transfer and opening of approximately 8,000 file boxes. The State Department is again providing guidance and funding.

In their remarks, both officials praised the close cooperation between their agencies which has enabled the project to go forward despite serious fiscal obstacles, in order to make the records of American diplomatic history available to researchers. Ambassador Burke stated that "no other country in the world has a program for the orderly and timely opening of its foreign policy records that comes close to ours."

Press Release 82 of Apr. 17, 1986. ■

U.S. Security Interests in the Philippines

by Gaston J. Sigur, Jr.

Statement before the Subcommittees on Sea Power and Force Projection and on Military Construction of the Senate Armed Services Committee on April 10, 1986. Mr. Sigur is Assistant Secretary for East Asian and Pacific Affairs.[1]

I appreciate the interest of your respective subcommittees in the Philippines, and I welcome the opportunity to discuss with you vital U.S. security interests in that country. One of the hallmarks of our Philippine policy during the past several years has been the close consultation between the executive and legislative branches regarding the formulation and implementation of our Philippine policy objectives. The recent dramatic changes in the Philippines that produced a return to democracy and the election of a popular new leader are eloquent testimony to the value of the bipartisan approach. When the U.S. Government speaks with one voice, that voice is heard abroad and the effectiveness of our foreign policy is enhanced.

I intend to continue this tradition of close consultation and look forward to a productive dialogue with you and the members of your subcommittees regarding the security aspects of our Philippine relations.

U.S. Security Interests

U.S. security interests in the Philippines stem from three agreements signed with the Philippine Government in the years immediately following its independence in 1946. These agreements concern military bases, security assistance, and mutual defense. The first of these agreements was the basing accord signed in March 1947. It marked the beginning of our defense relationship with the modern Philippines and has been the focus of our defense policy there ever since.

The military basing agreement was amended in 1966 to shorten the term of our basing arrangement in the Philippines from 99 to 25 years. A further amendment in 1979 specified that the bases at Subic and Clark became Philippine bases encompassing U.S. defense facilities and also provided for regular 5-year reviews of the agreement. At the expiration of the original 25-year agreement period in 1991, the basing agreement's term becomes indefinite. Thereafter, either side has the option to terminate the agreement on 1 year's notice. This provision is quite similar to those in our security treaties with NATO, Japan, and Korea. It is, therefore, a misapprehension that the agreement automatically terminates in 1991.

While our basing agreement has been amended many times during the past four decades, the fundamental import of our facilities at Subic Bay and Clark Air Base to our defense posture in Asia has remained constant. The location of these two facilities, in close proximity to each other, and their combined capabilities place them among the most important military establishments we maintain anywhere in the world.

Essentially, these facilities:

- Guarantee the external security of the Philippines and represent our most significant contribution to the U.S.-Philippines mutual defense pact;
- Support our wide-ranging commitments all along the Asian littoral, including our security commitments in Korea, Japan, and Thailand and important national interests in the Persian Gulf—the geostrategic location of the Philippines is unsurpassed with regard to meeting these vital national security commitments; and
- Offset the expanding Soviet military presence at Cam Ranh Bay and, as a consequence, preserve the stability of Southeast Asia by securing the vital South China sealanes against the ever-increasing Soviet threat.

The facilities at Subic and Clark have also helped to preserve a stable regional environment which has permitted East Asian states to avoid diverting excessive amounts of scarce resources to military efforts and to concentrate instead on economic development which is crucial to long-term stability. Possible locations other than our present facilities exist but would be much more expensive and considerably less effective in terms of contributing to regional peace and prosperity.

Future of the U.S. Security Relationship

Seven Philippine administrations, including the present government, and eight American presidents have supported close defense ties between the United States and the Philippines and have attested to the importance of the facilities at Subic and Clark in serving our mutual interests. We look forward to a continuation of this close security relationship with the new democratic government in the Philippines headed by President Aquino. Her position with respect to the U.S. facilities has been consistent. She has pledged to uphold the current agreement until 1991 and to keep her options open for the post-1991 period. Both sides will have the opportunity to look closely at bases issues during the next 5-year review scheduled for 1988.

We believe the importance of the bases to the security of the Philippines is well understood by Filipinos. Recent, reputable public opinion surveys point to acceptance of the bases by the majority of the Filipino people. This high approval level represents a fundamental recognition by Filipinos that U.S. access to the facilities benefits their country. Economic factors may also influence this approval, as the U.S. facilities are the second largest employer in the Philippines and contribute an estimated $350 million to the Philippine economy each year.

We also note that the Philippines' ASEAN [Association of South East Asian Nations] neighbors, as well as Japan, Korea, and other key states in the region, have expressed their strong support for our continued presence at Subic and Clark. These countries have a keen appreciation of the direct contribution our facilities make to regional security.

In view of this widespread support and because there are no other attractive locations, we have no plans to relocate our facilities from the Philippines. As a great power, we must, of course, plan for contingencies. Evaluations of other possible locations are a regular feature of our strategic planning. Prudence demands it. But no one should underestimate our resolve to maintain our defense and mutual security arrangements with the Republic of the Philippines and to preserve our access to the facilities at Subic and Clark through 1991 and beyond—with the continued cooperation and support of the Filipino people.

Because we have close ties with the Philippines, we are concerned about the threat posed by the communist insurgency. Measures to improve the security of our facilities at Subic and Clark have

been undertaken and will continue. We have also targeted our security assistance program to support Philippine efforts to counteract the internal threat they face. The twin objectives of our aid are:

First, to help restore professionalism to the "new" Armed Forces of the Philippines; and

Second, to provide the armed forces with the means to fight the communist New People's Army.

The coming to power of the Aquino government has dealt a political blow to the communist insurgents. The principal target of their propaganda—former President Marcos—is now gone, as is the "crony" military leadership which so demoralized the Philippine Armed Forces. Reform of the military has taken a big step foward with the forced retirement of many "extendee" generals and colonels and their replacement by professionally qualified officers.

The efforts of the communists to organize a boycott of the recent presidential election were a dismal failure, repudiated by Filipinos even more emphatically than during the 1984 National Assembly election. President Aquino is considering several new approaches to dealing with the communist insurgents, including a possible amnesty and a cease-fire.

However, in order to be successful, the government's program against the insurgents should also include economic and political reforms which promote an effective system of justice that punishes wrongdoers down to the village level, including errant military personnel who violate the human rights of civilians. A close, coordinated relationship between civilian and military authorities in an anti-insurgency strategy will be required—the type of plan that Defense Minister Enrile and [Armed Forces Chief of Staff] General Ramos are now proposing to the civilian leadership. Although great difficulties remain, there exists now the vital element that previously was lacking in the Philippines anti-insurgency struggle—a credible government.

U.S. security assistance can play an important role in support of Philippine Government efforts to enhance its counterinsurgency capabilities. Following recent visits to Manila of senior U.S. officials—including myself—to consult with President Aquino and senior members of her government on Philippine needs and priorities, we are now working on a proposal to increase the level of our economic and security assistance to deal with these deep problems. We expect to consult with the Congress shortly on the details of our expanded assistance program.

Conclusion

In conclusion, our facilities at Subic and Clark continue to play an indispensable role in contributing to the stability of the region. They support our strategy of forward deployment in Asia and provide a secure foundation which makes possible the pursuit of our larger political and economic interests in this key part of the globe.

Our bilateral relationship with the Philippines, which is crucial to maintaining U.S. facilities, is excellent. We are impressed with the skillful leadership of President Aquino and the team she has assembled to carry out her policies. We look forward to working with the Aquino government, as appropriate, in helping to find solutions to the formidable challenges facing her country. There are occasional problems, of course, and there will be others in the future. But with good will they can be worked out to the full satisfaction of both sides.

We believe that the prospects for continued, unhampered access to Subic and Clark are very good. Access to our facilities is best preserved, we maintain, by supporting broader U.S. interests in the Philippines—particularly a healthy free market economy and the development of democratic institutions.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S.-EC Trade Dispute

by Malcolm Baldrige

Address before the American Chamber of Commerce in The Hague on April 15, 1986. Mr. Baldrige is Secretary of Commerce.

I am honored to be here today to take part in the 25th anniversary celebration of the American Chamber of Commerce in the Netherlands. The chamber had worked relentlessly for a quarter century to increase trade and investment between the Netherlands and the United States. During that time, your membership grew to over 1,000 companies, and U.S.-Dutch bilateral trade grew twelvefold. I can think of no more important goal than that which you have adopted as your theme for this year, "freedom to trade."

This theme is particularly appropriate in the Netherlands. For over 400 years, the Netherlands has been among the world's strongest advocates of free trade. That advocacy is especially important today, for the Netherlands holds the presidency of the European Community (EC) at a critical period.

The U.S.-EC Partnership

The European Community is by far the most important economic partner of the United States. The size and importance of our relationship cannot be overemphasized. Together we account for slightly over half of total world GNP.

Our two-way trade is $120,000 million. American subsidiaries produce over $400,000 million in the EC. And European-owned subsidiaries produce over $300,000 million in the United States. That adds up to a total economic relationship of more than $800,000 million anually—over $100,000 million of which is between the United States and the Netherlands.

EC Enlargement

In recent years, however, the U.S.-EC relationship has become clouded by a growing range of unresolved trade problems. And today we face the largest potential trade dispute in the history of U.S.-EC trade relations.

On March 1st the EC imposed restrictions affecting up to $1,000 million of U.S. agricultural exports to Spain and Portugal as a consequence of EC enlargement. After trying unsuccessfully to convince the EC to postpone these trade restrictions, on March 31st we announced offsetting action to restrict a like amount of EC agricultural exports to the United States.

This dispute far overshadows such conflicts as the long-running citrus case ($40 million) and the famous "chicken war" of the 1960s ($50 million). The current dispute has tremendous destructive potential and must not be allowed to

lead to open trade conflict. There is still time to prevent this tragedy from happening.

The EC claims that it has complied with the General Agreement on Tariffs and Trade (GATT) and with previous enlargement procedures, and the EC commission has called the U.S. reaction "unfriendly, needlessly aggressive, and difficult to understand." The EC believes that the entire balance of costs and benefits must be addressed in overall enlargement negotiations, and it believes the United States will gain far more from the enlargement than it will lose, counting on the industrial side to make up agricultural losses.

I would like to explain why our view is very, very different.

First, the quotas and market set-asides imposed by the EC in Portugal are illegal under GATT. The huge tariff increases on U.S. grains in Spain contravene or undo previous tariff concessions, and the GATT requires that the EC must compensate us.

Second, we repeatedly asked the EC Commission to defer action so we could negotiate a solution but to no avail. For 4 years I, like the Secretary of State, the Secretary of Agriculture, the Secretary of the Treasury, and the U.S. Trade Representative have personally asked the EC to consult with the United States before implementing the accession details. My appeal has fallen on deaf ears. The EC acted after giving less than 3 months' notice of the details. Three months did not allow us the opportunity for the discussions envisioned by the GATT. In past enlargements, the EC provided essential details at least a year in advance.

Third, this is the first time the EC has imposed a huge up-front agricultural cost in an enlargement. In the 1973 enlargement, major EC agricultural trade restrictions were delayed a year. In fact, they didn't affect our trade in full for 5 years. In 1981, when Greece joined the EC, agricultural actions also were not fully implemented at once. Additionally, they were relatively small.

Fourth, we do not agree that we will gain more on the industrial side than we are losing on the agricultural side. In fact, we believe we will lose on the industrial side as well as in agriculture. U.S. manufacturers stand to lose not only in Spain and Portugal but also in the other 10 member states.

I need to explain this, because it is widely believed in the EC that the United States will gain so much on the industrial side that we will owe a "credit" the Community can claim on the agricultural side.

The EC's view as stated by Sir Roy Denman is that U.S. companies "will have a ball" as Spanish and Portuguese tariffs gradually drop from their relatively high levels to the lower levels of the EC-wide tariff schedule. This view might be correct if U.S. exports to Spain and Portugal competed principally against Spanish and Portuguese producers.

But most U.S. manufactured exports to Spain and Portugal do not compete against local companies. Their competition are German, French, British, and other EC companies. We estimate that EC companies are the principal competitors for about two-thirds of U.S. non-agricultural exports to Spain and Portugal.

For these U.S exports, what counts is not the size of duties in Spain and Portugal but whether U.S. companies pay a different duty than their EC competitors. Our analysis shows that U.S. companies will be at a growing tariff disadvantage.

In Spain, for example, the trade-weighted duty on U.S. manufacturers before enlargement was about 11%. Because of earlier preferences, our EC competitors paid about 8% on the same traded products—a 3 percentage point U.S. disadvantage. When enlargement is completed, U.S. companies will pay about a 5% duty in Spain, while our EC competitors will pay nothing. This means the U.S. disadvantage will be 5%—or 2 percentage points larger than before. This overall increase means that on average, U.S. exporters will be worse off, not better. In some important products, the cost will be quite significant.

In heavy electrical equipment and some chemicals, for example, the U.S. disadvantage will rise by 6 percentage points. In some pharmaceuticals, the disadvantage will rise by nearly 10 percentage points. These are serious trade barriers.

A second, and potentially even larger, cost to U.S. manufactured exports will occur as the new EC-12 common community tariff is implemented. This tariff is the weighted average of the old EC-10 tariff and the tariffs of Spain and Portugal.

On balance we estimate that industrial duties throughout the Community may rise from the former EC-10 level of about 4.7% to a new EC-12 level of 6%. Again, for many products, the increase will be much higher. The duty on some U.S. machine tools, for example, will go from 5% to 12%. These increases will put U.S. companies at a serious disadvantage.

Thus we do not see a benefit on the industrial side. Our overall tariff disadvantage will grow in Spain, Portugal, and throughout the Community. In fact, our preliminary estimates are that twice as much U.S. industrial trade will be hurt than will be helped. We are anxious to begin discussing these potential losses in negotiations with the Community.

U.S.-EC Negotiations

Let me stress that we strongly support the entry of Spain and Portugal to the Community. Europe will be politically and economically stronger as a result. We welcome GATT negotiations on EC enlargement, but these negotiations will be lengthy and complex. They can't even be started yet, because the EC still hasn't given GATT or us the necessary data.

Once negotiations begin, they could easily take a very long time. Meanwhile, we would suffer an uncompensated loss of up to $1,000 million of U.S. farm exports. This is a totally different situation from previous enlargement discussions.

How is it fair for hard-pressed American farmers to bear the cost while these talks go on and on and on? That is why, when we could not delay the EC's action, we had no option other than to protect our trade rights by announcing our readiness to remove equivalent trade concessions to the EC.

We carefully limited our measures to mirror the Community's action. We also confined our response to agricultural goods to avoid disrupting complex U.S.-European manufacturing relationships. Our agricultural actions, however, would affect all EC countries, including up to $80 million of Dutch exports.

We do not want to carry out these measures, and we have proposed that we immediately begin consultations on these issues. We have delayed implementation of even the first of our actions until May. And the major U.S. action is delayed until July.

What we hope is that the EC will agree it is unreasonable for us to bear a huge immediate export loss during these complex negotiations. We hope that the EC will find a way to suspend its March 1st actions on the Portuguese quotas and market reserve measures until

these matters have been resolved in GATT, and we hope that the EC will provide quick compensation—by no later than July 1—for our up-front losses caused by the variable levies in Spain.

Both sides should spare no effort to find a way to defuse the extremely dangerous situation. This is one of the top two priorities in our trade relationship.

Structural Changes

Our other priority must be to address the longer term causes of our trade problems. Our growing trade difficulties aren't springing up all on their own. They are, in fact, symptoms of more fundamental economic difficulties on both sides of the Atlantic. The most important of these are: (1) high unemployment in Europe and (2) the large trade and budget deficits in the United States. I do not believe we will see our trade problems shrink until we solve these basic problems.

All European leaders with whom I have spoken agree that Europe's unemployment problems are structural. Faster economic growth is necessary but by itself is not enough. Structural factors must also be addressed, such as high labor costs, rigid employment regulations, barriers to entrepreneurship, large tax burdens, and subsidization of uneconomic industries.

Nothing fuels protectionism faster than unemployment. A larger part of the problem in agriculture, for example, has been the belief in Europe that there are no alternative jobs for displaced farmers.

In the United States, protectionism is promoted by our large trade deficit. Protectionism also results from competitive problems that result from the fact that our investment, savings, and productivity rates are too low.

The Administration has not yielded to self-defeating protectionism nor will it do so. But the fight against protectionism cannot succeed if our markets are more open than those of our trading partners or if new barriers are erected in other countries.

Europeans tend to say this has nothing to do with them—our problem is with Japan. But the fact is that the $38,200 million deterioration in our trade balance with the EC since 1980 actually exceeded the $37,600 million deterioration with Japan. While most of our trade problem with Europe has been due to the strong dollar, some is due to strong European trade barriers.

Optimism for the Future

In America and in Europe, we can increase efforts to solve our economic problems, and we should increase those efforts. For our part, I believe we are making good progress. The Gramm-Rudman-Hollings law is beginning to bring our budget deficit down. And the dollar decline (33% against European currencies) will begin to reduce our trade deficit this year.

The sharp fall in oil prices allows us to make further improvements. We will redouble efforts to curtail government expenditures and to improve our tax structure in a way that will raise our savings rate, provide stronger productivity incentives, and reduce the need for foreign capital.

The oil price decline also provides a valuable opportunity for the EC. GNP growth rates in Europe this year may rise to 3% or perhaps even more. This growth will relieve some economic pressures in the short term and permit the EC countries to make some of the vitally needed structural improvements.

The EC Commission has proposed plans to raise the Community's GNP growth rate to 3.5% by making important structural reforms and by increasing efforts to reduce the still formidable internal market barriers.

These plans contain many good ideas. I hope the Netherlands and its EC partners will use the faster growth and lower inflation resulting this year to begin implementing these plans.

We need increased American and European effort to address fundamental economic problems, and we need a redoubled attempt by both sides to solve our huge agricultural trade dispute. That is what we need to achieve the goal that the chamber has set for us—"freedom to trade." ■

OECD Council Session Held in Paris

The annual Council of the Organization for Economic Cooperation and Development (OECD) met in Paris April 17–18, 1986. The U.S. delegation was headed by Secretary of the Treasury James A. Baker III. Following is the text of the final communique.

The Council of the OECD met on 17th and 18th April at the Ministerial level. The meeting was chaired by Mr. Turgut Ozal, Prime Minister of Turkey. The Vice Chairmen were Mr. Franz Vranitzky, Minister of Finance of Austria, Mr. Ferdinand Lacina, Minister of Public Economy and Transport of Austria, Mr. Pedro Pires de Miranda, Minister of Foreign Affairs of Portugal, and Mr. Miguel Cadilhe, Minister of Finance of Portugal.

Ministers heard a joint statement by the chairman of the Business and Industry Advisory Committee (BIAC) to the OECD and the Trade Union Advisory Committee (TUAC) to the OECD exposing their common concern over the level of unemployment, the need for growth, and the need to restore the manufacturing base in the OECD area.

The following records the conclusions and agreements reached by Ministers:

The overall economic situation in OECD countries is improving. And despite continuing concerns and difficulties, there are good grounds for confidence about the future. Inflation has been reduced substantially and approximate price stability achieved in some countries. Economic growth in the OECD area seems set to pick up to a rate of three percent or better this year and next, and to be evenly spread among most countries. Employment growth is likely to increase. Exchange rates have moved significantly over the past year away from levels that had produced unbalanced competitive positions among countries and had contributed to international current-account imbalances. Interest rates have come down substantially in nominal terms, although less so in real terms, since inflation has also declined. However unemployment, and especially youth unemployment, remains at very high levels in most OECD countries. Ministers were concerned that in many countries there has not been significant change in this situation up to now.

Lower oil prices are contributing to the favorable macroeconomic situation by significantly reducing inflation, raising real incomes in oil importing countries, and providing an additional stimulus generally to economic activity worldwide, although there will also be negative impacts for some energy exporting countries. More fundamentally, OECD countries are beginning to reap the benefits from concerted efforts to improve the functioning of their economies, to reduce domestic imbalances, and to strengthen international cooperation.

OECD governments intend to take advantage of these favorable conditions to promote a stronger growth trend over the medium term without rekindling inflation. Success in this effort will help in the priority task of substantially reducing present very high levels of unemployment. It will contribute to stronger growth in developing countries and

to reducing international debt burdens. It will facilitate efforts to bring about necessary structural adjustment, particularly in sectors plagued by global excess capacity. It will also provide a favorable environment for strengthening the open multilateral trade system—whose effective functioning is of fundamental importance to the world economy.

A stronger growth trend can be achieved through co-operative action among our countries. Four broad imperatives can be identified in this regard:

I) Macroeconomic policies within and among OECD countries need to be supportive of growth and employment over the medium term by keeping inflation low and by eliminating domestic imbalances. They also need to be directed toward reducing international imbalances and to be implemented in ways that promote greater stability of exchange rates at levels better reflecting economic fundamentals.

II) Structural policies need to be directed towards enhancing dynamism by enlarging the opportunities for productive activity, increasing flexibility, and improving incentives. Structural policies also need to be perceived in their relation to trade policies: where serious distortions exist in national markets. Domestic resources are channelled into less productive uses. The flexibility of economies is reduced and, inevitably, the distortions spillover into international markets. Increased attention should be paid to trade-distorting effects of government subsidies to specific sectors.

III) The capacity of developing countries to adjust their economies and increase growth through efficiency-oriented policies needs to be supported by OECD policies and improved co-operation in financial, trade, investment, technology, and other areas.

IV) There is a need to reinforce the open multilateral trading system, to strengthen the provisions and the disciplines, and to further trade liberalization on the broadest possible basis. A comprehensive new round of negotiations needs to be launched in the GATT (General Agreement on Tariffs and Trade) to preserve, strengthen, and extend the multilateral trading system.

Specific lines of action are the following:

Macroeconomic Policies

It is essential to bring about a better balance in current account positions among countries in order to reduce the risk that such imbalances which remain large might eventually undermine continued economic expansion. The longer such imbalances persist, the more difficult their ultimate correction. Smooth adjustment requires that in countries with large current account deficits, output grows more rapidly than domestic demand and, conversely, for countries with large surpluses, where domestic demand should be sufficient, to ensure that growth is at least in line with the increase of productive potential and thereby contributing more to world economic growth. The policy priorities agreed to last year remain relevant. Policy priorities include, *inter alia*, reduction of the budget deficit in the United States, increased domestic demand and the encouragement of increased imports into Japan, and the strengthening of growth in European and other member countries through both structural and macroeconomic policies. Action in line with these priorities is under way and will be strengthened. In this context, Ministers underlined the need for strengthened co-operation aimed at ensuring greater consistency and complementarity of economic policies in the medium term. Necessary procedures and techniques for achieving this objective should be actively studied.

Exchange rates have an important role to play in complementing fundamental policy actions for the reduction of current account imbalances. Concerted action has helped to bring about exchange rate changes in a direction more consistent with economic fundamentals. These changes should not be hampered from fully playing their role in the international adjustment process. Co-operation to this end will continue, recognizing that appropriate exchange rates need to be sustained through internationally compatible policies. Efforts to improve the functioning of the international monetary system should be intensified.

The control of public expenditures and budget deficits is essential to establish a stable domestic financial environment and to promote a durable reduction in real interest rates which will help private investment to expand and thus promote sustained growth worldwide. In countries where deficits are large and public debt is rising strongly—and this is still the case in most OECD countries—further deficit reduction cannot be postponed. Deficit reductions should be pursued in ways consistent with the objective of improving growth. Such reductions are best achieved through stronger control over public expenditure, rather than by raising taxation which would damage incentives. Where the trend of rising public debt in relation to GNP (gross national product) is being reversed, and budget deficits have been reduced sufficiently to restore fiscal flexibility, further deficit reductions may be less urgent. In this case, continued progress in containing public expenditure creates room for tax cuts. Generally, medium-term budget objectives should be framed having regard to the need to avoid rising ratios of public debt to GNP and to bring these down where they are unusually high, to take fully into account the implications of demographic trends for the viability of social security systems, and to contribute to a sustainable balance between domestic savings and investment. Moreover, tax reform can be undertaken to promote stronger growth and adjustment.

The macroeconomic gains to be derived from lower oil prices can probably best be achieved by allowing them to be transmitted through lower prices to households and enterprises. In a number of countries, governments have considered it appropriate to absorb a share of these gains through higher taxes in order, for instance, to reduce budget deficits or to increase efficient public investment, to lower other taxes that are judged excessive, or to replace reduced oil or gas revenues.

In recent years the primary task of monetary policy has been to bring down inflation and keep it under control. Many OECD countries have made substantial progress. The risk of a re-acceleration of inflation will always persist. Thus, monetary authorities will need to remain on guard. In this context current monetary objectives and intentions are supportive of sustainable growth and provide room for further declines in interest rates—particularly in view of the disinflationary impact of lower oil prices. Co-operation among monetary authorities on the timing of interest rate reductions can help minimize unwanted exchange-market reactions.

Structural Policies

Sustained good economic performance results from a continuing process of structural change towards national economies that are flexible and dynamic and which are bound together through an open and multilateral trade system for goods and services, the rapid diffusion of technology and know-how, and efficient and internationally integrated financial markets. Continued environmental protection and improvement can and must be an integral part of this process. Achieving this desired evolution of the world economy will take time and will require determination to overcome the obstacles to effective structural adjustment, one being the fact that in some specific industrial sectors, public subsidies are presently hampering the possibilities of industries to pursue sound adjustment policies.

Discussion of structural policies focused on the following aspects:

Employment. Unemployment is a waste of our most precious resource, human potential, and solving this problem is an essential priority. Labor markets which respond promptly and efficiently to the new job opportunities created by growth, trade, technological, and structural change are essential for the promotion of more dynamic economies and for a higher rate of job creation. The creative involvement of both labour and management is central to achieving this. Wage moderation has played an important part in bringing down inflation. Continuing moderation will help to sustain non-inflationary growth and an improvement in real standards of living. Wage settlements must take into account market conditions, productivity trends, and the decline in inflation that is taking place. Active policies to promote the better functioning of labor markets will include, *inter alia*, actions to improve access to employment, particularly for youth and the long-term unemployed, to facilitate labor mobility, to modify provisions that inhibit the hiring of new workers, to strengthen programmes for skill development, and, in particular, to improve the responsiveness of education and training to the needs of the economy.

Financial Markets. The rapid structural changes that are taking place in financial markets improve the overall capacity of these markets to provide funds more efficiently and to meet better specific needs and preferences, thus contributing to stronger growth. While this process is to be welcomed, it also has particular implications for policy. The more powerful transmission of financial impulses internationally requires closer co-operation in the conduct of financial policies. Likewise national systems of supervisory and prudential control need to adapt to the structural changes in domestic financial markets and to their increasing internationalization. This requires, *inter alia*, increased international compatibility of national policies.

Allocation of Public Resources. In addition to appropriate control of budget deficits and the overall scale of government spending, budget policy must also be directed to improving the efficacy and efficiency of government programmes. This implies flexible reallocation of resources to priority needs. It also implies improving the structure of taxation by reducing tax rates and broadening tax bases and by narrowing differentials in effective tax rates across different economic activities.

Technology. Over the last decade, OECD economies have undergone profound changes in structure and operation with considerable shifting between activities. Technological developments, such as information processing, have permitted the growth of entirely new industries as well as altering products and processes in many established industries. For the diffusion of new technologies to provide the fullest possible contribution to growth and employment, effective transfer of technology needs to be facilitated and a suitable environment for risktaking is necessary, as are responsive systems of education and training. Appropriate protection of intellectual property contributes significantly to the successful creation and diffusion of technology, and concerted efforts are needed to strengthen this protection worldwide.

Agriculture. Policies of domestic support for and protection of agriculture have sometimes inhibited needed adjustment and led to increases in global supplies in excess of demand. This problem will become even more acute if technological innovation in agriculture is not matched by effective adjustment. Studies in the Organization should contribute to be a better understanding of the issues involved. Ministers asked the Organization to intensify the work on these issues taking also into consideration the macroeconomic and social implications of agricultural policies. Ministers agree that in many cases, present policies entail not only heavily increasing costs but also the danger of aggravating conflicts in agricultural trade which, in turn, risk exacerbating trade tensions more generally. Particular concern was expressed over the recent escalations of tensions in trade in grains and in a number of other agricultural commodity markets. In the light of the serious situation, it is urgent that OECD countries, while taking into account the well-being of farmers, make strenuous efforts to reorient policies which have an effect on agriculture in order to encourage structural adjustment, to bring down budget expenditures, to correct market imbalances, and to reduce tensions internationally.

Energy. While a prolonged period of relatively low oil prices might intensify long standing concerns about long-term energy supply security and the possibility of tighter energy markets in the future, there is no need at present for new international action by member countries in the area of energy policy, although some member countries may decide that internal adjustments are required for regional sectoral or other national reason. The energy policy objectives set out in the conclusions endorsed at the meeting of OECD Ministers on 9th and 10th May 1983 (and recently reconfirmed by the Governing Board of the International Energy Agency) were, therefore, reconfirmed and their implementation will continue with whatever adjustments may later be decided are necessary. For this purpose, an updated assessment of the medium- and long-term energy outlook will be developed to serve as a basis for seeing whether energy policy objectives are likely to be achieved under current and future market conditions.

Relations With Developing Countries

Interdependence is a reality. Strong economic performance in the OECD countries is crucial for growth in the developing countries. Conversely, economic performance in developing countries will increasingly affect growth in the OECD area. More dynamic and broadly shared economic development entails action across a wide range of policies in both developing and developed countries.

Debt burdens remain onerous for a number of countries and severely hamper their process of development. Growth-oriented structural adjustment and expanding trade are essential for resolving this problem and overcoming other obstacles. OECD countries welcome and encourage the efforts already made by many developing countries in difficult political and socia circumstances. They also welcome the progress that is being made in implementing the debt initiative proposed by the United States in Seoul. They urge the continuation of co-operative efforts by debtor nations, the commercial banks, and the international financial institutions to realize the objectives of this growth-oriented debt strategy on a case-by-case basis. Debtor countries, working in co-operation with the IMF (International Monetary Fund) and the World Bank, need to develop and put into place comprehensive policies to permit sustained growth and sustainable external

Foreign Unfair Trade Practices

WHITE HOUSE STATEMENT, MAR. 31, 1986[1]

Consistent with his announcement last fall of his belief in a "free but fair" trade policy, the President today announced three new trade policy actions aimed at eliminating foreign unfair trade practices and securing open markets for American exports.

In the most significant case, the President has decided that the United States will take action against new European Community (EC) agricultural restrictions, which could affect as much as $1 billion in U.S. farm exports. The new restrictions were recently imposed by the EC following Spain and Portugal's accession to the EC. Unless the Community rescinds its illegal quotas and promptly provides compensation for its increased tariffs, the United States will offset the new restrictions by establishing quotas and increasing tariffs on EC products entering our market.

In the first use of new authorities granted in the Trade and Tariff Act of 1984 to address restrictive investment practices, the President has also directed U.S. Trade Representative Clayton Yeutter to initiate an investigation of Taiwan's automotive export performance requirements, which distort trade by forcing manufacturers to move a certain percentage of their production into export markets.

The President has further directed Ambassador Yeutter to make fact-finding inquiries to determine whether the European Community's Third Country Meat Directive may unfairly penalize American exports of as much as $125 million worth of meat.

The United States has been fully supportive of the enlargement of the European Community to include Spain and Portugal. We do not, however, believe that the EC should use this occasion to impose new trade barriers. Americans should not have to pay for the benefits which EC member states will enjoy.

[1]Text from Weekly Compilation of Presidential Documents of Apr. 7, 1986.■

balance. This will contribute importantly to improve financing by mobilizing domestic savings, by stemming capital flight, and by attracting bank credits and foreign direct investment—which should play a more prominent role in future capital flows.

For their part, OECD countries need to promote an international economic environment which will support developing countries' policies. OECD countries must, therefore, strive to improve the dynamics of their own growth and adjustment, to ensure freer access to their markets, to co-operate regarding the resumption of export credit cover on a case-by-case basis to countries implementing effective adjustment policies, to support the creation of the multilateral investment guarantee agency (MIGA), to encourage new investment in developing countries, and to provide adequate concessional and non-concessional financial flows, in terms of quality and quantity.

Oil price developments are benefiting energy-importing developing countries. However, the financial situation of a number of heavily indebted oil-exporting developing countries has deteriorated and should be addressed through appropriate measures within the overall debt strategy. The downward trend of non-oil commodity prices has increased the need for more open and stable markets, for action to remove measures distorting trade in these commodities, and for diversification of production and processing in commodity dependent economies. For this, enhanced attention by the international community is required.

The plight of the poorest countries, and especially those in sub-Saharan Africa, continues to give rise to serious concern. For these countries also, it is essential to undertake growth-oriented policy reform and structural adjustment measures. Special efforts are, however, required to support such endeavours through improved and better coordinated aid programmes. OECD members agreed to exert their best efforts in providing additional official development assistance, through both bilateral and multilateral channels, to support growth and significant adjustment programmes in the poorest countries. Multilateral assistance has a key role in this respect. Hence the World Bank's Special Facility for Africa and the recent establishment of an IMF structural adjustment facility are welcome. Hence, too, the importance of a substantial replenishment of IDA (International Development Association) bilateral donors, for their part, must improve current aid policies and practices in order to provide flexible, timely, and better coordinated financial support for development-oriented programmes.

Ministers look forward to the forthcoming session of the United Nations General Assembly on the critical economic situation in Africa. This session provides an opportunity to improve co-operation between African governments and the international community on the basis of a thorough review of past efforts in solving that continent's problems. It further provides an opportunity to set out orientations for future action aiming at the rehabilitation of the medium- and long-term development of Africa.

Trade Policy

Ministers vigorously endorsed the need to launch a comprehensive new round of multilateral trade negotiations. Ministers noted with satisfaction the preparation in GATT for a Ministerial meeting in September for this purpose. Member countries' governments are determined to do their utmost to support the new round and the process leading to its launching. All countries, developed and developing, have a stake in the early launching and successful completion of a new round. The general purpose of the negotiations should be to improve the provisions and disciplines of the GATT, expand its coverage, extend its application to new areas, promote a substantial further liberalization of trade, and consider trade aspects of other international economic policies. In this context it was recognized that parallel efforts in other areas of international economic co-operation would be conducive to achieving the objective of trade liberalization. Ministers support a comprehensive agenda for the negotiations, including issues to keep the GATT relevant to changing world trade conditions, which would provide the possibility of achieving balanced results. The new round should, *inter alia*, address the issues of trade in services and trade-related aspects of intellectual property rights and foreign direct investment. The negotiations should lead to a fuller participation in the open multilateral trading system of developing countries which should contribute to the liberalization process in a manner commensurate with their stage of economic development.

Effective commitments on standstill and rollback are necessary to create a positive negotiating climate and to further the achievement of the overall objectives of the trade negotiations. Ministers, therefore, expressed their preparedness to contribute to an effective and credible standstill undertaking by all GATT contracting parties and to discuss with their partners a meaningful monitoring process for the application of that undertaking. They also underlined the importance of the rollback of protective trade measures in order to contribute to the achievement of the liberalization objectives of the new round.

Progress on actions to relax and dismantle existing trade restrictions was reviewed. Against a difficult economic background, protectionist pressures have persisted and trade restrictions have continued to be introduced, although at a markedly slower rate than previously. At the same time, efforts to liberalize trade have resulted in the abolition of certain restrictions and in the relaxation of others. The results, though modest, represent a useful effort in themselves and contribute to confidence for new multilateral trade negotiations. In the face of the continuing threat of protectionist pressures, Ministers reaffirm their commitment to avoid new restrictive measures and to pursue their efforts to reduce trade-restrictive and trade-distorting measures. More specifically, Ministers undertook to seek as much liberalization as possible within the renegotiation of the multi-fibre arrangement, a number of them with the final objective of applying GATT rules to trade in textiles.

In order to assist developing countries, Ministers expressed hope that the contracting parties in the new round would explore means of giving appropriate recognition in the GATT context to trade liberalization measures adopted by developing countries under structural adjustment and sectoral programmes.

Services

Ministers also reviewed the Organization's wide-ranging activities on trade in services. Inclusion of services in a new round of multilateral trade negotiations would contribute importantly to trade liberalization. Related work in OECD should be pursued actively. In this regard, Ministers stressed the need to intensify and broaden ongoing conceptual, analytical, and statistical work on the complex issues involved, particularly on the application of general concepts to individual service sectors. Similarly, they underlined the importance of extending and making more effective the code of liberalization of current invisible operations and other existing instruments, which are applicable to trade in services among OECD members, in order to promote liberalization in as many sectors as possible. Ministers requested the Secretary-General to report on progress at next year's council at the Ministerial level.

Investment

Ministers observed that member countries encourage the further liberalization of restrictions on direct investment in both developed and developing countries. The Ministers observed that further liberalization of investment policies within the OECD would contribute to the success of broader multilateral efforts in this important area. In this regard, the Ministers welcomed improved efforts being made to strengthen the OECD Code of Liberalization of Capital Movements and National Treatment instrument.

Conclusion

In order to remove international frictions and imbalances through the efficient distribution of resources, it is important to advance worldwide structural adjustment from a medium- and long-term perspective, as well as to promote the further opening up of markets within the free trading system. International co-operation, including industrial co-operation through direct investment, technology exchange, and joint research and development, is very important because it promotes structural adjustment on a global scale and facilitates the formation of a harmonious division of labor, thereby contributing to the deterrence of protectionism. ■

Structural Adjustment and the Trading System: Europe's Role

by W. Allen Wallis

Address before the London Chamber of Commerce in London on March 7, 1986. Mr. Wallis is Under Secretary for Economic Affairs.

At the Tokyo economic summit May 4–6, 1986, one of the important issues that will be discussed is the relationship of economic growth to structural adjustment and the efficient operation of markets. Since I am in London to help prepare for the summit, I am especially pleased to have this opportunity to give you an American's perspective on Europe's role in structural adjustment and the relation of that to the international trading system. My central point is that policies which inhibit adjustment to change not only hamper domestic economies but also damage global trade and economic growth.

In Europe, the United States is the usual scapegoat for international economic problems. In particular, our Federal government's budget deficit is often described as the root of all the world's economic ills and most of its imperfections. Whether or not there is an element of truth in the scapegoating, it certainly is true that the United States can make a major contribution to the health of the world economy, and the main way we can do that is to keep our own economy strong. Our four principal economic priorities are:

- To increase competition by continuing to deregulate our domestic economy;
- To reduce the drag of government by curtailing the growth of government expenditures;
- To reform our tax system so as to strengthen incentives to work, to save, and to invest; and
- To resist protectionism at home and abroad, in part, through a new round of international trade negotiations.

EUROPE AND THE WORLD ECONOMY

Europe has responsibilities in the international economic system second only to America's. Europe faces profound challenges in the remainder of the century, many of them with international repercussions. Europe's high average unemployment, now at 11.2% EC [European Community]-wide, masks regional pockets of even higher unemployment, youth unemployment levels over 20% in most countries, and growing longer term unemployment. Increasingly, my European colleagues identify structural problems as major reasons for Europe's failure to create new jobs in recent years and promote new, dynamic industries—such problems as overly generous unemployment and employee benefits packages, rigid hiring and firing practices, housing programs that hamper worker mobility, disincentives to employment-generating investment, and interference with business decisions on when and where to open or close plants.

Key sectors of Europe's markets have been closed to import competition in efforts to protect existing jobs, especially in such sectors as agriculture, telecommunications, steel, and automobiles. By freezing labor and capital into inefficient activities, Europe has reduced its opportunities to grow and expand into more dynamic activities where it might compete better in international markets.

We view these developments with alarm for two reasons.

First, as your friend and strategic partner, we care about Europen security, prosperity, and liberty. Such practices have made those economies more rigid, less able to adjust to change, and hence less dynamic than they otherwise could be. Economic weakness, in turn, diminishes the alliance's ability to meet its joint security responsibilities.

Second, as your economic and trading partner, we see from a different perspective than you the disruptive impact of European practices on the international economy. In particular, Europe's rigid economies and anemic growth have generated protectionist pressures to insulate your inefficient industries from overseas competition. Imports are restricted, exports are subsidized, and the industries concerned become even more inefficient, requiring even more protection. These policies not only retard economic growth in Europe but also generate adverse effects on Europe's trading partners.

Agriculture

European agriculture is a case in point. We acknowledge, of course, the historic importance of the Common Agricultural Policy (CAP) in forging European unity. Our quarrel is not with the CAP, but with the manner in which it is being implemented, its effect on European growth, and its impact on international trade. "We believe," in the words that Michael Jopling [U.K. Minister of Agriculture, Fisheries, and Food] used in an excellent speech in Washington last Tuesday, "that the CAP poses serious problems for the Community's consumers, its taxpayers and its trading partners." But, like Minister Jopling, we "do not accept that the policy itself is illegitimate."

The CAP has evolved into an entitlement program under which government assures a market for virtually all EC agricultural production at prices far above world levels. These high price supports have been accompanied by variable levies and other import restraints. The excess production stimulated by the high prices is then dumped on world markets through export subsidies. Imports are reduced and exports expanded, all at the expense of its trading partners.

For example, despite relatively inefficient farms and high production costs in a number of member states, EC wheat production recently has averaged about 130% of self-sufficiency. The Community's imports of wheat have fallen to less than one-third the levels of the 1970s. Its subsidized wheat and wheat flour exports have increased nearly sevenfold and now take some 17% of world markets.

The opportunity cost is an enormous burden for Europe to bear. The direct budgetary cost of EC agricultural supports and subsidies has grown to over $18 billion annually. More important, the indirect costs—that is, the total transfer to farmers from European taxpayers and consumers—are estimated to be on the order of $60–$70 billion annually. Roughly 60% of the value added in European agriculture is now attributable to these transfers and subsidies. The United States, of course, also supports agriculture, but our income payments are combined with acreage reduction programs to reduce production.

There can be no doubt about the effects of protection on such a large scale. By keeping internal EC prices higher than market forces justify, the CAP fosters excessive levels of production and investment in agriculture,

siphoning off funds that could be used more productively elsewhere in the economy. Employment in agriculture is maintained at an artificially high level. Not including Spain and Portugal, agriculture accounts for 7.7% of total civilian employment in the EC compared with just 3.6% in the United States. The jobs "saved" in agriculture and other protected areas are more than offset by the greater number of jobs lost (or never created) in other sectors of the economy. For example, while the U.S. economy created over 27 million net new jobs during the last 15 years, Europe actually lost jobs, and European unemployment increased fivefold. The irony is that such a situation makes many in the Community even more reluctant to undertake necessary CAP reforms out of fear that displaced farmers would have nowhere to go.

The CAP also generates direct negative effects on international trade. A study commissioned by the Australian Government estimates that EC policies have depressed international prices for temperate zone agricultural products by 16%. Despite the fact that its production costs for these products are high, the EC has become one of the largest growers and exporters of wheat and the largest exporter of poultry, eggs, beef, veal, refined sugar, and dairy products. Every increment to EC output of these products has cost European taxpayers and consumers dearly.

Moreover, subsidized EC exports take away markets from the Community's nonsubsidizing trading partners. For example, subsidized EC grain exports cost other grain-exporting countries some $2–$3 billion annually in lost sales. The EC's sugar program costs other sugar producers, including some of the poorest LDCs [less developed countries], several hundred million dollars annually in lost revenues.

The CAP has undercut support for free trade among U.S. farmers, traditionally a pillar of the free trade coalition in the United States. Farm state legislators strongly insisted that our new farm legislation mandate export subsidies to help American farmers recover lost markets. President Reagan opposed those provisions and will seek their modification. However, the provisions became law because of the frustration of farmers and the Congress with obstacles to U.S. exports and lack of progress toward serious negotiations on agricultural trade.

We are concerned also about certain EC agricultural trade measures taken in connection with the enlargement of the Community to include Spain and Portugal. As you know, the United States has long supported the entry of those countries into the EC, and we congratulate the Community, as well as the two countries, on their accession. As a consequence of enlargement, however, the United States now faces major new restrictions on its agricultural exports to Iberia. These include high variable levies on Spain's grain imports, where before there were fixed tariffs bound under GATT [General Agreement on Tariffs and Trade]; Portuguese import quotas on soybeans and other oilseeds; and a requirement that Portugal guarantee its other EC partners some 15%–16% of its grain market. These measures cover about $1 billion worth of annual U.S. exports to Iberia. They have been implemented by the Community without adequate GATT notification or review and before negotiations over compensation that are required by the GATT. Moreover, the quantitative restrictions imposed on Portugal simply are not permitted by the GATT. It is essential that the EC respond quickly to our concerns if we are to avoid a major trade dispute.

Primarily as a result of agricultural policies in the United States and Europe, there is global oversupply of virtually every major commodity. Nevertheless, the EC continues to expand production and, in so doing, shifts to others the burden of adjustment.

We need to change our ways. In its new farm legislation, the United States has begun to move slowly but surely toward more market-oriented agricultural policies. Price supports have come down and will go down further. We are doing this for sound reasons of domestic policy, not to attack the CAP, but it must be recognized that an indirect effect of our new policies will be to raise the cost of the CAP subsidies.

In recent years the high value of the dollar has sheltered the CAP from the full effects of U.S. efficiency in agriculture. Since the dollar peaked last February, it has declined about 30% against the ECU. Further strengthening of Europe's currencies relative to the dollar would increase further the cost of the CAP and put greater pressure on EC policies and budgets. Already, the EC Commission has indicated that a 750 million ECU supplementary budget will be needed for the CAP this year to offset the effect of the dollar's decline. That will be 750 million ECU which will not be available for use in developing greater competitiveness in other sectors. Would not CAP reform be a better course of action?

Reform will be difficult. But in confronting the task, Europe should recognize the opportunities as well as the difficulties. Putting agriculture on a more market-oriented basis would provide important economic benefits to Europe. It would release for more productive purposes capital and labor now used relatively inefficiently. It would lower costs confronted by nonagricultural enterprises and improve their competitiveness. It would increase European incomes and foster a more dynamic, growth-oriented economy. By facilitating a better international division of labor based on comparative advantage, it would help the world economy achieve higher levels of growth.

Beyond our internal efforts, we need effective GATT rules against the use of export subsidies in agricultural trade, as well as new rules on market access. This is one of the priorities for the United States in the new trade round, and, for the reasons I have outlined, I believe that it is at least as important for the EC.

Basic Industries

A similar situation exists in basic manufacturing industries. Consider steel. Technological and economic change has had a major impact on the steel industry. Much of the steel capacity in industrial countries is becoming obsolete. At the same time, growth in demand for steel has not kept pace with overall economic growth. World steel capacity substantially exceeds world demand for steel. Secretary of Commerce Baldrige has estimated that excess capacity currently approaches 200 million metric tons. As we move toward an economy based on information and services, and apply more sophisticated techniques to manufacturing and construction, less steel will be needed for each additional increment of gross national product. The market's message is clear.

On both sides of the Atlantic, restructuring and reducing the steel industry is a difficult task, involving a substantial loss of jobs. We estimate that U.S. steel firms, for example, have shed almost 50% of their jobs since 1979. Europe, according to the OECD [Organization for Economic Cooperation and Development], has shed about 40%

of total jobs in steel industries over a longer, 10-year period.

We will have to rationalize our steel industries further. The EC steel restructuring plan had some success in closing outmoded facilities and rationalizing production. This plan called for an end to government subsidies as of January 1, with exceptions to meet environmental regulations, conduct research and development for certain purposes, and assist in plant closings, as well as to provide regional aid in some circumstances. Production quotas are to be removed from a few products.

However, EC governments have carried out the steel plan unevenly. British steel is among the more successful; it has reduced its workforce from 210,000 in 1975 to 64,000 today and is now profitable. German efforts similarly have resulted in more efficient and profitable steel plants. Some other countries, however, are sluggish. Already $29 billion in public funds have been spent on subsidies to European steel industries during the last 10 years. Some countries appear willing to continue to spend funds to protect jobs in inefficient plants, rather than to use those funds more wisely to create jobs in other sectors.

The United States and other countries are affected by this hesitancy to rationalize. Europe's steel imports have been held down to about 5% of demand, while the United States permitted its imports to reach about 25% of total domestic demand in 1984 and 1985. The EC accounted for about 20% of U.S. steel imports in those 2 years. Since much of Europe's steel production was subsidized, exports to the United States, in effect, spread the distorting effect of these subsidies to the disadvantage of U.S. steel producers.

We are also affected by European sales of steel projects to LDCs. New mills, frequently financed with the help of subsidized credit, exacerbate the problems by contributing further to excess world steel capacity. LDC steel exporters, however, have not been given a fair opportunity to market their steel in the EC. As a result, they turn to the more open U.S. market and thus feed protectionism in the United States.

In steel, as in agriculture, costly policies insulate the European industry from foreign competition; they subsidize inefficient production; and they generate serious distortion of the world economy. In view of the outlook for the steel industry, it is not too soon for governments in Europe and the United States to consider methods and timetables for getting governments out of the international steel industry when the current U.S. program expires and relying on the market to direct the allocation of resources in this important industry.

High Technology

Protection of agriculture and heavy industries inevitably limits Europe's ability to shift resources into activities such as high technology. In fact, Europe's position in many fields of technology has eroded. The EC estimates that the Community's share in OECD high-technology manufactured exports fell from 58% in 1963 to 43% in 1983. If Europe wishes to keep up in the race for the future, it will have to abandon some relics of the past.

To be sure, European nations and the EC have great interest in policies to promote high technology and emerging industries. But to American eyes, Europe's efforts seem to be headed in the wrong direction. In our experience, innovation thrives in a climate that fosters risk-taking, entrepreneurship, and competition. We believe that the "magic of the market" will channel innovative energies and resources into the most productive channels.

Many Europeans seem to believe that Europe can compete only by resorting to an "industrial policy." They advocate forming intergovernmental consortia and pouring in large amounts of public funds. In our view, this is a recipe for expensive white elephants. Such large multigovernment efforts tempt governments to protect their new elephants by restricting competitive imports. We see this unhealthy tendency also afflicting new products developed by Europe's private firms, such as in consumer electronics, where the EC nearly doubled tariffs on video cassette recorders to insulate its market from Asian competition. We are particularly distressed also by restrictions on market access in such sectors as telecommunications, where the United States is highly competitive.

Trade in civil aircraft is another high-technology area where both the United States and Europe have important interests in ensuring that trade and competition are free and fair. As you know, the United States objects to government subsidies of the development and sale of commercial aircraft and to political inducements for their purchase. These activities have distorted the competitive environment and are contrary to the GATT agreement on trade in civil aircraft. It is clear that we need to develop better understandings on the observance of the GATT aircraft code. We are pleased, therefore, that later this month we will be meeting with representatives from the European governments concerned to discuss this issue.

Availability of venture capital to entrepreneurs willing to undertake risks is also important to the rapid development of new high-technology industries, especially for small firms. Numerous representatives of European governments and industries, struck by the successful example of the United States, are looking to venture capital to help facilitate innovation. Venture capital markets have expanded rapidly in some European countries in the last few years, notably the United Kingdom and the Netherlands. Most markets remain relatively small, however, and most are dominated by conservative financial institutions which prefer to lend to larger enterprises, often state run. The markets are still hampered also by tax law disincentives, by absence of uniform financial practices throughout the EC, and by excessive regulation.

TOWARD A BETTER GLOBAL BALANCE

It is widely agreed that there needs to be a better balance in a number of areas of the international economy. At the Bonn economic summit meeting, and later at the September 22 G–5 [Group of 5—Federal Republic of Germany, France, Japan, United Kingdom, and United States] meeting in New York, the major industrial countries identified these imbalances as including the large U.S. trade deficit; the appreciation of the U.S. dollar; and the large, growing current account surpluses of Japan and Germany. The participants identified respective national economic measures that would contribute to improved international economic balance. Vigorous implementation of those measures would lead to stronger economic growth in Europe and would enhance the sustainability of growth in the United States and Japan.

Notwithstanding frequent press comments to the contrary, the United States does not advocate that Europe reflate through old-fashioned pump-priming. Rather, we believe that Europe should strengthen its overall economic performance by hastening the pace of structural adjustment, by letting

domestic markets work more freely, and by opening up to competition, foreign and domestic. We also advocate rearranging tax structures, where possible, to reduce the drag on the economy. Tax cuts, such as those planned for the United Kindom and the Federal Republic of Germany, can improve growth and generate employment.

We realize that the United States, too, has an essential role to play. At Bonn, President Reagan said that his principal domestic objectives were "to achieve a rapid and appreciable cut in public expenditures and thus a reduction in the budget deficit." He also stressed "the need for further deregulation and for a reform of the tax system aimed at encouraging the efficient use of resources." A great deal has been accomplished in each of these areas during the 10 months since the Bonn summit, and I assure you that we intend to do much more.

Since Bonn, the summit countries have made significant progress on trade. President Reagan has blocked protectionist measures, most notably in footwear and textiles. Together we achieved in Geneva in November an international consensus that there should be a preparatory committee to work out the agenda and modalities for a new round of trade negotiations. That committee has now started its work, and we hope that the new round will be launched in September.

Let's not let our problems obscure the fact that by building on this progress we can reinvigorate our markets and make our domestic economies more productive. Not only can we do it, we are doing it. We recognize that change is not only inevitable but also desirable, and that our future lies in exploiting change, not hampering it. Adjustment to change is not easy, but one region's resistance to change not only saps its own vitality but also endangers the open international economic system on which the prosperity of all of us depends. ■

The Oil Market and U.S Energy Security

by E. Allan Wendt

Statement before the Senate Committee on Energy and Natural Resources on March 25, 1986. Mr. Wendt is Deputy Assistant Secretary for International Energy and Resources Policy.[1]

I am pleased to have this opportunity to testify before the committee on the current international oil market situation and the implications for our energy security. I shall focus on the foreign policy impacts and leave different aspects for consideration by other witnesses.

Current Oil Market

In less than 4 months, spot crude prices for benchmark West Texas Intermediate slipped from $31 per barrel to $13—a decline of over 60%—to levels last seen in 1979. In real terms, spot oil prices are now at the level of the last half of 1973. The North Sea's Brent price has experienced a similar fall. Although only a small portion of world oil moves on the spot market, this market is a public indicator of price movements and exerts a strong influence on the direction of contract prices.

Movement toward the current price slide actually began last September with the Saudi decision to abandon the role of swing producer for OPEC. Concerned by the failure of other OPEC members to respect production quotas and official prices, the Saudis began to sell crude on a "net back" basis, in which the price of a barrel of crude is determined by the price of the final products derived from it. In December 1985, OPEC announced its intention to regain a "fair share" of the world market, a sizable part of which had been lost to non-OPEC producers since 1979.

A key factor in world oil price movements is the level of OPEC production. With the announcement of its intention to regain market share, OPEC increased production to just over 18 million barrels per day (b/d)—most of this increase coming from Saudi Arabia. January OPEC production dropped to just over 17 million b/d, owing, in part, to difficulties in selling oil in a glutted market but also because of damage to Iranian oil facilities from Iraqi air strikes and Nigerian Government problems in negotiating with oil companies. February production rebounded to an estimated 18 million b/d.

In the second quarter of this year,[1] the usual seasonal decline in demand—expected to be 2–3 million b/d—is certain to put additional downward pressures on oil prices in a market already characterized by supply overhang and increasing competition. In the short term, moreover, companies may choose not to shut in production since restarting can prove expensive and, occasionally, impossible. In the absence of effective action by producers to restrain production, the most likely outlook is for continued price weakness and uncertainty.

The Impact of Falling Oil Prices

OECD Nations

The OECD [Organization for Economic Cooperation and Development] community of nations stands to benefit from lower oil prices. According to International Energy Agency (IEA) estimates, oil prices averaging $20 per barrel would cut OECD inflation and interest rates by about 1% a year over a 2–3 year period. About $30 billion in net income would be transferred to the OECD area, raising OECD GDP [gross domestic product] by 0.4%. As an added benefit, there will be downward pressure on interest rates due to lower inflation, increased savings caused by income transfers, and easing of monetary policies facilitated by improved external account positions. The diversified economies of OECD net oil-exporting nations should enable them to adjust to lower oil prices. In fact, for some OECD net oil exporters, the price decline's benefits may outweigh its negative effects.

Consumer Countries. As the most oil import-dependent IEA nation, Japan will be a big winner from an oil price decline. According to Japanese Government estimates, if oil prices average $15 in 1986, Japanese GDP would rise by 0.9% above previously forecast levels; inflation would decline by 0.9%; and the current account surplus would increase by $20.8 billion. Much the same story would be repeated in other IEA net oil-importing countries. Italian economists

estimate that $18–$20 per barrel oil would wipe out their national trade deficit and put the current account into surplus for the second time since 1979.

Several IEA net oil-importing nations have taken the opportunity presented by falling oil prices to raise energy taxes and thereby correct fiscal imbalances. According to our information, the new revenue measures are all aimed at internal consumption rather than imports and are, therefore, not protectionist in nature. The IEA has reported petroleum excise tax increases in Denmark, Australia, and Italy while, according to the trade press, there have been similar tax developments in Ireland, Greece, Spain, and Portugal. The IEA also reports a Swiss tariff increase on heating oil and natural gas that will have the effect of an internal excise tax as it will fall in a nondiscriminatory manner on indigenous natural gas production and heating oil refined in Switzerland.

Both the French and German Governments have said they will not impose new taxes or import surcharges on oil in response to the drop in oil prices. The Japanese have not raised taxes, but it is still unclear whether the full benefit of yen appreciation and the oil price decline will be passed on to consumers.

Exporting Countries. Norway may see its 1986 economic growth halved from its previously forecast 3% level if oil prices average $15 per barrel for the year, while the United Kingdom and Canada should, on balance, benefit from lower oil prices. Though its diversified industrial economy should help Norway weather the impact of lower oil prices, several years of $15 per barrel oil would delay development of new Norwegian production capacity.

Though each dollar decline in the oil price costs the United Kingdom $700 million in export revenues, U.K. economists see such negative effects outweighed by the beneficial impact of lower oil prices on GNP [gross national product] growth, inflation, industrial production, unemployment, and the export competitiveness of U.K. manufactures. Falling oil prices, however, have already caused the U.K. Government to reconsider its plans to cut taxes. In addition, a long-term fall in exploration and development in new North Sea fields could cause U.K. production to drop off sooner and more sharply than would otherwise be the case.

Canada, on balance, will benefit from falling oil prices, though the western energy-producing provinces will be hurt. Falling oil prices could jeopardize the development of such expensive frontier oil discoveries as Hibernia, Sable Island, and the Beaufort Sea, as well as render current oil sands and heavy oil projects uneconomic.

Middle East Exporters

Since almost every economy in the Middle East and North Africa depends, either directly or indirectly, on revenues from oil exports, falling oil prices will create difficulties throughout the region.

In the oil-exporting countries, revenues will decline directly as oil prices fall, especially in the Persian Gulf region but also in the other Middle East oil-producing countries (such as Egypt, Syria, and Tunisia). If, as appears likely, the present downturn in the oil-exporting economies countinues and, perhaps, deepens, the result will mean diminished export and other opportunities for U.S. business in what has been an extremely important market. Falling oil revenues will also mean lower government revenues, which, in turn, will mean these governments will undertake fewer new development and infrastructure projects and will abandon or stretch out projects already underway. Moreover, some of the wealthier oil-exporting countries, which have been important donors of international aid, are cutting back on such assistance.

Falling remittance incomes from foreign workers in Persian Gulf countries will create additional problems for a number of countries outside the gulf. Egypt will be particularly hard hit, as sharp drops in oil income and overseas remittances are being accompanied by a decline in Suez Canal and tourist receipts.

On balance, oil-producing countries in the Middle East with large foreign exchange reserves and production flexibility should be able to withstand most of the stringencies imposed by the drop in oil revenues. However, many of the other countries in the region—both oil exporters and importers—will be hurt. These governments are already cutting expenditures and subsidies, a course that will only serve to deepen the recession. Popular expectations could clash with economic realities and lead to heightened tensions and political strains.

High-Debt Oil Exporters

Mexico. Oil accounts for 70% of Mexican merchandise export earnings and 45% of Federal Government revenues. Mexico will suffer on two counts—falling prices and reduced export levels, which have dropped from the traditional 1.5 million b/d oil exports to 1.1 million b/d owing to weak demand. If 1986 prices average $15 per barrel, Mexican export earnings from oil this year will be $5 billion below the 1985 level. In response to the oil price decline, the Mexican Government in February announced cutbacks in government expenditures and moved toward a market-oriented exchange rate. The government has announced, nonetheless, that it still needs $4 billion in new money from commercial banks and international financial institutions.

Venezuela. In Venezuela, oil accounts for 90% of export earnings. While Venezuela's foreign exchange reserves of $13.7 billion should help absorb the impact of lower oil prices, the government will still have to reduce expenditures and cut imports. The sharp fall in oil export earnings will make it difficult to service Venezuela's debt, even though much of it was recently rescheduled.

Ecuador. With $7.5 billion in foreign debt, Ecuador depends on oil for almost two-thirds of its export earnings. The oil price decline has caused the Ecuadorean Government to adopt austerity measures, and further steps are likely to prove necessary.

Indonesia. In 1985, petroleum provided 65% of Indonesia's total export earnings dollars and 60% of government revenues. Indonesia's non-oil commodities (e.g., natural rubber, tin, and tropical timber)—which have traditionally accounted for 30% of the country's total foreign exchange earnings—will provide some relief, but world markets for those commodities are also depressed. The country's debt service ratio—already at 25%—will rise this year, but traditionally sound management should continue to allow access to international credit markets.

Nigeria. Nigeria will face growing pressure if prices stay below $20 a barrel. In 1985, Nigeria depended on oil for over 95% of its total export earnings and 70% of government revenues. Falling oil prices have driven external income down from a high of $24 billion in 1980 to $11.3 billion in 1985. Lower oil

prices will further reduce foreign exchange earnings. Meanwhile, Nigeria's 1986 service on its approximately $19 billion external debt is estimated at more than $5 billion, and annual imports probably cannot be reduced much below $7 billion.

U.S.S.R

The Soviet Union receives 60% of its hard currency earnings from oil and gas exports to Western countries. The oil price decline could eventually cause the Soviets to curtail imports of hard currency items—mainly food and capital goods—and make it more difficult for Moscow to carry out its program to modernize industrial plants and increase production. The Soviets are likely, nevertheless, to continue achieving modest rates of economic growth.

Non-OECD Importers

Most developing countries are net importers of oil and, as such, stand to benefit from the decline in oil prices. As a group, the oil-importing developing countries are expected to import about 3.2 million b/d in 1986. Those imports, which cost them some $33 billion last year, would cost only $19 billion at average oil prices of $15 per barrel. These savings will free up foreign exchange for additional debt service, new investment, or consumption. The developing countries will also find opportunities for increased exports as a result of higher GNP growth in the OECD countries.

Brazil, for example, is dependent on imported oil for 40% of its total petroleum consumption. Each dollar decline in oil is a savings of about $125 million. Brazil will also benefit indirectly from lower interest rates on its debt repayments and from increased exports to OECD countries. The country's extensive alcohol production program, however, will require serious adjustments, and layoffs of alcohol industry workers will exacerbate unemployment.

Energy Security

The central concern now for our long-term energy security is whether Persian Gulf oil exporters will regain the critical role in the oil market that they played for nearly a decade. The gulf, including Iran and Iraq, has 57% of the world's oil reserves. It also has an advantage over the rest of the world in terms of low cost of oil discovery and direct production costs. Reserves outside the Persian Gulf are relatively costly to find and exploit, and they are likely to go undeveloped or be shut in when prices fall.

A fundamental objective of U.S. energy policy is to assure an adequate supply of energy at reasonable cost while avoiding undue dependence on any single fuel or supplier. We believe this goal is best achieved by minimizing Federal control and interference in energy markets and by allowing market forces to promote conservation and fuel diversification. We are also members, along with 20 other industrial democracies, of the International Energy Agency, which provides an institutional framework for cooperation among its members in improving energy security.

Our first line of defense against an oil supply disruption is the Strategic Petroleum Reserve (SPR). If our vulnerability to an oil cutoff were to grow significantly, we would need to reevaluate the adequacy of the SPR, which now holds over 100 days of current U.S. imports (a total of almost 500 million barrels). In the interim, we can increase U.S. energy security by intensifying our efforts to remove barriers to U.S. energy production through natural gas deregulation, increased competition in inland coal transportation, streamlining of our nuclear regulatory regime, acceleration of offshore leasing, and removal of oil export prohibitions. The Administration has sought congressional help on these matters in the past and will be renewing its efforts in a number of these areas. We should also be ready to consider strengthened government support for energy conservation and basic research and development in all sources of energy—renewables, fossil, and alternative fuels and nuclear and fusion power.

Our energy security is linked with that of our IEA partners through the global nature of the oil market. Price shocks and economic disruptions in one country or area are quickly transmitted to others. We, therefore, try to monitor the market closely to detect early signs of increased IEA dependence on insecure energy suppliers. Sustained low oil prices are likely to slow conservation gains and reduce non-OPEC energy resource development and production. Low prices, thus, make it likely that IEA vulnerability will increase sooner rather than later, but they also decrease the costs of building stocks. We would like the other IEA member states to strengthen our collective energy security by carrying more of the burden of stockholding and by joining with us in early, coordinated stockdraw in the event of a supply disruption.

Consequences of an Oil Import Fee

As you know, there have been calls recently for imposition of import fees on crude oil and refined petroleum products as a means of enhancing our energy security and facilitating tax reform. The President, however, has indicated his clear opposition to such import fees. The Department of State believes an oil import fee would have a number of negative consequences for our foreign policy, foreign trade, and industrial competitiveness.

World Oil Market Prices. While raising prices in the United States, import fees would, at the same time, tend to depress further world market prices for crude oil and products. The domestic price rise caused by an import fee would reduce U.S. imports and consumption, thereby bringing about a drop in prices outside the United States as the world market responds to this reduction. Lower international prices would depress revenues of producers, thus creating further problems for a number of countries already in serious financial difficulty. An import tax might, thus, strengthen the hand of unfriendly elements in key developing countries and could lead to default on debt obligations. We could be accused of using an oil import tax to deal with our own problems at the expense of others.

Competitiveness of U.S. Industry. An import fee would damage the international competitiveness of energy-intensive U.S. industries, notably the petrochemical industry and American agriculture. For the U.S. petrochemical industry, increasing the cost of petroleum feedstocks would undermine its competitiveness at a time when it is already faced with increased imports into the United States and deep penetration of its traditional export markets by new low-cost petrochemical plants in oil-exporting countries. American agriculture—a significant consumer of petroleum through tractor fuel, fertilizers, crop drying, and transportation to foreign and domestic markets—would also be hurt by an increase in its costs and rendered less competitive in important export markets.

GATT and Other Trade Obligations. An import fee would pose difficulties under the General Agreement on Trade and Tariffs (GATT). U.S. tariffs on many petroleum products are bound at current levels. Increasing the duties on those products would be inconsistent with our obligations under the GATT, unless it were justified under the GATT exception for essential security interests. Even if a judgment were made that imposition of an import fee was justifiable as such a measure, adversely affected GATT members that suffer demonstrable injury would be entitled to compensation or retaliation against U.S. exports.

Although the U.S. tariff on crude oil is not bound under the GATT, the United States has granted tariff rate concessions on crude oil, crude shale oil, distillate fuel oils, and residual fuel oils in a bilateral agreement with Venezuela. Exempting only Venezuela from higher tariffs, however, would violate our obligation to afford most-favored nation (MFN) treatment to GATT members among our suppliers. At the same time, we also have bilateral treaties granting MFN treatment to other suppliers who are not parties to the GATT. In short, there may be no way compatible with existing trade commitments to exempt only a few foreign suppliers from an import fee.

Bilateral Foreign Relations. An import fee would create problems with our neighbors and with some of our closest allies. The Canadian and Mexican Governments have already expressed strong concern about an oil import fee. Exempting these neighbors, however, would discriminate against our third and fourth largest suppliers, Venezuela and the United Kingdom. Venezuelan officials have also expressed concern about possible fees, and it is important to remember that Venezuela—although an OPEC member—did not participate in the 1973 oil embargo. The United Kingdom, which has steadfastly refused to cooperate with OPEC on fixing prices artificially, also opposes the fee. Last year, [British] Prime Minister Thatcher personally expressed concern to President Reagan on the issue; and the Prime Minister of Norway, a close NATO ally that has also rejected cooperation with OPEC, recently registered similar concern. Moreover, at last year's summit meeting in Quebec, President Reagan and Canadian Prime Minister Mulroney agreed to reduce barriers to energy trade between the United States and Canada. An import fee would be a retreat from that undertaking.

IEA Commitments. The main goals of the 21-country IEA are to pursue long-term policies designed to reduce oil import dependence and to cooperate in the event of major oil supply disruptions. At an IEA ministerial meeting in July 1985, the United States successfully pushed for communique language calling for open market-based trade in oil products. Imposition of an import fee would be a retreat from that commitment and might well trigger similar actions by our IEA partners seeking to shelter their own domestic oil and refining industries, thus magnifying downward pressure on oil prices as well as creating additional trade problems.

Market Pricing Distortions. Crude oil is not a homogeneous commodity, and the marketplace accurately takes the characteristics of different crudes into account through price differentials. A flat import fee, however, would distort that process. It would discriminate against "heavy" (below average) crude oils, which are sold more cheaply because they tend to be more expensive to refine and have lower yields of high value products. Market forces would respond to the import fee by driving up the relative prices of heavy crudes, such as those produced in Mexico, Venezuela, and California. As a result, the trend toward greater U.S. consumption of heavy crudes—a trend that has contributed to diversification of our sources of crude imports and reduced our dependence on Middle East suppliers—could receive a significant setback.

CONCLUSION

The benefits of the oil price decline will accrue to oil-importing countries, particularly those in the OECD community. The noninflationary economic stimulus arising from lower oil prices will promote global economic growth, increase trade, and provide relief for many countries with financial and balance-of-payments problems.

The costs of the price decline will be borne principally by oil-exporting countries. Although for some of them the damage will be offset, in part, by general improvement in the world economy, potentially serious problems for U.S. interests could arise among some LDC [less developed country] debtor countries—such as Mexico, Egypt, and Nigeria. Government action to prop up oil prices, however, would be an inefficient way to help these countries.

In addition to the economic aspects of declining oil prices, there are also important energy security implications. The central question here is whether lower oil prices now may hasten the day when Persian Gulf exporters—with extensive reserves and low production costs—regain the dominance they exercised for nearly a decade. We must monitor carefully our vulnerability to a supply disruption and press our IEA partners to bear more of the burden of holding stocks. Early, coordinated use of stocks is our best defense in an energy emergency.

If we consider its total impact, we are convinced an oil import fee would not enhance our energy security. A more constructive approach to the impact of low prices on future supply would be to renew our efforts to simplify or remove regulatory and other impediments to domestic energy production. U.S. oil production cannot be expected to increase, but the United States has vast resources of coal, natural gas, and nuclear energy that can help us limit dependence on oil imports from less secure sources. Progress in promoting these alternative energy sources will require a concerted effort to free up energy markets, an effort that depends on continuing interest and action on the part of Congress.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Environment in the Foreign Policy Agenda

by Richard E. Benedick

Address before the Ecology Law Quarterly *Symposium on Environment and International Development on March 27, 1986. Ambassador Benedick is Deputy Assistant Secretary for Environment, Health, and Natural Resources.*

Last week, at Georgetown University, I encountered an eminent statesman, Kenneth Rush, under whom I had served quite a few years ago, when I was a junior Foreign Service officer and he was U.S. Ambassador to Germany. He inevitably asked me what I was doing now, and when I told him, his face brightened with enthusiasm and interest. We both realized that when we were in Germany, my present position did not even exist in the State Department; environment was simply not on the foreign policy agenda. And this distinguished diplomat, the architect of the famous accord that finally guaranteed the freedom of West Berlin, clearly recognized the contemporary importance of environmental issues for U.S. foreign policy—and was delighted to learn that I was in the middle of them.

It is certainly true that this is not traditional diplomacy. Although, like Kenneth Rush, we negotiate treaties with foreign countries, we are not redrawing frontiers but, rather, are dealing with exports of hazardous chemicals or protection of wetlands. We go to the United Nations to argue not about border conflicts but about possible damage to the marine environment from ocean disposal of radioactive waste. And when the professional diplomats in this new field sit down at the negotiating table, we are flanked by a new breed of international lawyers, as well as by an imposing array of atmospheric physicists, zoologists, or molecular biologists. In the course of a week, my personal portfolio can range from the ocean depths to stratospheric ozone; from recombinant DNA [deoxyribonucleic acid] to African rhinos; from sewage treatment in Tijuana, Mexico, close to our border, to the impact of population resettlement on the tropical rainforests of the outer islands of Indonesia.

A New Dimension of Diplomacy

Why is it that such esoteric themes are now on the foreign policy agenda? To answer that question, let me share with you an impression from last year's meeting of the UN Environment Program's (UNEP) Governing Council in Nairobi. The highlight of this meeting was the joint appearance of an American astronaut and a Soviet cosmonaut to inaugurate a new UNEP program utilizing space technology to monitor global environmental trends. The audience—which comprised seasoned UN and government officials from all over the world, international press, and Kenyan schoolchildren—was universally transfixed by the simplicity and sincerity of the message of the space voyagers. For both the American scientist and the Soviet Air Force major made vivid, for all of us in that hall, what is possibly the most inspiring and poignant image of our century: planet Earth as seen from outer space—this beautiful blue sphere, radiating life and light, alone and fragile in the still vastness of the cosmos. From this perspective, the maps of geopolitics and diplomacy vanish, and the underlying interconnectedness of all the components of this unique living system—animal, vegetable, mineral, water, air, climate—becomes evident.

It is this sense of interdependence that has fostered a growing realization in foreign ministries around the world that many international activities—trade, industrial investment, development assistance—have profound implications for the environment. Nations share a responsibility to protect human health and to preserve the common natural heritage. In the State Department, we have come to recognize that U.S. national interests in promoting human freedom and economic growth can be undermined by instability in other countries related to environmental degradation, population pressures, and resource scarcity.

Thus, a new dimension has been added to our diplomacy. This is reflected in the growing number of international agreements concerning the environment: efforts to promote cooperation in scientific research and exchange of data; to develop internationally accepted guidelines or principles; to harmonize regulatory measures.

The negotiations on such accords are heavy in scientific and legal content; indeed, international environmental law is itself a rapidly growing field. Negotiations are monitored closely—and frequently attended—by representatives of Congress, industry, and citizens' groups.

For the issues are complex, sensitive, and often emotionally charged. Human health may be at stake, but so, too, are jobs. Trade patterns can be affected. The quality of life and the esthetics of flora and fauna and landscape are also involved.

Against this background, I would like to highlight for you today five aspects of U.S. international environmental policy, illustrated by examples from our current agenda. These are:

- Maintaining the tradition of U.S. leadership;
- Reconciling economic growth with environmental protection in the Third World;
- Working to improve the international system;
- Promoting, and relying on, the best possible science; and
- Pursuing a balanced, nonconfrontational approach that engages the private sector.

U.S. Leadership

The United States has been the leader among the world's nations in recognizing—and acting upon—environmental problems. Following passage of the Clean Air Act, for example, emissions of sulfur dioxide declined by 28% from 1973 to 1983. Over the past 15 years, approximately $70 billion has been spent on stringent motor vehicle emission controls, which have substantially improved the air quality of our cities, whereas Europe is just beginning this process. U.S. laws regulating pesticides, industrial chemicals, and toxic wastes—originating in the 1970s, or even earlier, and continually amended to reflect newer science—have served as models to other countries.

This leadership is also reflected in our participation in some 20 international treaties, ranging from the Convention on International Trade in Endangered Species to the Cartagena Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region.

The United States cooperates with over 70 countries through 275 bilateral agreements which either are wholly environmental in scope or which have significant environmental components—for

example, one with China on acid rain research, another with Nigeria on water quality. The United States also contributes funds or support in kind to 70 specialized environmental or natural resource programs carried out in 40 international or regional organizations, such as the International Register of Potentially Toxic Chemicals and the International Union for the Conservation of Nature.

Leadership also implies involvement in environmental issues at the top. This was exemplified in the headlines last week describing President Reagan's full endorsement of the report and recommendations on acid rain produced by Special Envoy Drew Lewis and his Canadian counterpart. The President also joined with other leaders of the major industrial countries at the Bonn economic summit last year in a formal declaration which began, "New approaches and strengthened international co-operation are essential to anticipate and prevent damage to the environment, which knows no national frontiers," and concluded, "We shall work with developing countries for the avoidance of environmental damage and disasters worldwide."

Environment and Development

Thus, my second theme, environment and development—the subject of this symposium—is clearly on the agenda of world leaders. This was also a dominant issue at the 1972 UN Conference on the Human Environment, in Stockholm, which was an international landmark in drawing attention to the need for reconciling economic growth with protection of the environment.

Unfortunately, it is all too easy to find discrepancies between the well-intended rhetoric of Stockholm and the environmental reality in many developing countries today: deforestation in Thailand and Honduras, massive soil erosion in Haiti and Nepal, hazardous air quality in Mexico City and Ankara, the advance of the deserts in Sahelian Africa, destruction of wildlife habitat in the Amazon rainforests, industrial pollution of the Nile—these are only a sampling.

On the other hand, there is incontestably an evolution in attitudes toward environment in the Third World. The South was initially suspicious that warnings from the North about the environment were a disguised attempt to limit economic growth—and hence the industrial competitiveness—of the poorer countries. Now, there is a new appreciation among Third World governments of the enormous human and financial costs if environmental considerations are ignored in the headlong rush for industrialization.

Since Stockholm, many developing countries have established new ministries to look after the environment; some of these have achieved reasonable prominence and effectiveness within their governments. Environmental education and training have much improved; better data have been compiled and disseminated; some legislation is in place. There is even growing awareness among the public in the Third World: citizens in Egypt are protesting against pollution, and a few weeks ago a local conservation group in Bolivia denounced—and was able to reverse—a government decision to sell monkeys of a threatened species to the U.S. Agency for International Development (AID) for malaria research.

Lest this last mentioned anomaly leave a false impression of AID, let me hasten to add that this development agency contributes significantly to environmental protection in the Third World, with programs involving biological diversity, guidelines for pesticides, environmental training, national conservation strategies, and support for nongovernmental organizations.

A particularly important development since Stockholm is the special attention being focused on the world's tropical forests. The Administrator of AID, Peter McPherson, sent a personal message to all overseas missions in November 1984, warning that "destruction of humid tropical forests is one of the most important environmental issues for the remainder of his century." The cable provided strong policy guidance for efforts to help other countries in preserving and properly managing their forests.

The World Resources Institute, a private, U.S.-based organization, released several months ago a meticulously documented study entitled "Tropical Forests: A Call for Action." This study, prepared in collaboration with the World Bank and the UN Development Program, stimulated the UN Food and Agriculture Organization (FAO) to produce a "Tropical Forestry Action Plan," which the United States strongly supports. The State Department has also encouraged UNEP and FAO to further improve data on the state of the world's forests, and we are giving tropical forest research highest priority within the U.S. Man and the Biosphere Program. I would also note that the State Department, together with the U.S. Forest Service, reconstituted this year an interagency task force to update U.S. strategy for this sector. Finally, we are working much more closely with the World Bank and regional development banks to ensure that their lending is consistent with sound environmental management of forests.

Having mentioned the development banks in the forestry context, I should note that there is a growing recognition that their loan programs generally must take much greater account of the environment than has been customary in the past. Currently, the State Department, together with the U.S. Treasury Department and AID, uses an early warning system involving our overseas missions to uncover potential environmental problems in proposed loans. Meetings are being held with World Bank staff on such lending sectors as irrigation and forestry. And, evidencing the high level of attention to this issue, Secretary of State George Shultz sent a cable last October to all U.S. ambassadors requesting their personal involvement in efforts by American embassies to monitor the environmental implications of proposed development bank projects.

Let me conclude this consideration of environment and development linkages by stressing the ultimate responsibility of the Third World governments themselves for securing an environmentally sound future for their people. We have seen from international efforts on desertification in Africa that external assistance, technology, plans, and rhetoric are not enough—if the governments of the affected countries themselves will not pursue environmentally sound national economic, agricultural, and development policies.

International Organizations

A third aspect of our agenda is active U.S. participation in key multilateral organizations which deal with environmental issues. UNEP, mentioned earlier, is our principal forum for programs involving developing countries. In the OECD [Organization for Economic Cooperation and Development], we consult with the major Western industrialized countries. The UN's Economic Commission for Europe (ECE) is our forum for East-West dealings on transboundary environmental issues. In addition, we

work on environmental problems in such other international organizations as the UN Food and Agriculture Organization, International Maritime Organization, World Health Organization, World Meteorological Organization (WMO), and many others.

Our basic philosophy in these organizations is to improve their effectiveness in solving environmental problems. We encourage sometimes overeager international secretariats to focus on a limited number of high priority areas and to avoid duplication of effort with other organizations. We seek to prevent proliferation of new agencies. We try to upgrade program quality and administration and to place qualified Americans on the staffs of these organizations.

There have been notable successes. Within the last 12 months alone, negotiations have been concluded under UNEP auspices on two important and complex subjects: the Convention for Protection of the Ozone Layer and a South Pacific convention on the marine environment. The ozone convention represents the first time that the international community has acted in concert on an environmental problem before there are actual and costly damages. The OECD is about to release a report on safety considerations in biotechnology, over 2 years in the making, which has been lauded by scientists and policymakers as a major contribution to assessing and managing risks in this dynamic new industry. The ECE is bringing East and West together to reduce transboundary air pollution by sulfur dioxide and nitrogen oxides. The World Meteorological Organization is leading an expanded international research effort on the "greenhouse effect"—the possibility of global climate change caused by growing concentration in the atmosphere of carbon dioxide and various trace gases, much of it resulting from industrial processes.

The Scientific Basis

All of these activities underscore the crucial nature of my fourth theme: the necessity for our international negotiating positions to have the best possible scientific basis—especially if regulations are involved. In order to achieve broad consensus for rational policies to protect the environment, it is essential, in my view, to eschew emotional appeals and to establish the scientific rationale for addressing any potential threats to environment or health.

Unfortunately, this is often easier said than done: there are gaps in the data, and there are varying interpretations. What are the causes of tree damage in the Black Forest? (Even the Germans are less certain of the answer than they were a few years ago.) How safe is incineration of highly toxic wastes in special ships on the high seas, as opposed to land disposal? Why have many lakes in New York and New England become heavily acidified, while others have actually declined in acidity? How can experiments with genetically engineered organisms, which have such enormous potential for medicine, agriculture, and industry, be kept safe in ways which do not stifle innovative research? What are the sources of increasing methane in the atmosphere, and how will it interact with other gases?

In order to face such questions, the State Department, not a scientific institution itself, maintains close working relationships with such bodies as the Environmental Protection Agency (EPA), National Academy of Sciences, Smithsonian Institution, National Aeronautics and Space Administration (NASA), Rand Corporation, National Oceanic and Atmospheric Administration, and many other scientific agencies. We administer the U.S. Man and the Biosphere Program and encourage its multidisciplinary research on a range of natural ecosystems. In order to support our ongoing international negotiations on protecting the ozone layer, we helped promote the most up-to-date and comprehensive assessment ever made of the state and prospects of stratospheric ozone—a study cosponsored by NASA, WMO, UNEP, and others and completed just 4 months ago. We participate in the National Acid Precipitation Assessment Program, a multiyear interagency research effort into the causes and effects of acid rain, with a budget this year alone of $85 million. We met with microbiologists and chemists from several countries to aid us in our successful OECD negotiations on the biotechnology report referred to earlier. And we are leading a U.S. Government interagency committee to develop policies for addressing the growing international concern over global climate change.

But, as mentioned earlier, the scientific basis for our work is frequently ambiguous. We are not dealing with black-and-white choices; we must realistically assess risks, probabilities, and costs—in an imprecise world.

A Balanced Approach: The Private Sector

Which leads to my final theme: the need for a balanced approach to environmental protection. By this I mean that in considering these many-faceted issues, we must avoid exaggerating either the risks of not regulating or the costs of regulating. We must neither act overhastily nor refuse to consider acting. And we must engage in reasoned debate rather than confrontation.

What this means in practice at the State Department is that we seek counsel from both environmental and industrial groups. It was, for example, the concern of such organizations as the Sierra Club and the Natural Resources Defense Council that helped alert both Congress and the executive branch to environmentally poor projects of the multilateral banks.

We recognize, moreover, that private industry can make significant contributions to environmental protection; many industrial leaders are also dedicated environmentalists. Such environmental organizations as the Conservation Foundation and the World Resources Institute have reached out to establish linkages with private industry and have found an encouraging response. The industry-financed World Environment Center, for example, in cooperation with AID, is sending American experts to Third World factories to help improve environmental performance. When I testified last week before the Senate Foreign Relations Committee to urge ratification of the Convention to Protect the Ozone Layer, representatives of both environmental groups and the chlorofluorocarbon manufacturers also supported this treaty. And, when a U.S. scientific agency announced last month that, for budgetary reasons, it was grounding a satellite which monitored the upper atmosphere, there were immediate appeals both from EPA and the Chemical Manufacturers' Association—even though data from this satellite could be used to justify future controls over certain chemical products.

UNEP deserves particular recognition for its initiatives to involve industrial leaders more closely in Third World problems. I represented the United States last January at a followup meeting to UNEP's successful 1984 World Industry Conference on Environmental Management. This small, high-level meeting was sponsored jointly by the executive director of UNEP and the president of the International Chamber

of Commerce and included environment ministers from such places as Indonesia, Ivory Coast, and China, as well as chief executives of multinational companies. Its result will be the establishment this year of a special bureau, financed by private industry, to provide assistance to developing countries on environmental management.

Conclusion

To conclude, environment is now very much on the U.S. foreign policy agenda. And while our constituents on one side or the other of a given environmental issue may not always entirely agree with our ultimate position, we hope that at least they will acknowledge that they had a fair hearing and that we acted in good faith. On the international scene, we need constantly to balance environmental concerns with economic and political realities. To some, it may seem that we act slowly, but I maintain that a measured, patient strategy is more effective in the long run than a hasty overreaction. In dealing with these issues, we must try not to let the perfect be the enemy of the good.

It seems hardly necessary to emphasize before this assembly that the challenges of protecting the global environment are formidable. Yet, there is no place for either complacency or despair. Governments cannot do it alone, especially in the current era of budget-tightening. New coalitions must be forged, involving citizens' groups, academic and research institutions, legislators, multilateral organizations, and private industry.

And I am just optimistic enough to believe that, with the support of individuals and institutions such as those participating here today, we will work together ever more effectively to promote both the betterment of the human condition and our stewardship of this planet for the generations to come. ■

International Cooperation to Protect the Ozone Layer

Following are an address by Richard E. Benedick, Deputy Assistant Secretary for Oceans and International Environmental and Scientific Affairs, before the U.S. Workshop on Protecting the Ozone Layer on March 6, 1986, and excerpts from a statement by Ambassador John D. Negroponte, Assistant Secretary for Oceans and International Environmental and Scientific Affairs, before the Senate Foreign Relations Committee on March 18, 1986.

AMBASSADOR BENEDICK

I confess that, as a professional diplomat, it was with some diffidence that I accepted EPA's [Environmental Protection Agency] gracious invitation to address this impressive assembly of scientists. I have been told that the professional scientist, who is accustomed to dealing with great precision and clarity, finds it particularly difficult to listen with any patience at all to the professional diplomat, whose stock in trade is ambiguity. I think it was [former British Prime Minister] Harold Macmillan who once said that the conversation of a diplomat is disconcerting because it continually wobbles between the cliche and the indiscretion.

In any event, I will try today to avoid both dangers and to be both clear and brief in presenting a perspective on how your deliberations relate to a very innovative international process. I would like to share with you some thoughts about that process: where we have been internationally and where we are going.

International attention to the question of stratospheric ozone depletion began shortly after Rowland and Molina[1] published their now-famous theoretical paper. A number of international meetings were held on this subject during the late 1970s, at the same time as several nations began to issue domestic CFC [chlorofluorocarbons] regulations. In 1980, the Governing Council of the UN Environment Program (UNEP) decided to convene a working group of experts to discuss appropriate international action to address this potential problem.

The UNEP working group decided early on in their deliberations to develop a convention—that is, an international treaty—on the ozone layer. Four years and several long negotiating sessions later, they completed their work on such a treaty. In March 1985, at a plenipotentiary conference in Vienna, Austria, where I represented the United States, 21 nations signed the Convention for the Protection of the Ozone Layer. This was a landmark event: it was the first time that the international community acted in concert on an environmental issue before there was substantial damage to the environment and health—in effect, acting together in anticipation of potential problems.

The Vienna convention creates a framework for international cooperation on research, monitoring, and information exchange concerning the ozone layer. It also creates general obligations to protect the ozone layer and provides procedures for eventually adopting protocols to the convention, which could contain specific measures to control, limit, prevent, or reduce emissions of ozone-modifying substances—should such measures be deemed necessary.

The convention text is now before the U.S. Senate for ratification, and we expect hearings on it later this month [see Negroponte statement on p. 59]. After 20 nations have ratified it, the convention becomes international law. It is noteworthy that both industry and environmental groups endorse this convention because of its potential contribution to development of better data. Surely it is in everyone's interest that any possible regulatory measures be considered on the basis of sound scientific and economic information rather than emotion.

Protocol To Control CFC Uses

As many of you may be aware, the question of a control protocol was the subject of considerable debate during the UNEP working group negotiations. In April 1983, Norway, Finland, and Sweden tabled a draft protocol for controlling all CFC uses. In October 1983, the United States voiced its support for that part of the Nordic proposal dealing with CFCs used as aerosol propellants. Eventually, the Nordics, along with Canada and Switzerland, joined us in supporting an international aerosol ban protocol.

On the other side of the debate, the nations of the European Economic Community—who represented the other major source of CFC production—were initially opposed to any further controls on CFCs. However, they eventually came out in support of a protocol—but like us, and not surprisingly, they supported one which mirrored what they already had in place: namely, a 30%

reduction in aerosol use and a cap on future CFC production capacity.

During the debate on these two alternative control approaches, we pointed out many of the problems with their approach, and they, in turn, noted many of the flaws in our approach. The result was total gridlock, and there was no possibility for agreement on a protocol text at the Vienna conference.

However, because most of the conflict had centered on the economic and policy aspects of alternative control strategies, there was general agreement that it would be useful to convene a series of international workshops—outside a formal negotiating context—to examine in detail these questions. All parties also agreed to approach these workshops with an open mind and not wedded to their previous negotiating positions. And this certainly represents the U.S. position: we are prepared to reexamine the costs and benefits of various protocol options, including the option of no further controls at all at this point in time.

The first international workshop will be held in Rome during the last week of May and will have the same scope as our domestic workshop here. The United States will host the second international workshop in September, the purpose of which is to evaluate alternative strategies for international control. Our discussions here today and tomorrow, and a similar domestic workshop in July, will help to prepare the U.S. Government for the international workshops.

Assessing the Risk

In addition, scientific assessments are proceeding on a parallel track: NASA [National Aeronautics and Space Administration] has just completed 2 years of work on an international assessment of atmospheric processes, and EPA and UNEP are sponsoring an international scientific conference this June to look at the health, environmental, and climatic effects of ozone modification.

Looking back on the past round of negotiations, I believe that the international community may have put the cart before the horse: we are trying, in effect, to make a risk management decision before conducting a risk assessment.

Now we have put the horse back out in front where it belongs: these international workshops, together with their domestic counterparts, are all components of what is essentially an international risk assessment on modification of the ozone layer.

As far as I am aware, this is the first time that such a process has been deliberately established at the international level and, as such, it is truly an innovative approach. Regardless of the outcome of these activities with respect to CFCs, I believe that the process itself is likely to become a prototype for other global environmental issues. And all of you participating in this workshop can take satisfaction for contributing importantly to this process.

AMBASSADOR NEGROPONTE[2]

It is a pleasure for me to testify before you today on the Vienna Convention for the Protection of the Ozone Layer.... We believe that this convention is an important step to coordinate international research, monitoring, and information exchange relevant to the issue of ozone layer modification. The convention represents an unusual effort by the international community to establish cooperative machinery and anticipate, before actual damage takes place, a potentially serious environmental problem that could affect all countries. Modification of the ozone layer would result in increased ultraviolet radiation and possible climatic changes, with potentially adverse effects on human health, crops, and other life on earth. Because of admitted gaps in our knowledge about potential depletion of the ozone layer, there is agreement that coordinated scientific research and international cooperation on this issue needs to be continued. That is why we strongly advocate the approval of the ozone convention by the committee.

Purposes of the Convention

The ozone convention, negotiated under the auspices of the UN Environment Program, is essentially an agreement to promote the international research and exchange of data on chlorofluorocarbons and other chemicals that may affect the ozone layer. As we study the environmental, scientific, and economic aspects of this problem, we need as much information as possible. Such data is needed if we are to attempt to make realistic projections of future CFC supply and demand.

For almost 10 years we have not had reliable worldwide data on CFC production. Since 1976 the Soviet Union, a major CFC producer, has not supplied production data, despite requests by UNEP and the U.S. Chemical Manufacturers Association, which attempts to publish CFC data annually on a worldwide basis. However, the U.S.S.R. participated in the negotiations and is a signatory to the convention. Other countries, such as China, may be producing CFCs, but they are not reporting this information. Once the ozone convention enters into force, perhaps within the next 2 years, it is expected that more countries, including the U.S.S.R., will provide CFC production data.

I must point out that the convention also provides procedures for development of possible future protocols aimed at controlling emissions of ozone-modifying chemicals. We should, however, make clear the distinction between the convention and any protocols that may eventually be negotiated under it. I should stress that our minds are open as to what further steps, if any, might be taken under the convention to protect the ozone layer, pending further consideration of the scientific and economic studies currently in process. Any protocol eventually proposed would, moreover, not be binding on the United States unless we were formally to agree to be bound.

U.S. Support for Ratification

As far as we are aware, there is no domestic U.S. opposition to the convention. Both the U.S. chemical industry and interested environmental organizations, which have been consulted and briefed by the U.S. Government during the negotiations, support the convention because of its potential contribution to the development of better scientific data. There is general agreement that it is desirable that any possible future regulatory measures be considered on the basis of sound scientific and economic data rather than emotion. I would also stress that the convention is not in itself a regulatory agreement.

The convention is consistent with U.S. legislation. In fact, we strongly believe it addresses the sense of Congress expressed in the Clean Air Act on ozone protection. It does not commit the United States to additional regulatory undertakings. It will facilitate our active information and research program on the ozone layer. We have determined that the convention does not have any significant adverse environmental impacts and is, in fact, expected to be beneficial for the United States. We expect that after the convention enters into force for the United States, the

United States will make a modest financial contribution—perhaps up to $60,000 annually beginning in FY [fiscal year] 1988—to help pay for a small secretariat and regular meetings of the contracting parties.

The United States, both as a government and through the private sector, is the leading contributor to world scientific knowledge on the ozone layer and the impacts of potential depletion. For more than 3 years the United States played an active and significant role in the convention negotiations. The United States was one of 20 countries—plus the European Economic Community—signing the convention last March in Vienna. Since then, an additional six countries have signed.

Consistent with our global environmental responsibilities and interests, the United States should ratify the convention expeditiously to show that the research and information exchange which it will facilitate are important to us. Other countries expect us to take a leadership role here. Therefore, I urge that the Senate Foreign Relations Committee move to approve the convention soon so that the Senate can give its advice and consent to ratification this year. Early ratification by our country would encourage other countries to follow our example.

---

[1] Molina, Mario J., and F.S. Rowland. "Stratospheric Sink for Chlorofluoromethanes; Chlorine Atom-catalysed Destruction of Ozone," *Nature*, Vol. 249 (1974), pp. 810–812.

[2] The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

President Meets With Soviet Ambassador Dobrynin

Following is a news conference Secretary Shultz held after the President's meeting with departing Soviet Ambassador Dobrynin on April 8, 1986.[1]

The President and Ambassador Dobrynin met this morning for about an hour and a quarter. The President congratulated Ambassador Dobrynin on his new post, and Ambassador Dobrynin expressed his appreciation in view of his 25 years of experience here in the United States.

In the substance of their meeting, they touched on all of the issues of substance. They talked about the prospective upcoming summit meeting in the United States. Both parties wish to see a successful and substantive meeting, and we recognize that a lot of preparation is necessary for such a meeting.

In that regard, we discussed the meeting of Foreign Ministers which was agreed to in Geneva—that there would be more meetings at the foreign ministry level—and it was agreed that the next meeting involving Mr. Shevardnadze and myself will take place here in Washington in mid-May as part of a preparatory process.[2] We consider the meeting, I think, on both sides to be quite a satisfactory exchange. Ambassador Dobrynin is here until the end of the week, and no doubt we will have further conversations with him.

Q. When you say that it will take time to prepare for the summit, does that mean that it's less likely now that it will take place in June or July? Are you ruling that in or out?

A. I wouldn't rule anything in or out. It's not meant to imply any particular date.

Q. Can you give any indication of when the summit will take place?

A. No, I can't give you any more. There was nothing more that would give you that—

Q. Are the Soviets committed, though, to a summit this year in the United States without preconditions?

A. You have to ask them that question. But out of this discussion and earlier ones, I think it is clear that both agree that there should be a next meeting. It will be in the United States. It needs to be something that will be successful, have something significant connected with it. Both parties agree on that. Beyond that, there are no particular preconditions.

Q. Is it still the U.S. first hope and first priority that it be here this summer, or have we changed that as our major goal here?

A. I think from our standpoint, before the real summer starts in August is the most desirable time. But we'll just have to see.

Q. Was there any discussion of nuclear testing at this meeting?

A. All of the subjects that are very much on our agenda, including the subject of testing, were touched on in various ways in the meeting.

Q. Didn't Mr. Dobrynin react in any particular way to today's explosion?

A. I don't want to characterize the particular subjects beyond just identifying them.

Q. May I [inaudible] arms control? Up to this point, as far as we can see publicly, there has been no great movement in Geneva despite the hope expressed last November when there was a summit. Did Ambassador Dobrynin give you any suggestion that there would now be some accelerated movement on the Soviet side in Geneva?

A. There wasn't a discussion that would allow you to make that implication. I would comment on your characterization just to this extent: There has been basically no movement in START; there has been basically no movement in the space defense area. We feel that we have proposals on the table that need a response.

In INF [intermediate-range nuclear forces talks] there was a Soviet proposal, and there was a U.S. response. So there has been some further narrowing of positions in the field of INF during the Geneva talks and as a result of the exchange.

Q. Did you discuss the subject of terrorism with the Ambassador? And, in particular, did you discuss with him the evidence that you say you have against Libya in these latest terrorist incidents?

A. The problems around the world in different regions were among the things talked about, and specifically problems connected with Libya were discussed.

Q. Can you characterize those discussions?

A. No, I can't. I won't. I could, but I won't.

Q. Are you now satisfied that progress at the arms control talks is not necessary to a summit in the United States this year?

A. I think that it is important for us to try to move forward in all of the areas of significant substance where we are talking and negotiating, and that includes arms control. So certainly that's something that we want to push on, just as we feel that the flashpoints around the world need a lot of attention; and we will give it that attention, just as we think the general atmosphere is important. And, for that matter, the problem of human rights behavior is a significant element here.

We have made a fair amount of progress in some of our bilateral areas, and so we want to encourage that.

Q. What about the meeting with Dobrynin? Was there some kind of ceremony, a toast, an exchange of gifts? Anything besides the substance of the meeting to mark his departure?

A. The fact of the dean of the diplomatic corps being received by the President—and I might say a meeting that, according to my little schedule card, was to be a relatively brief one which turned into an hour and quarter, I suppose speaks volumes.

But I don't know whether—I heard the President say something about thanking Ambassador Dobrynin for a gift, so I assume there was one but I don't—there was no toast. It's a little early in the day for that.

Q. You said that both sides believed that this Reagan-Gorbachev meeting should have something connected to it to be successful. What were you speaking of? What does it need to have connected to it? An agreement?

A. I think that when you have a meeting of the President of the United States and the General Secretary of the Soviet Union, each one of them expects that all the effort that goes into such a meeting and the important questions that are at issue between the United States and the Soviet Union are going to get addressed, and that we will be trying certainly to have some significant, substantive results. We both want that.

Q. But are the Soviets making that a precondition? I think that's the question. Are the Soviets making that a precondition for a summit, that there be an agreement in hand?

A. The question of the importance of having substantive results is something we both want. The need to prepare carefully if you're going to have those results is obvious. And so we are working at that. We have been wanting to have that process go forward for some time. We had made proposals, for example, for Foreign Minister-level meetings to have taken place considerably earlier in the year.

However, I'm glad to say what I said here already, that Mr. Shevardnadze will be coming to the United States, and that we will be meeting in the middle of May. So we'll have a major push beginning then.

Q. Do you expect the Soviets to resume their nuclear testing after today?

A. That is a question you have to ask them.

Q. We've been told here very often that since the President issued his invitation to Mr. Gorbachev to come in June, the Soviets have not replied. Have they now responded?

A. I have reported to you basically the essence of the discussion on that subject.

Q. Would you call that a response?

A. It's a discussion of a major summit meeting, and the conditions that we both—or the atmosphere that we both think should accompany that. I'm staying away from the word "conditions" because I think Mr. Dobrynin was at some pains to say we're not setting any precondition; that's misinterpretation. But both want to see significant results from a meeting and both want to see it carefully prepared.

Q. Your major push in on arms control?

A. I believe I indicated in my earlier response that we believe the issues are rather comprehensive, and so preparations need to go forward across the board.

(White House photo by Bill Fitz-Patrick)

Ambassador Anatoliy F. Dobrynin makes a farewell call on President Reagan on April 8, 1986, before returning to the Soviet Union to become a member of the Secretariat of the Central Committee of the Communist Party. He had served as the Soviet Ambassador to the United States since March 1962, the last 7 years as dean of the diplomatic corps.

Q. Do they agree with that?

A. We have set times, for example, for expert-level talks on various regional issues. I have no doubt that when Mr. Shevardnadze comes we will, by pre-agreement, concentrate on one or two or possibly three of the regional issues, in addition to areas of arms control. So it is a comprehensive picture that we have to keep in front of us, and there isn't any argument between us about that.

Q. By saying that you wouldn't rule anything in and out on dates, and by stressing that the agreement is that the next meeting be in the United States, were you at all—

A. That was arranged long ago, that the next meeting would be in the United States. It is not an issue. And I think both would like to see it in 1986.

Q. Was Ambassador [for the Federal Republic of Germany Richard] Burt privately rebuked for what he said on television yesterday morning?

A. Not that I know of.

Q. Was there any message from the General Secretary that Mr. Dobrynin carried to President Reagan—any letter or anything?

A. Yes, he brought a letter from the General Secretary to the President.

Q. Is there anything you can say about the tone?

A. No.

Q. Is there anything you can say about the tone of the meeting, of the discussion, not the—

A. I said that the meeting with Ambassador Dobrynin was a very substantive and constructive one and, I thought, advanced matters.

Q. Would you expect any new initiatives in the arms control area from either side as a result of this meeting?

A. The process of negotiation on all of the various issues, including arms control, is something that has been going on and will continue to go on. And meetings like this take place, and they tend to highlight things. But no, I wouldn't say that this meeting produced any particular proposal of one kind or another that will move them forward.

Q. Would you expect that one will be forthcoming?

A. If we are going to get anyplace on any of these issues, then there has to be more back and forth. So we will try to achieve that.

Q. Were regional issues discussed, and specifically Nicaragua—

A. The nature of the discussion and length of it was not one in which it was possible to go into detail on a particular region of the world or other area. But, as I said earlier, all of the different areas of subject matter were made reference to or touched on in one way or another, so that the broad agenda that somebody here asked about a minute ago, that is very much in both parties' minds and very much before us.

Q. Are the atmospherics in preparing for this summit different than they were in preparing for the summit last year? Are relations better now, worse, than they were before?

A. I don't quite know how to answer that statement. There have been things happening since Geneva, in the bilateral area particularly. There has been some back and forth in the INF field. There has been probably some increasing strain in some other areas, so that things haven't gone as well as either party would like in that sense.

So there have been some pluses; there have been some minuses. We know each other better, and so as we start the process of rolling up our sleeves and getting to work on these things, I think we have a little bit more to work with.

Q. You referred twice to progress in the bilateral area. Could you specify what you are talking about there?

A. There has been a lot of good discussion on the cultural exchange and people-to-people field. We have had good forward motion in the consulate area. We expect to see the civil aviation agreements produce flights pretty soon, just to name three things. That doesn't mean there aren't others, but those are the three that just come to mind offhand.

Q. Doesn't the fact that you are not going to meet with Mr. Shevardnadze until the middle of May suggest that because of all the preparation time, that at least a June summit would have to be ruled out?

A. I don't want to get drawn into discussion of any particular date. You'll have to draw your own inferences. So I'll just leave it at that.

Q. Can you say whether we are any closer to a summit today, right now, than we were a few days ago?

A. We haven't set any date, so it is impossible to know whether we are closer or not closer. We have agreed on a meeting of Foreign Ministers, and probably that might very well have been earlier. We tried to find a date that was earlier, but particularly because of my own travel schedule in connection with the President's trip to Indonesia and Tokyo, it just didn't seem to be possible to arrange it.

Q. Did Dobrynin mention a date?

A. A date for what?

Q. For the summit. Did he specifically mention a date that the Soviets would like to see a summit?

A. I have said everything I am going to say on the question of a summit, and the only date that was set had to do with the mid-May meeting of Foreign Ministers.

Q. Did you get a chance to ask Mr. Dobrynin for Soviet help in fighting terrorism? And did he have anything to say about the recent loss of American lives in terrorist attacks?

A. We discussed, as I said a number of times, a full range of issues, including the question of terrorism.

---

[1]Press release 74 of Apr. 9, 1986.

[2]On Apr. 15, the Soviets cancelled this meeting. ■

Dealing With Gorbachev's Soviet Union

by Michael H. Armacost

Address before the World Affairs Council in Dallas on April 8, 1986. Ambassador Armacost is Under Secretary for Political Affairs.

It is a pleasure to speak in Dallas' "Salute to the World" before a distinguished audience on a topic I hope you will find timely: dealing with Gorbachev's Soviet Union.

Our relationship with the Soviet Union shapes the atmosphere of international relations. The Soviets are our principal rivals as well as a necessary partner in averting nuclear war and preventing conflicts from escalating into global confrontation.

U.S.-Soviet Relations Since the Summit

Public perceptions of this relationship oscillate between euphoria and despair. Neither is appropriate. The November Geneva summit between President Reagan and General Secretary Gorbachev raised our relations to a somewhat higher plateau. Progress was modest, to be sure, but new hopes were aroused. To date, they have not been fulfilled.

On the positive side, we have concluded bilateral agreements which promise to expand educational, cultural, and people-to-people exchanges. We are exploring possibilities for increasing trade in nonstrategic areas. Civil aviation agreements have been signed which will permit U.S. carriers to fly to the Soviet Union and which will increase cooperation in ensuring the safety of flights in the North Pacific air corridor. We will soon open a U.S. Consulate in Kiev.

In the human rights area, we welcome the Soviet release of Anatoliy Shcharanskiy; the decision to permit the wife of Andrey Sakharov, Yelena Bonner, to receive medical treatment in this country; and the resolution of a number of divided family cases. We note with regret, however, that the rate of Jewish emigration remains at a trickle.

In the arms control area, we welcome dialogue with the Soviets on the nonproliferation of chemical and nuclear weapons. At the same time, however, there has been no progress on the key nuclear and space arms issues under discussion in Geneva, despite General Secretary Gorbachev's summit agreement to accelerate work in these areas.

Specifically, Mr. Gorbachev agreed to early progress in areas where there is common ground, including deep reductions in nuclear arms and an interim agreement on intermediate-range nuclear forces. Unfortunately, the Soviets have been unwilling to engage in serious give-and-take on these issues at the negotiating table in Geneva. Instead, they have devoted themselves to propaganda statements and public diplomacy. They have yet to respond in Geneva to specific proposals we tabled last November.

Finally, there has been little progress in attenuating regional conflicts, which involve Soviet troops and Soviet proxies in such places as Afghanistan, Nicaragua, Cambodia, Angola, and Ethiopia. Yet, there can be no lasting improvement in our relationship without concrete progress in resolving these regional disputes.

In sum, developments on bilateral issues, human rights, arms control, and regional conflicts present a mixed picture. They suggest that, without sustained efforts on both sides, the competitive elements in our relationship will tend to overshadow the cooperative ones. In this connection, the Soviet failure heretofore to set a date for the Washington summit can only retard progress.

Gorbachev's Soviet Union at the Crossroads

The absence of forward movement in our bilateral relations in recent months may be attributable in part to the Soviet leadership's involvement in preparations for the 27th Party Congress which convened in Moscow in late February. The Party Congress afforded Mr. Gorbachev an opportunity to consolidate his domestic position and set forth his domestic and international priorities. The results of the Party Congress suggest the following conclusions.

• Mr. Gorbachev is well on his way to consolidating a younger, more energetic, and more professional Soviet leadership. In the last year, he has appointed a new prime minister, a new foreign minister, five new full Politburo members, five new alternate Politburo members, and seven new members of the Central Committee secretariat.

In addition, he has brought much new blood into the Central Committee; 40% of the full members were elected for the first time at the last Party Congress. These men and women are generally younger and better educated than their predecessors. And they appear to be determined to reverse the stagnation that has afflicted Soviet policy in recent years.

• Mr. Gorbachev professes to favor change in both domestic and foreign policy. On the home front, he has challenged the Soviet Union to double its agricultural and industrial output by the year 2000. While he urges "radical reform" in economic management and appears intrigued with high technology, he has stopped short of embracing policy measures that promise the revival of rapid growth. He portrays himself as a reformer but has adopted only modest palliatives such as temperance and discipline campaigns rather than announcing fundamental structural changes.

• Such palliatives are unlikely to revive an economy stultified by centralized planning, excessive military expenditures, low labor productivity, and an obsolescent industrial base. Meanwhile, the fall in the price of oil has cut Soviet usable hard-currency earnings by a third. Compounded by a shortfall in Soviet oil production, this development further jeopardizes Gorbachev's plans to finance a swift modernization of Soviet industry.

Whatever its long-term economic challenges, the Soviet Union retains short-term reserves of economic resiliency. And Moscow remains a first-class military power with sophisticated strategic capability and an ability to project a global conventional force.

• Mr. Gorbachev has also tried to inject new dynamism in Soviet foreign policy. In his trips abroad, he has displayed an aptitude for public relations rarely seen in a Soviet leader. He has accorded high priority to relations with the United States. For the first time in 10 years, a Soviet foreign minister has visited Japan. And, as evidenced by the recent increases in Sino-Soviet trade, the Soviets have intensified efforts to improve their relations with China.

To date, however, these changes appear to be tactical rather than substantive. Mr. Gorbachev has injected new

energy into the implementation of policies that are reasonably familiar. He has hinted at more far-reaching changes. But these hints have not yet been confirmed.

This is especially true in the Soviet approach to regional conflicts.

Soviet Approach to Regional Conflicts

In the 1970s, the Soviet Union embarked on a series of regional adventures. We are all familiar with the results: 30,000 Cuban troops in Angola, thousands of Cubans in Ethiopia, a Soviet Army at war in Afghanistan, Soviet-bloc advisers in Nicaragua.

Under Gorbachev's leadership, Moscow's involvement in Third World regional conflicts has not diminished. Indeed, there is some evidence that it has intensified.

In Afghanistan, the quality and quantity of Soviet arms, facilities, and troops have increased, and Soviet battlefield tactics have become even more brutal.

In Indochina, the Soviets daily provide more than $3 million in aid to Vietnam and have further entrenched themselves in military facilities at Cam Ranh Bay and Da Nang.

In Northeast Asia, the Soviets have increased their presence by providing advanced MiG-23 fighters to North Korea, increasing port calls with military ships, and securing rights from Pyongyang for intelligence purposes against our friends and allies in the area.

In Angola, the Soviets have substantially increased military supplies to the MPLA [Popular Movement for the Liberation of Angola] government in Luanda for use against Dr. Savimbi's freedom fighters. Their aid has amounted to $2 billion since 1984.

In Nicaragua, a significant influx of Soviet-origin munitions, vehicles, armored attack helicopters, and radars which form the nucleus of an air-defense network has provided the war materiel for more than 60,000 Nicaraguan regulars.

In South Yemen, the Soviets intervened in January in an attempt to preserve a dominant role in that country and to protect access to port and air facilities needed to project military power in the region. First, they forced their clients to repatriate an opposition leader, then they abandoned him in the midst of political conflict. The result was a bloody civil war, the full human toll of which is still unknown.

Thus, the Soviet determination to consolidate and, where possible, extend their influence in the Third World persists. But Moscow's ability to sustain such policies is being challenged in a new way. They now confront growing indigenous resistance movements in the regional outposts of influence they established in the 1970s.

In Afghanistan, the *mujahidin*—the insurgents who have successfully held the Soviet Army at bay for over 6 years—struggle valiantly against the Soviet occupation army and the forces of the puppet government installed there.

In Indochina, democratic forces in Cambodia, once all but annihilated by the Khmer Rouge, are now increasing their participation in a brave fight against a puppet regime imposed by communist Vietnam.

In Angola, Jonas Savimbi and his UNITA [National Union for the Total Independence of Angola] forces have extended the territory under their control in their armed struggle against the Soviet- and Cuban-backed Luanda regime.

In Nicaragua, democratic resistance forces are holding their own, despite lack of significant outside help in the face of a massive influx of sophisticated Soviet weaponry and thousands of Soviet, Cuban, and Eastern-bloc advisers.

The Reagan Doctrine

The United States cannot fail to respond to these emerging democratic resistance movements. Our reason is simply stated: freedom for others means greater peace and security for ourselves.

Conference on Security and Cooperation in Europe

PRESIDENT'S STATEMENT MAR. 27, 1986[1]

I met with Michael Novak, a distinguished scholar and writer who will head the U.S. delegation to the Experts' Meeting next month of the Conference on Security and Cooperation in Europe (CSCE) in Bern, Switzerland. That meeting, part of the Helsinki process of lowering the barriers dividing East from West, will discuss expanding contacts across borders.

Mr. Novak reported to me on his recent consultations with our NATO allies, the Swiss hosts, and the Soviet Union. In Moscow he also met with a number of individuals divided from their spouses.

Since 1 out of every 10 Americans has roots in Eastern Europe and the Soviet Union, the issues to be discussed at Bern—family reunification, family contacts, binational marriages, travel for personal and professional reasons, and emigration—are not abstract political questions. They are subjects touching the heart of our society: the family. Progress between the CSCE countries in this area would do much to carry forward my discussion last November with General Secretary Gorbachev in which we agreed on the importance of resolving humanitarian cases in a spirit of cooperation.

Today, in the Soviet Union and other East European states, there are too many individuals and families who are separated from relatives in the West or prevented from traveling abroad. The Berlin Wall is a physical embodiment of the cruel and unnecessary policies that separate peoples from one another. At Bern we have a chance to pursue the process of bringing down the barriers to human contacts that separate East from West.

I have instructed Mr. Novak to speak forthrightly at Bern about the continuing problems in the field of human contacts and the need for the Soviet Union and Eastern Europe to work harder to resolve them. We would like to see practical results that will bring benefits to the citizens of East and West.

[1]Text from Weekly Compilation of Presidential Documents of Mar. 31, 1986. ■

Our efforts to promote freedom, prosperity, and security must accommodate the differences among these regional conflicts and the conditions under which they arose. The form and extent of our support must be carefully weighed in each case. Since popularly supported insurgencies enjoy some natural military advantages, our help need not be massive to make a difference.

But our assistance must be more than symbolic: our help should give freedom fighters the chance to rally the people to their side. As President Reagan has made clear, "...resistance forces fighting against Communist tyranny deserve our support." And in Afghanistan, Angola, Cambodia, and Central America, where people are fighting for national independence and freedom, we should provide support.

Diplomatic efforts are underway to promote political solutions to each of these regional conflicts. In Afghanistan, Angola, Cambodia, and Central America, we strongly support diplomatic efforts—conducted variously under UN, regional, and bilateral auspices—to find peace and resolution on terms satisfactory to the parties involved. But our diplomacy for peace can only work when real pressures create genuine incentives for our adversaries to negotiate.

If Mr. Gorbachev is serious about putting Soviet policy—both domestic and foreign—on a new footing, we invite him to reconsider Soviet involvement in regional conflicts and accept forthrightly the requirements for peaceful solutions.

Afghanistan

Afghanistan is a good place to begin.

The Soviet Union has little to cheer about in Afghanistan. After more than 6 years of bloody fighting, Moscow and its Afghan clients have been unable to overcome heroic Afghan resistance. Yet there is little evidence that the Soviets have given up their resolve to subjugate the Afghan people. On the contrary:

- The Soviets have increased somewhat the size of their Afghanistan garrison, which now includes special forces used in extensive offensive operations, and upgraded the weaponry available.
- The Soviets are expanding their efforts to subvert the rural population, and their attempts to eliminate the resistance in heavily contested regions are carried out without regard for civilian casualties.
- Cross-border bombing and strafing raids by Afghan and Soviet aircraft, coupled with sabotage activity in the tribal areas of Pakistan, have become more frequent as the Soviets have increased efforts to reduce the flow of supplies to the resistance.
- The Soviets are annually sending 10,000-15,000 Afghans to the Soviet Union for study and training in hopes of creating reliable cadres to serve their cause in Afghanistan over the longer term.
- The Soviets continue efforts to give their puppet regime a fig leaf of legitimacy. The regime has been cosmetically broadened with the addition of ministers described as nonparty members and a revolutionary council which includes retired civil servants—albeit men and women with close links to the regime.

The Resistance. Meanwhile, the Afghan resistance has increased its effectiveness. During the past year, it has employed larger, better organized, and better equipped units to take the field against Soviet garrisons and their Afghan allies.

The resistance has also begun to develop national political institutions. The emergence of the resistance alliance is a sign that a new Afghan nationalism, forged on the battlefields of Afghanistan, is coming of age.

The continuing military standoff in Afghanistan represents an impressive success for the resistance and a telling failure for the Soviet Armed Forces. The political and military cost to the Soviets of their occupation continues to mount. It was perhaps with this reality in mind that Gorbachev at the recent Soviet Party Congress referred to the war in Afghanistan as a "bleeding wound."

U.S. Policy. Soviet occupation of Afghanistan brought their forces closer to areas of vital strategic importance to the United States, namely the Persian Gulf and Indian Ocean; and it converted our long-time friend, Pakistan, into a front-line state, thereby upsetting the fragile balance of power in South and Southwest Asia. Aggression unchecked in Afghanistan is aggression encouraged elsewhere, perhaps closer to home.

U.S. policy toward Afghanistan for the past 6 years has been directed toward one clear-cut objective: a negotiated political settlement which promotes the early and complete withdrawal of Soviet forces and permits the Afghan people the opportunity to choose their own government.

This objective is widely shared by other nations. The UN General Assembly has passed, by overwhelming margins, seven resolutions calling for a political settlement based on four basic points:

- Complete withdrawal of Soviet forces;
- Self-determination for the Afghan people;
- Return of the Afghan refugees in safety and honor; and
- Restoration of Afghanistan's independent and nonaligned status.

These four points are closely related. Without the complete withdrawal of Soviet forces and the establishment of a government in Kabul reflecting genuine self-determination for the Afghan people, it is unlikely that the 3-4 million Afghan refugees presently in Pakistan and Iran would voluntarily return to their country. Nor is it likely that the *mujahidin* would put down their arms. The restoration of Afghanistan's independence and nonaligned status would allay Moscow's concerns about having a hostile government on its southern border, as well as relieve major security concerns in Pakistan.

Since 1982, the UN Secretary General's personal representative, Diego Cordovez, has been conducting negotiations between the Government of Pakistan and the Kabul regime. The so-called proximity talks are conducted indirectly, rather than face to face.

This reflects Pakistan's refusal to recognize the regime of Babrak Karmal, which was installed and is maintained solely through Soviet military force. The Pakistani position is entirely understandable. Their government is currently caring for the 2-3 million Afghan refugees who have fled the excesses of the Soviet occupation and the Karmal regime. They experience daily the consequences of the Afghan Government's lack of legitimacy.

Last week, UN negotiator Cordovez announced the May 5 resumption of the seventh round of UN sponsored proximity talks. Mr. Cordovez stated that "for the first time...the crucial issue of the interrelationship between noninterference and withdrawal of Soviet troops" would be discussed. He also confirmed that he had received a suggested timetable for troop withdrawal from the

Kabul regime. We hope this development is not a mere propaganda play but reflects a political decision by Kremlin policymakers to negotiate a settlement that protects the legitimate security interests of all parties.

The next round of talks represents a clear test of Soviet intentions. If they are serious about healing "the bleeding wound," they should commit themselves to a prompt timetable for troop withdrawals to be implemented simultaneously with other elements of an agreement. Beyond this, they must accept this basic political reality: until there is a government in Kabul that inspires enough confidence among the refugees that they will be prepared to come home voluntarily, millions will remain along the border, providing the infrastructure of resistance.

We have made it clear to Moscow that if it makes the political decision to withdraw, we will work to facilitate a negotiated solution. We have affirmed that we seek no unilateral advantage in Afghanistan. Our objective is not to "bleed" the Russians in Afghanistan but to get their troops out of Afghanistan. So long as the Soviets pursue a military option, we will continue to support the Afghan cause through all appropriate means. And Afghanistan will remain an obstacle to the overall improvement in U.S.-Soviet relations.

Humanitarian Assistance. Let me say a word about our humanitarian aid to the Afghan refugees. Our assistance has relieved human suffering and continues to bolster the impressive efforts of Pakistan's people and government. Pakistan has generously and responsibly shouldered the burden of hosting what is the largest refugee community in the world today. Their actions are in the best traditions of their culture and of Islam.

With the strong support of the Congress—Congressman Charlie Wilson has given a strong lead—we are supporting a number of programs to assist war-affected Afghans. These include support for voluntary Western medical teams, the provision of food for Afghans in areas controlled by resistance commanders, and a dramatic expansion in the training of Afghan paramedics for service in their own country. And we have just begun.

Conclusion

Let me sum up. Soviet-American relations have not fulfilled the expectations generated by the Geneva summit. Yet, opportunities for progress exist, and we shall continue to work on a broad agenda involving arms control, bilateral issues, human rights, and the resolution of regional conflicts.

What the Soviets call the "correlation of forces" has changed, and in our favor. Nevertheless, the Soviet Union remains a formidable military power and global adversary.

The growth of indigenous resistance to Soviet domination in the Third World also reflects a new reality: the age of imperialism is over. The tide of history is a freedom tide. It will lift the hopes and fortunes of those around the world determined to shape their own destinies.

If the Soviet Union is prepared to end its occupation of Afghanistan and heal the "bleeding wound" in that country, a negotiated solution can be achieved. However, if they are determined to persist on their current course, they will have to shoulder the long-term military and political costs of a bitter, divisive, costly, and inconclusive struggle.

The essence of statesmanship is to recognize and adjust to new realities. We stand ready. We invite Moscow to join us in placing U.S.-Soviet relations on a more stable and cooperative foundation. Let history record that this was a time when both our countries seized the possibilities at hand. ■

25th Report on Cyprus

MESSAGE TO THE CONGRESS, FEB. 3, 1986[1]

In accordance with Public Law 95-384, I am submitting to you a bimonthly report on progress toward a negotiated settlement of the Cyprus question.

Since my last report, the U.N. Secretary General has continued his good offices mission. U.N. officials held working-level meetings with the Turkish Cypriot side in London November 18 and 19, 1985, and with the Greek Cypriot side November 30 and December 1.

These discussions were to review the positions of the parties, elicit their views on outstanding issues, and help him prepare a framework agreement for a Cyprus settlement which he plans to submit to both sides for their consideration. The Secretary General subsequently termed these meetings useful and said both parties had agreed to continue these discussions.

On December 14, 1985, the U.N. Security Council renewed the mandate of the United Nations Forces in Cyprus (UNFICYP) for another six months. Prior to the vote the Secretary General sent the Council a report on U.N. operations in Cyprus, including a review of his good offices mission over the June 1-November 30, 1985, period. I am enclosing a copy of the Secretary General's report.

U.S. officials have continued to consult closely with the interested parties. In December Deputy Assistant Secretary James Wilkinson, the Department of State's Cyprus Coordinator, visited Turkey, Greece, and Cyprus and held discussions on bilateral questions and on the Cyprus issue. In Cyprus he met with Greek and Turkish Cypriot leaders. During his trip, Mr. Wilkinson expressed our support for the U.N. Secretary General's initiative as the most realistic and productive approach to achieving a Cyprus settlement and urged all concerned to cooperate with the Secretary General's efforts.

Sincerely,

RONALD REAGAN

[1]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Richard G. Lugar, Chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of Feb. 10, 1986). ■

Foreign Policy Challenge: A 25-Year Retrospective

by Michael H. Armacost

Address on the occasion of the 25th anniversary of the International Fellows Program at Columbia University in New York City on March 25, 1986. Ambassador Armacost is Under Secretary for Political Affairs.

It is a great honor to join you today in celebrating the 25th anniversary of the International Fellows Program. I was in the first class of Fellows. I am, consequently, one of the oldest beneficiaries of the program. I am reminded of the *New Yorker* cartoon of two fellows sitting at the Algonquin bar. With a melancholy look one says to the other, "How quickly one gets too old to be youngest anything."

In the spring of 1960, I was contemplating a transfer to Harvard. I had no special motive other than the belief, inspired by a Fulbright year in Germany, that one's graduate study benefited from exposure to a variety of students, libraries, and faculties. I then happened across a notice about the incipient International Fellows Program and was impressed by the exposure it promised to people with practical experience in policymaking and diplomacy.

I applied, won a fellowship, and stayed at Columbia. I had no regrets. My interest in public service germinated during those years. Following a sojourn in academe, I have been at it since 1969.

Although I spend most of my time at the other end of the Eastern shuttle, I have been back to Columbia only infrequently. Yet, I have not lost touch with the Fellows program. Dick Gardner, a distinguished member of the law faculty, was among our instructors in 1960. I regularly seek his counsel. David MacEachron, another of the Fellows program teaching faculty, has been a collaborator over the years on matters relating to Japan. David Smith, the original director of the program, is now a fellow Washingtonian and a former Ambassador to Sweden. And Zbig Brzezinski, who often lectured to our Fellows group, was later my boss at the NSC [National Security Council]. As for the 1960 Fellows, a shared interest in public affairs has ensured that our paths cross. For me, that was one of the great dividends of the program. I am sure it will be for you as well.

Columbia in the Early 1960s

In looking back at the intellectual and political environment that marked my years at Columbia, I recall three overriding developments which preoccupied the charter members of the fellowship.

First, it was the era of Sputnik and the "missile gap." Soviet success in putting the first missile in orbit jarred American self-esteem and jolted complacent assumptions about the stability of deterrence. We reflected darkly about how the shorter warning of time afforded by missile delivery systems robbed decisionmakers of the time needed to respond intelligently to ambiguous strategic challenges. We cut our teeth on the conceptual work of civilian strategists like Herman Kahn, Albert Wohlstetter, Bernard Brodie, Tom Schelling, and Henry Kissinger. Their work was notable because it integrated an interest in military strategy, defense budgeting, weapons technology, and arms control.

In those days, arms control was not exactly a novel concept, but the subject was given much greater intellectual rigor. It was considered a corollary of defense policy, not an alternative to it. Prominent strategists assumed the nuclear arms race was driven by a collision of political wills; it was not itself the central source of tension between the major powers.

In my own introduction to the subject—from Professors William T. R. Fox, Sam Huntington, and Warner Schilling—I do recall what seemed to me an appropriate concern with those sources of uncertainty or strategic instability inherent in new weapons technology, and an interest in practical arrangements to reduce the risks of accidental war, to diminish reliance upon hair-trigger deterrent systems, and to discourage nuclear proliferation.

The emphasis was upon rationalizing and stabilizing deterrence. It was generally assumed that nuclear weapons were here to stay and that it took less ingenuity to figure out how to live with them than how to eliminate them.

Second, these years were marked by the often tumultuous transition to the postcolonial era. Scores of states were achieving their independence. The United Nations grew in numbers if not in power. I recall one of my professors defining a developing country as a nation with a national university, a national airline, and a UN delegation three times the size of its foreign ministry.

The classroom reflection of this flowering of new countries was our immersion in theories of economic development, strategies of nation-building, and the tactics of guerrilla warfare and counterinsurgency. In retrospect, many of these studies were marked by extraordinary confidence in America's capacity to engage in large-scale social engineering in other societies. Often, one encountered the casual—even unstated—assumption that foreign aid could assure rapid economic development which, in turn, would facilitate the emergence of democratic political institutions in the LDCs [less developed countries]. Regrettably, such assumptions were rarely confirmed by events.

Third, there was a perennial fascination with the Soviet Union—a fascination punctuated by anxiety. In those days, our fear was that the "correlation of forces" was shifting against us. There was the recent display of Soviet technological prowess in space. There were apprehensions—based on straight-line extrapolations of postwar growth rates—that Moscow could outpace us economically while diverting substantially greater portions of its national budget into military programs that threatened our security. There was a keenly felt danger that a clash over Berlin could bring a superpower confrontation; many classmates were, in fact, mobilized in the Berlin crisis of 1961. And there were concerns that the Soviets would exploit turmoil in the Third World to tip the global political balance against the West.

It is ironic that the Soviets later spoke of the years 1959–63 as years of "missed opportunities" in East-West relations. Khrushchev's prime objective may have been to curb China and delay its emergence as a nuclear power. But his brutal tactics conveyed the impression of a bully rather than a wooer. I remember that period principally for two Berlin ultimatums, Khrushchev's histrionics at the failed Paris summit, his efforts to intimidate Kennedy in Vienna, and the Cuban missile crisis.

The "Geneva spirit" which had inspired hopes that wider contacts with the Soviet leadership could improve the East-West atmosphere was largely dissipated by these events.

Lots of water has run under the bridge since the early 1960s. The problems that preoccupied us in those days have been substantially transformed. Yet, they represent enduring challenges.

- We continue to wrestle with the implications of new weapons technology for the stability of strategic deterrence.
- We continue to face delicate policy issues involving the use of American influence to shape the economic and political evolution of developing countries.
- And we continue to manage a relationship with the Soviet Union which contains elements of conflict as well as cooperation.

New Weapons Technology and Strategic Deterrence

In 1960, new weapons technology compounded the problems of defense and heightened awareness of the need to reduce the vulnerability of our land-based deterrent. In 1985, the effort to test the efficacy of non-nuclear strategic defenses may usher in a new phase in the age-old race between offensive and defensive techniques of warfare.

The inspiration for our SDI [Strategic Defense Initiative] program was the President's unwillingness to assume that strategic deterrence must rest indefinitely upon catastrophic threats of mutual annihilation. He has raised questions which are simple but profound, thereby forcing people to think about the unthinkable. Can East-West deterrence be redesigned to rely more heavily upon defensive systems?

The answer is not yet in. Our SDI research program, apart from its prudence as a hedge to match comparable Soviet efforts, is designed precisely to discover whether strategic defenses are technically feasible, cost-effective, and survivable.

There is little doubt that our SDI research program provided a major inducement with which to prod the Soviets back to the bargaining table in Geneva. To date, however, Moscow has resisted any serious discussion of:

- The offensive-defensive relationship;
- The utility of striving for a deterrence system based more heavily upon defense; and
- The problems of managing the transition to such a system.

These are all formidable intellectual as well as policy problems. They require thoughtful analysis. I hope they stimulate your own thinking.

Too much of the debate about SDI has been consumed by conjecture about technological possibilities; too little about how a stable transition to a new strategic balance can be arranged within the confines of a highly competitive political/military relationship with the Soviet Union. These problems are as deserving of attention in academic circles as in government.

American Power and Democratic Transitions

The colonial era is a thing of the past. The new nations of 1960 are now well-established members of the international community.

In the early 1960s, the Soviets appeared to be a strong political competitor in the Third World. Leninist parties appeared to offer a method of imposing discipline in societies with strong centrifugal tendencies. Statist economic planning was then in vogue. And Moscow was still taken seriously in many nonaligned circles when it proclaimed itself a champion of national liberation.

Over the years we have consistently encouraged democratic development. The results of our efforts have been quite mixed. Today, however, we can take satisfaction from the growing numbers of those around the world who share our commitment to popular rule as well as national independence.

In our own hemisphere, we have recently witnessed a rather dramatic transition to democracy. Over 90% of the population of Latin America and the Caribbean now live under governments that are democratic. In Central America alone, popularly elected democrats have replaced dictators in El Salvador, Guatemala, and Honduras in the last 5 years.

In Asia, the ASEAN [Association of South East Asian Nations] countries exhibit a level of representative government, economic growth, and regional cohesion which stand in stark contrast to the internal repression, military conflict, and economic stagnation which prevail in Indochina.

In South Asia, with the exception of Afghanistan, democracy is flourishing. India's institutions withstood the test of Indira Gandhi's assassination; in Pakistan, the transition to civilian rule has proceeded smoothly; and the South Asian Regional Council is off to a solid start.

In other regions as well, freedom is on the march. Nor is there any doubt where we stand. We are affirming our interest in human rights and our opposition to tyranny in all its forms. We are using our influence to encourage democratic change while acting in a careful way which respects the cultural traditions, the political realities, and the security threats faced by governments confronted by pressures for change.

We recently had a hand in two democratic transitions—in Haiti and the Philippines. In both cases, events on the ground precipitated and revealed the erosion of domestic support for Duvalier and Marcos; in both, we encouraged a process of free and fair elections as a means of facilitating peaceful political change. In both, we assisted the incumbent leaders to draw appropriate conclusions flowing from inescapable realities; in each, we were instrumental in transporting them out of the country, thereby facilitating nonviolent resolutions to these political crises. In both cases, I might add, we are looked to as sources of additional assistance and support to help new governments meet their immediate economic requirements and accommodate high political expectations.

Some have expressed fears that the Reagan Administration is reverting to a Carterite approach to human rights. Journalists speculate that we have a "hit list" of other governments ripe for American-sponsored transitions. Such is not the case. We approach these issues with hope but also humility.

We experienced some luck in both Haiti and the Philippines. The decisive influences in each case were indigenous. But I like to think that we also exhibited a degree of consistency, purposefulness, discretion, and subtlety. We also avoided serious mistakes.

Since we face recurring challenges of this sort, it is worth examining more systematically the factors that contribute to peaceful, democratic transitions. Recent experience suggests that the following elements are important:

- Failure of the existing government—whether caused by repression, corruption, mismangement, or war—thereby undermining the legitimacy of the old order;

- A popular desire for representative institutions and democratic procedures;
- Elites that accept democratic institutions as a desirable objective or a practical necessity;
- The availability of external political and economic support;
- A capacity for political reconciliation and a willingness to accord priority to "binding up the wounds" from the past;
- A military establishment which is prepared to facilitate, or at least acquiesce in, a democratic transition;
- Ecclesiastical institutions that vigorously support human rights and democratic institutions and serve as a vehicle for bestowing legitimacy on the process of democratic change;
- Vigilance in frustrating the efforts of Marxist-Leninists seeking to grab the levers of power and skill in separating the democratic left from the Marxists; and
- Strong leadership willing and able to shape a consensus which transcends partisan differences while providing a representational framework in which political forces can compete on a more even footing.

Needless to add, it helps if societies facing such transitions have a literate populace, a functioning economy, and a strong middle class.

The outcome in each case will be determined primarily by the interplay of political forces in those societies. Yet, we can exert influence, and we have. To do so effectively requires knowledge of the details of the local political situation, command of the levers of our own influence, and a clear sense of the relationship between promoting democratic change and serving other national objectives.

There is no greater challenge for American diplomacy than nurturing the democratic aspirations of other peoples. I encourage you to devote your own attention to the intellectual challenge this task entails. It is a subject worthy of your interest.

U.S.-Soviet Relations

East-West relations remain at the forefront of American concerns in the mid-1980s. Alexander Dallin, Marshall Shulman, Zbig Brzezinski, and John Hazard were among those doing frontier work in the field at Columbia when I was a student. They are all still at it. The policy challenges have, of course, changed.

In looking back, what is most striking to me is the degree to which the balance of forces and perceptions of Soviet power have changed. In my student days there appeared a relentlessness about Soviet advances that was truly menacing. The Soviets believed the future was on their side; and many in the West feared they might be right.

Halfway through the 1980s, the Soviets scarcely appear to be riding the tide of the future. Mr. Gorbachev presides over a country whose economy exhibits little dynamism; whose ideology scarcely inspires emulation; whose institutions assert little attraction in developing countries; and whose outposts of influence in the Third World confront growing indigenous resistance.

By contrast, our own military power is growing; our economy displays an extraordinary resilience; our alliances are in solid shape; our ideas—democratic policies and market economics—enjoy greater salience.

To be sure, the Soviet Union remains a great power. Its military capabilities are formidable. Moscow possesses the capacity to affect events in most regions of the world. The Russians are a force to be reckoned with; and reckon with them we will. Yet our relationship with Moscow will continue to be marked by competition as well as some cooperation.

In the future, our competition will be shaped especially by our respective abilities to accommodate the information revolution, which is changing the world in the late 20th century as decisively as the industrial revolution transformed it in the last century. The computer or the robot may be the symbol of this new age; information is its international currency. In this new era, innovation is the engine of progress and the determinant of success. Those societies will flourish which encourage entrepreneurial risk-taking.

We face this competition with confidence. Free nations are best positioned to encourage the entrepreneurial spirit. Confidence in their citizens enables such nations to stimulate rather than stifle technological development. Innovation flourishes where the market determines the economic winners and losers. Innovation has never been the long suit of central planners.

By contrast, leaders of closed societies approach this competition warily. New information technologies threaten to undermine the state's control over its people. Pluralism—central to innovation and entrepreneurship—threatens the role of the party. Little wonder that the Soviet leadership keeps familiar means of communication like the Xerox machine under lock and key. The black-market price for videotapes smuggled from the West runs up to $450 on the Moscow black market.

Soviet leaders must also wrestle with the question of how to compete in the research, development, and marketing of information-age technologies. Is it likely that information technology will improve rapidly in countries in which creative writers are invariably suspected of subversion? Will the Soviet Union be able to compete with the West in an age when scientific breakthroughs will require the accumulation and manipulation of data bases which must be widely shared among the scientific community?

The Soviets face an agonizing dilemma: to compete effectively with the West they must open their societies to the freedom necessary for technological and scientific advance. Yet, what would such an opening mean for the future of the party? If they accord primacy to the existing institutions in the Soviet system, on the other hand, can they avoid falling farther behind in East-West competition? The potential for opening a once closed society is being tested in China. The economic results have been stunning. None of the reforms Mr. Gorbachev has enunciated to date come close to Deng Xiaoping's in their boldness or creativity.

This is why we look upon the evolution of the information age with confidence and hope. The development of information technology not only strengthens the economic and political position of democracies; it reinforces pressures upon totalitarian leaders to open their societies in order to compete internationally.

A Summing-up

While I don't believe in the inevitability of progress, I find in these developments some encouraging notes. I, for one, see no reason to fear non-nuclear-weapons technologies which shift the balance of advantage to the defense. I am heartened by the flowering of democratic institutions in our own hemisphere and beyond. I feel confident that the East-West correlation of forces will continue to shift in our own favor as information-age technology places a premium upon the social and political systems indigenous to the West.

A little more than a decade ago, a major effort was undertaken to work out a broad modus vivendi with the Soviet Union. That attempt—broadly characterized as detente—did not succeed. It is not my intention to diagnose the causes of failure. I would merely note that the attempt took place against the backdrop of decline in America's relative position in the East-West balance. The temporary accommodations envisioned were, consequently, easier to contemplate for a Soviet leadership accustomed to assuming the inevitability of its own international primacy.

We continue to look for opportunites to broaden cooperative arrangements with the Soviet Union. A broader modus vivendi in the 1980s, however, must be accomplished against the backdrop of a relative decline in the Soviet position. Soviet leaders will need to adjust to the limitations of their own power. This could be a difficult psychological adjustment and political challenge.

Finding a basis for such a modus vivendi is an overriding challenge for our foreign policy. It will require some subtlety on our part as well. The challenge will be to acknowledge the legitimate interests of the Soviet Union and to recognize where our interests converge without removing the pressures for change in the Soviet system itself. It is one in which we can use all the help we can get from our colleagues in the universities.

I have laced my comments with questions. That was intentional. During the Fellows program I remember a lecture by Isidore Rabi, the great Nobel Prize winner. He attributed his own intellectual curiosity to the fact that his mother greeted him at the door when he returned from school not with the usual "What did you learn today, Izzie?" but "Did you ask any good questions today, Izzie?"

The test of policy as well as science is in asking the right questions. I am indebted to the Fellows program because it put me in touch with people with a lifelong interest in seeking to ask the right questions. I am not sure that I've got them right. I am confident that people like yourselves with one foot in the university and another in public service of one kind or another perform a great service by raising hard questions about our policies, subjecting our premises to critical scrutiny, and reminding those of us in government of the broad and enduring purposes this Republic was created to serve.■

Arms Sales Policies Toward the Middle East

by Richard W. Murphy

Statement before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee on April 22, 1986. Ambassador Murphy is Assistant Secretary for Near Eastern and South Asian Affairs.[1]

I welcome this opportunity to join you today to discuss U.S. interests in the Middle East which concern us all. Rather than review recent events that have occurred throughout the region since our last session together, I would like you to consider some thoughts and observations about broader trends in the region and how they affect our interests. I would particularly like to address the relationship between such trends and our arms sales policies to friendly Arab states such as Saudi Arabia.

U.S. Policy Over 40 Years

Since the 1940s, the United States has been the crucial external force in the effort to establish and maintain peace and security in the Middle East. The depth of our political, economic, and strategic concerns in the region, which eight Administrations, both Democratic and Republican, have consistently sought to protect, reflects this fact.

A fundamental commitment to Israel's security and well-being has long been a constant in our Middle East policy. Simultaneously, since the post-World War II period we have maintained close ties with pro-Western Arab states. We have worked hard to build these links to promote these important U.S. strategic objectives: to deny opportunities to the Soviet Union in this critical geographic region; to protect free world access to the world's largest reserves of oil—a long-term interest, I might note, that is in no way diminished by the current surplus of oil; to check the growth of radical anti-Western movements; and to promote the process of building peace between Israel and its neighbors by relying on our relations with both sides.

Friendship with one party to the Arab-Israeli dispute has not diminished the reliability of U.S. ties to the other. There are those on both sides of the Arab-Israeli dispute who assert that U.S. policy is a zero-sum game; that ties with one side preclude friendship with the other; that by aligning ourselves exclusively with one side, we can compel the other to make concessions. These notions are wrong, and our experience proves that they are.

We have sought to maintain close ties to both Israel and Arab states. For this reason, we are the only superpower trusted by both Israel and the Arabs. By establishing friendship and confidence on both sides, we have made it possible to help move both Arabs and Israelis toward greater peace and security. We have brokered six peace agreements serving Israeli, Arab, and Western interests.

In recent years there has been a growing sense of realism and pragmatism in the Arab world concerning Israel. The peace treaty between Egypt and Israel was the first breakthrough on this. The political and diplomatic initiative by King Hussein, which continues, is further evidence. This sense of realism is based in part on recognition of the strength of our relationship with Israel, but it is also based on our close relations in the Arab world and the interest we have shown in Arab security and welfare. Our influence as a mediator in the peace process is based on the trust, confidence, and friendship we have on both sides, as well as our ability to help support their needs.

In contrast to the role the United States has played, the Soviet Union, without diplomatic relations with Israel and with limited diplomatic ties and bilateral relations in the Arab world, has had only a peripheral role to play.

Military security is a major element in our relationship with both Israel and the Arab states. Israel is, of course, the largest recipient of U.S. security assistance in the world. Egypt is the second largest. Both of those programs have been well understood and strongly supported by the Congress as major elements in our strategy of peace in the Middle East.

I am concerned, however, about less understanding of the importance of our military programs—including training, assistance, U.S. personnel, and sales of major equipment—elsewhere in the region. There is not enough understanding of the strategic importance of such sales to the United States. Our close

military ties with Saudi Arabia and other gulf states, for example, have been a key factor in guaranteeing that our friends have the means to protect their own security, containing threats posed by the Iran-Iraq war and Iranian extremism, guarding against Soviet inroads, and cooperating with the United States in ensuring free international access to oil supplies.

These points merit elaboration. Security assistance, arms, and technology transfers have been an important instrument in constructing bridges to both parties of the Arab-Israeli dispute. We all take pride in the economic and military assistance we have provided to Israel over the years. We must not forget the great value of the support we have given to the Arab states over the years. For 30 years Arab states friendly to the United States have turned chiefly to us as a source of arms and technology—to the near exclusion of the Soviet Union. Arab intelligentsia are schooled in American universities; their technicians are skilled on our systems. Perhaps most important, members of their military learn our doctrine, train on our systems, and develop lasting professional and personal ties with American counterparts that they carry back to their own countries.

These relationships have worked to our mutual interest. "Mutual interest" is a two-way street. We make choices regarding our security partners and the commitments we make to them. They, too, make choices—based on their perceptions of the long-term advantages of ties to the United States and the alternatives, including closer relations with the Soviet Union.

Impact of Trends and Events on the Situation Today

For the first time in three decades, recent events threaten to undermine our balanced approach, challenging the longstanding policy that has worked so well for advancing U.S., Israeli, and Western interests. I am deeply concerned that the impact of these events and trends could cost us dearly in the region. During my recent visits there, I have been increasingly challenged by questions about American motives and credibility.

For example, and allow me to speak frankly, our inability to gain congressional support for the Jordan arms sale is perceived in the region as a sign that the United States has unilaterally terminated a 30-year arms supply relationship with an Arab state with which we have a close and friendly relationship. The perception of withdrawal of U.S. support for King Hussein at a delicate moment in the King's effort to move the peace process forward was especially troubling. Opponents of the peace process are citing the withdrawal as proof that the King cannot count on the United States politically or militarily.

At the same time that some Arab states are moving to a more realistic view of Israel's place in the Middle East, it would be a great irony if the United States did not take advantage of this trend in Arab thinking to maintain and develop our overall relations with the Arabs. The history of U.S. involvement in the Middle East affirms the wisdom of our policy of maintaining close ties with both Israel and the friendly Arab states.

U.S.-Saudi Relations: Military Sales

We now face a time of testing whether this successful policy of 30 years is relevant, or if we will turn around and pursue a more parochial, narrow, and, in my view, extremist policy. Such a test now faces us with our current intention to sell Saudi Arabia a limited quantity of defense articles.

U.S. interests in the region are best served by continued strong, open, and credible relations with moderate Arabs. In the business of diplomacy I am often struck by what is sometimes called the law of unintended consequences. Specific decisions and actions perceived as good and just causes in one narrow context sometimes produce undesired results in a broader arena, decisions which come back to damage even the original limited concern. It is, therefore, essential that both the Administration and the Congress be sensitive to the overall security system which is affected by U.S. actions—and inactions. Otherwise, we cannot guard against negative consequences to U.S. interests, and those of our Israeli and Arab friends, caused by decisions made for discrete purposes.

A case in point is the Administration proposal to sell arms to Saudi Arabia, which was formally notified to the Congress on April 8. The proposal consists of some standard follow-on items for support and upgrade of systems already existing in the Saudi inventory. These arms would be part of an ongoing arms supply relationship which we have maintained with the Saudis for over 30 years. They represent no major enhancement of Saudi capability.

Our reasons for supporting this important friend are simple and cannot be overemphasized. They bear repeating. Maintenance of our longstanding arms supply relationship with Saudi Arabia strengthens defense of the gulf, an area vital to U.S. interests. I would remind you that two Administrations have pledged to use force, if necessary, to protect the free flow of Persian Gulf oil. We still stand by that policy. The Saudis have taken the lead, with other Gulf Cooperation Council states, in protecting the shipping and oil installations of the upper gulf. It is important that we not lose sight of the fact that Saudi self-defense reduces the probability of direct U.S. military involvement to defend our interests. Further, our support for Saudi self-defense has been an important element of deterrence—Iran has clearly had to take into account the fact that the Saudis have significant U.S. backing. If that perception is called into doubt, if it appears empty rhetoric, the costs to the United States could be substantial.

Since the 1940s our mutual security ties with Saudi Arabia have been the foundation of the overall bilateral relationship—a relationship now under attack by radical and extremist forces in the region, some of whom exploit religion for political purposes. The continued sale of U.S. equipment to replenish and update Saudi forces strengthens our relationship and responds to a clear need for the continuing defense of Saudi Arabia.

Iran remains a formidable threat to the gulf states. It is clearly in U.S. and our friends' interests to see that Saudi Arabia and other moderate states are adequately equipped to counter potential Iranian aggression. The evidence is clear. Royal Saudi Air Force pilots flying F-15s and using American-made equipment downed intruding Iranian aircraft in the spring of 1984. This single act of vigorous defense deterred further Iranian attacks on gulf states. It was far preferable that this defense of the gulf was undertaken by Saudi pilots in Saudi planes rather than U.S. pilots in U.S. planes.

Saudi Arabia is a major anticommunist power on the peninsula. Strengthening Saudi defensive forces, especially with equipment that is interoperable with our own, is a significant strategic advantage. The Saudis are, for example, the major deterrent against any adventurism on the part of the new and even more radical South Yemen regime. As I noted in the beginning of my testimony, our arms supply relationships

with important strategic partners like Saudi Arabia are longstanding and mutually beneficial. Severence of this key linkage would cause unintended and harmful costs to U.S. security.

Continued U.S. supply of arms to Arab states is in Israel's interests. Israel not only retains but is increasing its qualitative military edge over any combination of Arab forces. We are committed to the maintenance of the Israeli advantage and ensure that it is kept by carefully reviewing all arms transfers to the region and obtaining appropriate safeguards whenever required.

If the United States will not continue this carefully calibrated arms supply relationship, Arab states like Jordan and Saudi Arabia will seek other sources of arms. Whenever our friends seek alternative sources there are costs: security costs for Israel and political, strategic, and financial costs for the United States. The recent Saudi purchase of long-range Tornado fighter aircraft, which we believe has not served any discernible U.S. interest, is a good example. Unlike the F-15s, an air defense aircraft we supplied to the kingdom in 1979, there are no restrictive understandings on basing the Tornados close to Israel's borders. Additionally, some independent academics estimate that the Saudi purchase of Tornados, a ground attack aircraft, rather than the additional F-15s they preferred, cost the American economy from $12 to $20 billion.

In short, the reasons for continuing our arms supply links with moderate Arab states are compelling and numerous. The United States provides arms to Saudi Arabia based on its defensive requirements and because a defensively sound Saudi Arabia is in the best interest of the United States.

I am disturbed by assertions now circulating that would attempt to tie a formal and direct linkage between our routine arms supply to Saudi Arabia and peaceful resolution of the Arab-Israeli dispute. This is a narrow approach to a complex set of issues. If followed, it would bring into action the "law of unintended consequences" I noted earlier. We, Israel, and the moderate Arabs would lose. In the final analysis, the Soviets would be the winners.

U.S. policy has succeeded in promoting peace and stability in the Middle East when it has differentiated between cases where linkages are appropriate and effective, and cases where they are neither. Some arrangements, such as the U.S. contribution to peace between Israel and Egypt, have clearly benefited from explicit U.S. willingness to provide security assistance to the parties in the settlement. Such a relationship was fully consistent with U.S. interests and, in fact, inherent in the development of the agreement itself. In other cases, including Saudi Arabia, our security relationship is based on considerations of regional peace and stability that go beyond the specific Arab-Israeli issue. Neither we, nor the cause of peace, would achieve anything from an effort to compress U.S.-Saudi security ties into an Arab-Israeli mold.

In 1981 when the Administration notified Congress of its intention to sell AWACS [airborne warning and control system] to Saudi Arabia, President Reagan sent a letter to the congressional leadership. In it, he provided assurances that certain conditions would be met before transfer of the AWACS. The required technical assurances either have or will shortly be completed. Additionally, the letter assured:

Gulf of Sidra Incident

LETTER TO THE CONGRESS, MAR. 26, 1986[1]

On March 23, United States forces in the Eastern Mediterranean began a peaceful exercise as part of a global Freedom of Navigation program by which the United States preserves its rights to use international waters and air space. This exercise is being conducted entirely in and over areas of the high seas, in accordance with international law and following aviation safety notification procedures.

On March 24, our forces were attacked by Libya. In response, U.S. forces took limited measures of self-defense necessary to protect themselves from continued attack. In accordance with my desire that the Congress be informed on this matter, I am providing this report on the actions taken by United States Armed Forces during this incident.

Shortly before 8:00 a.m. (EST) on March 24, two SA-5 surface-to-air missiles were fired at U.S. aircraft flying over the high seas in the Gulf of Sidra from a Libyan missile installation in the vicinity of Sirte on the northern Libyan coast. During the course of the next few hours, several surface-to-air missiles were fired at U.S. aircraft operating over the high seas. At approximately 3:00 p.m. (EST) these missile installations again activated their target-acquisition radars with the evident objective of firing upon U.S. aircraft. Two HARM air-to-surface missiles were thereupon fired by a U.S. Navy A-7 aircraft, apparently resulting in the destruction of the radars controlling the missile battery. After a short outage, the radar returned to active status and still posed a threat to U.S. forces. At 6:47 p.m., A-7 aircraft again fired two HARM missiles at the SA-5 radar at Sirte. After another short outage, the radar has returned to active status.

Meanwhile, a Libyan missile patrol boat equipped with surface-to-surface missiles came within missile range of U.S. ships on the high seas well away from the Libyan coast. The U.S. commander determined, in light of the Libyan attacks on U.S. aircraft, that this vessel was hostile and therefore ordered U.S. aircraft to engage it. At approximately 2:00 p.m. (EST), U.S. Navy A-6 aircraft fired two Harpoon missiles, which struck and heavily damaged the Libyan vessel. At approximately 4:00 p.m. (EST), a second Libyan patrol boat approached U.S. forces, and was driven off by U.S. Navy aircraft. Shortly after 6:00 p.m. (EST), a third Libyan patrol boat approached the USS YORKTOWN at a high rate of speed; the YORKTOWN fired two Harpoon missiles, which hit the Libyan craft.

Shortly after 12:20 a.m. (EST) on March 25, U.S. Navy A-6 aircraft armed with Harpoon missiles attacked another Libyan craft, apparently resulting in the sinking of that vessel.

All U.S. aircraft returned safely to their carriers, and no casualties or damage were suffered by U.S. forces. The extent of Libyan casualties is not known.

U.S. forces will continue with their current exercises. We will not be deterred by Libyan attacks or threats from exercising our rights on and over the high seas under international law. If Libyan attacks do not cease, we will continue to take the measures necessary in the exercise of our right of self-defense to protect our forces.

The deployment of these United States Armed Forces and the measures taken by them in self-defense during this incident were undertaken pursuant to my authority under the Constitution, including my authority as Commander-in-Chief of U.S. Armed Forces.

Sincerely,

RONALD REAGAN

[1]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Strom Thurmond, President *pro tempore* of the Senate (text from Weekly Compilation of Presidential Documents of Mar. 31, 1986). ■

...that the sale contributes directly to the stability and security of the area, enhances the atmosphere and prospects for progress toward peace, and that initiatives toward the peaceful resolution of disputes in the region have either been successfully completed or that significant progress toward that goal has been accomplished with the substantial assistance of Saudi Arabia.

There is a good deal that can be said about Saudi Arabia's contribution to peace in the region.

Iran-Iraq War. The Saudis have supported every major diplomatic effort over the past 5 years to end the Iran-Iraq war, including mediation missions by the United Nations, the Organization of the Islamic Conference, and individual third governments. The Saudis seek a just and quick resolution of the bloodshed. They have made clear their preference that the war end without effect on the sovereignity of either Iran or Iraq.

Lebanon. Saudi Arabia has made major, and often highly visible, efforts to bring peace to war-torn Lebanon. For example, they played a major role in arranging the cease-fire in the Shuf Mountains in September 1983 when Crown Prince Abdullah and Prince Bandar engaged in high-profile shuttle diplomacy. Saudi observers were present at the Geneva and Lausanne talks and worked with the Lebanese and Syrians to encourage development of national reconciliation. Furthermore, they were supportive of Lebanese Government efforts to negotiate with Israel on security arrangements in southern Lebanon. The Saudis supported Lebanese efforts to win Syrian consent to proposed compromises and were active in exploring additional proposals for compromise between the parties.

Arab-Israeli Peace. Although the Saudis have only occasionally played a high-profile role in working toward resolution of the Arab-Israeli dispute, private Saudi efforts have had significant effect at critical periods. Notable Saudi initiatives are the Fahd peace plan and its successor, the Fez communique. These declarations may not have gone far enough, but they are, indeed, a substantial assistance in the search for peace. Let me explain.

The Arab desire for consensus has been a central reality in the peacemaking effort—even though that consensus has so often proven elusive. Prior to the Fahd plan and Fez communique, the Arab consensus was the three "NOs" of Khartoum which rejected recognition, negotiation, or conciliation with Israel.

Saudi advancement of the Fahd proposal in November 1981, followed by 10 months of active Saudi diplomatic effort, achieved a significant new Arab consensus—one that permitted negotiation. It turned the discussion from a rejection of peace to a debate on how to achieve peace. It is the largest step toward peace that the Arabs have taken as a group. Its existence provided an essential context for King Hussein's initiative. It was and remains a major and constructive step forward for the Arabs. Indeed, the Fahd proposal reflects language drawn from UN Security Council Resolution 242, that all states in the region should be able to live in peace.

We have often cautioned all who support peace in the Middle East not to expect dramatic progress in the peace process. Advance is made in incremental steps. Only through steady, dogged effort will the parties collectively move toward peace and security. Positive Saudi efforts must not be belittled. There are other examples.

Saudi Arabia's support for King Hussein's efforts have been substantial. The Saudis have assured Jordan that they would back any arrangement to which both Jordan and the Palestinians could agree. Over strong Syrian opposition, the Saudis sent official observers to the Amman Palestine National Council meeting where they publicly stated their support for Hussein's decision to host it.

Political reintegration into the Arab world of Egypt—the only Arab state to share a peace agreement with Israel—is symbolically important to moderate Arab states. The Saudis have felt that an Arab summit decision is required formally to reestablish Arab-wide relations with Egypt. Meanwhile, they have taken a number of positive steps toward integration. For instance, by supporting the essential motion for a secret ballot, they helped make possible Egypt's reintegration into the Organization of the Islamic Conference.

Peace is still in the making. The parties have made a good deal of progress already, but there is undeniably a long way to go. Achievement of our shared goal, Israeli-Arab peace, requires risk-taking, good will, and hard work from all the parties. We are all hopeful we will succeed. But I am certain that any campaign to denigrate the genuine efforts of one or some of the parties is counterproductive to achieving our objective.

Conclusion

In conclusion, as you consider Middle East issues over the next several months, I ask that you examine them from the perspective of the overall political and strategic context of the region. In our system of government, decisions are perforce taken on discrete issues. But if we are to avoid unintended consequences for U.S., Israeli, and Arab interests, we must keep the overall context in view as we make those decisions. We must return to a policy of proven success. We must avoid moving down a road which excludes important security partners and which, however inadvertently, plays into the hands of Middle Eastern radicals—the Cassandras who say real peace is not possible, that our interests are limited to the peace process, and that the United States cannot be friends with Israel and friendly Arab states alike.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S., Canada, and Japan Agree on Salmon Harvests

The International North Pacific Fisheries Commission (INPFC), which is composed of delegates from the United States, Japan, and Canada, held an extraordinary meeting in Vancouver, British Columbia, April 8–9, and agreed to formally adopt the terms of the March 8, 1986, salmon interception agreement between the United States and Japan. The INPFC unanimously recommended to the governments of the three member countries that the annex of the Convention for the High-Seas Fisheries of the North Pacific Ocean be amended to include the time and area restrictions for Japan's high-seas salmon fisheries which are contained in the U.S.-Japan agreement. The amended annex will become effective upon receipt of final approval

from all three governments, which is expected later this month.

Representatives of the three governments also signed two memoranda of understanding containing the provisions in the U.S.-Japan agreement relating to increased enforcement and research of the high-seas fisheries. These memoranda of understanding were revised to include Canadian participation in the enforcement and research programs.

The recommended amendment to the annex of the convention will provide increased protection for North American salmon on the high-seas. Japan's mothership salmon fishery will be phased-out of international waters in the Bering Sea, where a large number of North American salmon are harvested, over a period of 8 years. The land-based salmon fishery in the North Pacific Ocean will be moved westward by one degree to 174°E to restrict it from those areas with the greatest concentration of North American salmon. U.S. scientists estimate that these measures will result in a substantial increase in the returns of salmon to U.S. fisheries.

The enforcement and research provisions contained in the memoranda of understanding will also provide additional protection for North American salmon on the high-seas. Japan will now assign six patrol vessels to monitor the land-based fishing area, including three vessels which will patrol the eastern boundary of that fishery, while U.S.-Japanese cooperative enforcement activities will be increased.

The three INPFC member countries will also initiate in 1986 a 3-5 year study of salmon origins in the land-based fishing area. The results of this research program will be used for future negotiations, if necessary, on additional movement of the land-based fishery's eastern boundary.

Press release 86 of Apr. 17, 1986. ■

The Benefits of Collective Security

by Paul M. Cleveland

Address before the New Zealand Institute of International Affairs in Wellington on April 15, 1986. Mr. Cleveland is U.S. Ambassador to New Zealand.

When I arrived here in your beautiful country 3 months ago, it seemed wise to take a look around, to listen for awhile to what you New Zealanders had to say, and to reflect on that before giving you my own thoughts about the problems we face. It has been an intense personal experience. I have met hundreds of you, had hundreds of interesting conversations, and, as is the rule in our democracies, heard at least as many opinions. I still have much to learn, and I will go on listening and learning as long as I am here, for these are interesting times in New Zealand. However, according to George Bernard Shaw, "silence is the most perfect expression of scorn," and that certainly is not the sentiment we want to convey. Moreover, there are some things that need to be said, or rather that need to be asked, for it is often the questions we pose, more than the answers we reach, that are of significance.

Thus when this distinguished forum was offered, I was pleased to seize the opportunity to discuss the subject most often raised when Americans and New Zealanders gather these days, to describe some of my own first impressions since arriving here, to review some of the bidding on ANZUS (Australia, New Zealand, United States security pact), to give you a U.S. perspective on what is happening between us, and to raise some questions, particularly about the benefits of collective security.

Inevitably not all of you are going to agree with all I have to say. Nevertheless I urge you to keep in mind that I speak as a friend, in the spirit of openness and honesty that has, and I hope will always, bound us and that is essential if we are to bridge our differences, as I sincerely hope we can.

Old and Good Friends

At the outset, I want to say some things that we have been saying to one another one way or another probably for as many years as we have known each other but that bear repeating, never more perhaps than at this juncture. Only the rainbow trout in the Tongariro River and maybe a handful of the hundreds of New Zealanders I have met have greeted me as someone they would rather avoid. The rest of you, regardless of your view of the ANZUS issue, have been friendly and open. I deeply appreciate that. Your greetings reaffirm to me that our two peoples have always been more than close friends and allies. We are truly part of a family, members together in a historically unprecedented association of five English-speaking nations, born free of Mother England, sharing common values, the Common Law, the wisest approach to government the world has ever known.

Like close family members, we have listened to each other, even when we have not seemed to, and we have had substantial influence upon one another—some good, some less so. The bedrock of that influence, apart from our common historical inheritance, has been our willingness to be fair with one another and to respect one another's views and positions even when we disagree. That is a good and valued thing to have: the knowing that others in the family will understand and help, rather than attack or exploit you. Because of that, as many of your officials can testify, U.S. Presidents, Cabinet Secretaries, and officials have always spoken to you candidly, listened to you carefully, and, whenever able, heeded what you said. You have done the same for us.

While virtually everyone in New Zealand has been hospitable, I have more than just an impression that clearly not everyone here is happy with the United States these days. Not a few of you have politely scolded me since my arrival, saying that the United States is bullying and pushing New Zealand around, that we have lacked proper respect for New Zealand's sovereignty and national pride, that we have forgotten your past and ongoing contributions to maintaining freedom. I can accept that in part.

The United States is a big country; it rarely pleases everyone, nor should it; it often speaks with more than one voice; not all of us have always selected the most diplomatic language in the heat of debating our current differences. But we firmly believe that in the main, we

have been fair as well as true to our own very real multiple interests in this matter. There could be no profit or joy for us in pummelling New Zealand for the hell of it; that makes no sense. You have been too good an ally. Accordingly I urge you not to become overly exercised by excessive rhetoric but rather to focus on analyses of the issues. What we have done, in fact, in response to your rejection of our ships has, in our view, been restrained, confined to the military and intelligence areas, and commensurate with your action and U.S. interests.

At the same time, let me also assure you that we are, indeed, sensitive to your sovereignty, staunch character, and interests and that we have not forgotten your contributions, nor will we forget. True we are trying to persuade you to change your current approach to the ship ban, but no American official has or ever will deny your right to decide what you believe is right. It is utter bunk to suggest otherwise.

We also recognize that no nation has done more with what it has had in the construction and defense of world freedom than yours, nor done it more heroically. The Kiwi military man has proven himself one of the bravest and most resourceful world history has known. We hope you will continue your contributions in the future and, in that connection, we are well aware of your ongoing contributions in Singapore and the Sinai.

Idealism and Security

No one can be in New Zealand long and not be impressed also with the Kiwi sense of idealism and progressivism that has marked your history and marks your society today. You have often been on the cutting edge of social change in the world, and you are now going through a major shift toward market liberalization, which, among other things, will make a welcome contribution to deterring protectionism in the world. Americans are sensitive to and sympathetic to your idealism. While a lot of organizations work hard to prove the opposite these days, we have always infused moral purpose into our domestic lives and also, as you are now doing, into our foreign policy. In one manifestation of that moral sense, many in my country have opposed nuclear weapons in various ways and to various degrees almost since their inception. Your government, supported by a large portion of your population, is currently putting highest priority on the ban of nuclear weapons and power in all of its forms in New Zealand. We have no problem with people anywhere who want to reduce the chance of war and the number of nuclear weapons. We work daily for those ends, and we work hard. But idealism obviously has to be tempered with realism; otherwise, history shows us our idealism will be exploited by those with different attitudes and goals, and we will tend to further the ends we most wish to avoid. In a recent article that appeared in the *Dominion*, Henry Kissinger put it this way: "Security without idealism in foreign policy is like a boat without a rudder, but idealism without security is like a rudder without a boat."

Your government alone among the U.S. allies has pursued its moral revulsion against things nuclear to the point of effectively banning American and British warships from your ports and of moving to incorporate the terms of this ban into legislation. That has raised questions not only in a large majority of American minds but in the minds of our common allies and in many New Zealand minds as well. Is it enough simply to oppose nuclear ship entry? Isn't the real challenge the larger question: How can we most effectively achieve a secure peace in the world where freedom and diversity will flourish?

The answer to the first question in the minds of not only the current U.S. Administration but also of a large majority in Congress, of other Americans I have talked to, and in the minds of allied governments is "no." An abbreviated American and allied answer to the second question is: We must maintain effective deterrence through our collective security arrangements.

ANZUS and the Ship Visit Question

It is difficult, however, to get as clear-cut an answer from New Zealanders as to whether they are more strongly opposed to admitting nuclear ships than in favor of maintaining ANZUS. I have asked the question many times. The government tells me a majority is more strongly opposed to admitting nuclear ships; the polls, as best as I can decipher, would have it about 50-50; many New Zealanders tell me about a silent majority who favor ANZUS over a ship ban.

I think time may well see further development on this question, for despite the extensive—some would say exhausting—debate on the ANZUS issue, there are still a lot of questions in the minds of more than a few New Zealanders I have met. Two distinguished New Zealanders have summed up this notion for me. One, a Labor Member of Parliament, while supporting the government's policy in opposing nuclear ship entry, also told me that it was not clear to him where the policy would finally come out. This individual self-confessed that he had not thoroughly thought the question through, having been preoccupied by other aspects of the government's policies and programs.

The second, a former senior official, told a U.S. visitor: "I dreaded this interview. I knew you would ask me to choose between ANZUS and the nuclear ship ban. I just can't decide. I find it so hard to think this issue through."

Can either of us afford not to think such a fateful question through and to consider all sides before deciding? This is a question of major importance to Americans I can tell you, and I cannot help but think it is of greatest importance to you. It is, after all, a decision which could determine the entire thrust not only of your defense policy but of

U.S. Ambassador to New Zealand

Paul Matthews Cleveland was born in Boston on August 25, 1931. A 1953 graduate of Yale University, he received a master's degree from the Fletcher School of Law and Diplomacy in 1965. He served as a pilot in the U.S. Air Force (1953-56).

He joined the Foreign Service in 1957. His overseas assignments have included postings as economic and political officer in Canberra, economic officer in Jakarta, and political/military officer and political counselor in Seoul. He was Deputy Chief of Mission in Seoul from 1982 to 1985.

Ambassador Cleveland also has served in a number of Pacific-related positions in the East Asian and Pacific Affairs Bureau in the Department of State, including special assistant to the Assistant Secretary, Director of Regional Affairs, Director of Thai Affairs, and Director of Korean Affairs. He holds the rank of Minister-Counselor in the Senior Foreign Service.

He was sworn in as Ambassador to New Zealand on December 26, 1985. ■

your foreign policy for years to come. Your final answer on the ship ban will determine whether you will continue to be a fully trusted member of the Western alliance system or not. As I have said, we have no intention of trying to dictate the answer to you. We are both working hard trying to find some path through our current difficulties that will meet both sides' requirements. Obviously I do not wish to do anything to disturb that process, so I will not get into details. But I think it might be useful for me to set out again the problem in general terms as we see it and to draw some of the broad implications it entails.

Just why it is, if we have been such close family members who have communicated openly and with respect, that one spat between us on ship entry has landed us in divorce court? The answer, in our view, lies in the changes in practice and law regarding port entry that your government has introduced. Let me be specific.

First, to repeat, the problem derives from the New Zealand Government's effective denial of normal port access and from its initiative in moving to put its ban on nuclear ships into law. New Zealand's Government, not ours or Britain's, altered the fundamental alliance relationship, which in our case has existed for over three decades. In our view, New Zealand has chosen to curtail its cooperation as an ally.

How, you may ask, did your government do so, and why has curtailment led to such a major problem? First of all, the Government of New Zealand turned down a visit by the U.S.S. *Buchanan*, then it began to set its policy in concrete by introducing draft legislation that would require the Prime Minister to ban all nuclear ships. For reasons of deterrence and operational security, we, the British, and the French never confirm nor deny the presence of nuclear weapons on board ships; such a declaration would make a potential adversary's targeting task easier and could set a precedent that would complicate worldwide port access, that is, antinuclear movements elsewhere could seize on New Zealand's example to argue for similar law and practice. By requiring your Prime Minister to satisfy himself a ship has no nuclear explosive devices before admitting it, legislation as now drafted would lead us, for the first time in the history of our alliances, to an unacceptable dilemma: Either we would conform to the new law and render neither-confirm-nor-deny useless, or we—or your Prime Minister—must deliberately flaunt the laws of New Zealand. Our allies, many of which share your nuclear phobia to one degree or another, plus many neutral nations, have refrained from putting us in such a position because they universally recognize that it would render effective alliance cooperation impossible or degrade our deterrent posture.

What then has been and will be the consequences of a continued port ban and/or passage of the draft legislation? Because your government's requirements effectively block entry of our warships, we see no way to fulfill our alliance obligations effectively. Why can't we have a "non-nuclear alliance" as your government requests? The answer is that we are not asking to involve you in planning or other consultative arrangements involving the potential use of nuclear forces, as is the case among the NATO allies; nor do we believe there is a high nuclear threat now in the South Pacific. We simply want to bring our ships here as we have for several decades in the past without erosion of our neither-confirm-nor-deny policy. But that we must have if we are to be able to meet our obligations as allies and maintain the *status quo*. Because we were denied entry, we took carefully calculated, deliberate action a year ago to limit our military/security relationship. As we approach the possible codifications of the port ban, let me say as we have before: In the event the draft legislation is passed in its present form, the United States will fully review its security relationship with New Zealand with the likely outcome being the suspension of its ANZUS security commitment to New Zealand. You may hear some accompanying unhappiness from some Americans if that happens, but believe me, there will be no real anger in that step. We will only take it with the deepest regret over the loss of such a valued ally and "family member" and only because we see it as essential to protect the free world's vital interests.

Why an Alliance?

In my conversations over the past 3 months, some New Zealanders have seemed to think that we like the alliance for the wrong reason—that it enables us to push you around or control you. Anyone who has had anything to do with the inner workings of our relationship would, I think, agree that that simply is not the way it works. Of course, each party to an alliance as to any contractual arrangement—we as much as you—gives up some freedom of action. An alliance, like any close working partnership, entails responsibilities and obligations, at times considerable sacrifice, but ANZUS entails no derogation of independence or sovereignty. To the contrary, collective security arrangements like ANZUS provide mutual benefit by providing better guarantees of our individual sovereignty and way of life.

Assessment of the value of the ANZUS alliance must be made by each of its members based on estimates of strategic, political, economic, and other considerations. We cannot make that assessment for New Zealand. We can, however, legitimately point to some of the benefits of the alliance, some of which accrue to us both, some of which accrue principally to New Zealand, and some of which have, in my view, been given rather short shrift in public and private discussions since my arrival.

What then are the benefits of ANZUS as we see them and that we hope to preserve?

First of all, the benefit of greatest importance that accrues from all of our alliances, ANZUS included, is the enhanced ability to deter war and to maintain global peace and stability and the opportunity they foster for worldwide reduction of armament and tension. A week ago, Baroness Young presented to this institute a precise and full rationale for our, the U.K.'s, and our other allies' approach to deterrence and disarmament. We believe today that there is a real opportunity in Geneva to take some initial steps toward progress. We believe, to be realistic, one must recognize that Geneva is where the solutions will be found. We believe, moreover, that the Geneva process of seeking verifiable mutual balanced arms and force reductions has been enhanced and is at a promising juncture because the Soviet Union has seen clearly that there has been no failure of collective will on our side and, therefore, no promise that obduracy will produce divisions among the Western allies. The UN Charter honors a maxim as old as the hills: that united strength contributes to peace and security. Our alliances do that in the view of all their many members, none of which, to date, have chosen independent, isolated approaches. On the other hand, we do not believe New Zealand's ban on nuclear ships, weapons, and power will produce reciprocal commensurate moves from potential adversaries.

Regional Implications

The Asian and Pacific regional benefits of our alliance have also been of importance. Many in Asia feared in the wake of Vietnam that a general security and political disintegration of the area might ensue. Developments, however, have turned out otherwise. Supported by its alliances and buoyed by the determined response of the Asian nations not to give in to these fears, the United States did not withdraw, as many expected, or leave a vacuum. Instead the Pacific has progressed dramatically in the past few years. The reaffirmation of their belief in democracy by the Philippine people last month is but one more piece of evidence of the underlying importance of collective security to peace and stability in the region. How much of a chance would the Filippinos have had in the absence of relative regional harmony and stability?

Pacific economic development also benefits from our interlocking alliance structure. How much economic advancement do you think there would have been in the Pacific in the absence of basic stability? Insofar as our alliance system, ANZUS included, contributes to overall harmony, it has contributed to the economic growth miracle underway in the Pacific and to a continuing free trade region, where New Zealand, by the way, markets more than two-thirds of its exports. The United States has fought hard against protectionism; we have the most open market in the world. And as I have noted, New Zealand's own revolutionary effort to create more open markets is contributing substantially. These efforts and the welfare of all people in the Pacific are dependent on a continuing climate of peace and stability best fostered by close security cooperation among the nations of the region.

The Benefits of ANZUS

In addition to the broad global and regional benefits that flow from ANZUS to both of us, and to many third nations as well, the treaty brings a number of benefits to New Zealand specifically. Some New Zealanders I know would argue that the costs and risks far outweigh any gain from ANZUS, but according to the national polls and the discussions I have had since arrival, a substantial majority of New Zealanders appear to want to maintain the treaty. But the real question, as we know it, is not just whether you want ANZUS; it is whether New Zealanders want full treaty status badly enough to pay the price of several annual U.S. and U.K. ship visits without challenging the American and British neither-confirm-nor-deny policies. I hope all New Zealanders will assess this question for themselves fully—and consider the status ANZUS confers on you with greatest care. For without the status you have enjoyed, not only your defense policies but your foreign policies, indeed, the way you have become accustomed to live, could change. Let me suggest four benefits that I believe New Zealand receives and that we hope will be preserved.

First, the security protection afforded you, without going into all the provisions of the contract, is, in my view, the cheapest and most reliable in the world. Barring our ships is tantamount to forgoing part of our premiums, never a good way to keep the insurance company happy and willing. I certainly would not count on it remaining so, not when your survival may be at stake. You will have to find a substitute defense policy, and that is liable to be quite expensive or of lesser quality. You will inevitably get what you pay for.

You can, of course, simply say to yourselves that the threat is minimal or does not exist—make it disappear like a Cheshire cat. Or you can rely on your relative geographic isolation. But there is a very widespread view out there in the world that that is less than prudent, particularly in an age when the world is becoming smaller and remoteness is becoming a less real concept. At best such an approach is a hope, not a policy. Prudent, foresighted people ensure against both known and unknown threats. Can you afford to take that kind of a gamble? During his recent visit, Prime Minister Lee Kuan Yew of Singapore made clear that he was unwilling to take that risk.

ANZUS not only ensures against future disasters; like any good modern insurance policy, it has provisions for preventing disaster—exchange programs, training exercises, information exchange.

In the words of one of your ablest senior military officers, the ongoing training and updating on new equipment your forces receive from the United States makes the difference between New Zealand having military forces or a constabulary. I am not a military man, and I am not the one to affirm this, but it is a sufficiently arresting thought that any country should want to examine it very carefully.

Second, ANZUS not only provides good insurance, it enables New Zealand to contribute meaningfully to the worldwide disarmament effort. As a highly respected member of the inner councils, your voice on disarmament, on security, as well as on a wide range of other issues has not only been heard, but it has been heeded. Your small size has in no way diminished the value and intelligence of your contribution. But what will you do if left outside the ANZUS and Western nations security discussions, where you will not have the opportunity to press your views, your idealism, your hopes for the world? It is human nature often to wish to remake mankind in our own image. Will you be tempted to push your views on nuclear questions and ship bans at the expense of your former allies? Some New Zealanders would like to do so, I know. But how would that be in New Zealand's interest? You need to ask.

Third, ANZUS has provided you even more than simply security insurance and a role in disarmament councils; it has bestowed on you, I and many others believe, an ability to conduct a far more influential role in the world generally than you might otherwise. It has had, in short, importance for all aspects of your foreign policy.

New Zealanders sometimes look skeptical when I have asserted how much clout the ANZUS calling card has given you in Washington. Few, if any, nations your size have had more or better influence, access, and ability to make their voices heard on international security, political, and trade issues in Washington. We are not going to punish New Zealand for denying normal port access. We have repeatedly said we will not impose trade sanctions. Inevitably, however, the special clout you have had has already begun to erode. That is not unfair; it is straightforward accounting—balancing the books—it's the real world. Your clout will not only erode in Washington, the attitudes of some of your other friends and allies, perceiving your new "nonaligned" status, may also change. You may find other substitutes that are satisfying and in your interest, but I would think you owe it to yourselves to be aware of the magnitude of the foreign policy shift you are undertaking. As former Assistant Secretary of State for East Asian and Pacific Affairs Paul Wolfowitz said recently: "The quality of the overall relationship, the closeness, the willingness to listen to one another, is certainly going to be affected, if the alliance relationship disappears."

Conclusion

Closeness, the ability and willingness to listen to one another—to truly listen; how important those qualities are, how blessed we have been. Throughout my professional life, I have served in Asia, wrestling with invisible opponents in the shadowed jungles of vastly different cultures than mine. These opponents are not the peoples of Asia; they are my misunderstandings of Asia's ways. As a group, we Westerners have traveled some and still must travel farther on this road to understanding Asia. Relations between Asian nations and the United States are excellent today, but I am sure you who have worked in Asia will readily understand, it takes forebearance, understanding, daily hard work, to bridge the cultural chasms that threaten to divide rather than unite East and West. We have been remarkably successful really, despite the calamity that keeps jumping out of our morning papers and radios. While the trading situation between Japan and the United States is in worse shape today than in 1936, we and Japan remain the closest of trusting friends and allies because we have invested heavily in understanding rather than opposing one another.

New Zealand and the United States on the other hand, such naturals really, joined by culture, history, values, and deep friendship, seem on the verge of willful separation. We are members of a family who, in the past, have exchanged virtually everything we know, who have out of that exchange learned to trust one another along with Australia, Canada, and Britain like no other group of five nations in modern history. Have you given enough thought to the value of that interchange? In your own vital interest, you should be sure and make a precise accounting. It is trust that is the last and most precious benefit of ANZUS—the intangible belief in one another that sustains ties when we fail, that in the end sustains human relationships, that keeps mankind from blowing itself apart. What has happened to our trust in one another? What more will happen to it?

We still have time. We continue to talk with your government about a solution to this problem wherein we can go on in alliance as we have been and as we should be. I have tried to say here today why it is so important we succeed. But I also have to say time is now quite short and to paraphrase Robert Frost: ". . . we have miles to go before we sleep." We must get on with it soon, or we will fail. ■

Compact of Free Association With Palau

MESSAGE TO THE CONGRESS, APR. 9, 1986[1]

There is enclosed a draft of a Joint Resolution to approve the "Compact of Free Association," the negotiated instrument setting forth the future political relationship between the United States and Palau, a political jurisdiction of the Trust Territory of the Pacific Islands.

This Compact of Free Association is the result of more than sixteen years of continuous and comprehensive negotiations, spanning the administrations of four Presidents. The transmission of the proposed Joint Resolution today, and congressional enactment of it, marks the last step in the process for approval of the Compact.

The full text of the Compact is part of the draft Joint Resolution, which I request be introduced, referred to the appropriate committees, and enacted. I also request that the Congress note the agreements subsidiary to the Compact. Also enclosed is a section-by-section analysis to facilitate your consideration of the Compact.

On March 30, 1984, and again on February 20, 1985, I submitted to Congress a Compact of Free Association relating to the Marshall Islands and the Federated States of Micronesia, two other jurisdictions of the Trust Territory. That Compact was approved as House Joint Resolution 187 by Congress on December 13, 1985, and with my signature on January 14, 1986, became Public Law 99-239. The people of the fourth jurisdiction of the Trust Territory—the Northern Mariana Islands—have voted to become a United States territory when the Trusteeship is terminated. The Congress approved their political status instrument as Public Law 94-241.

The defense and land use provisions of the Compact with Palau, and the right of the United States to foreclose access to the area for military purposes of third countries, are of great importance to our strategic position in the Pacific and enable us to continue preserving regional security and peace. Under the Palau Compact, the minimum term of United States defense authority and responsibility will be fifty years; otherwise, the Palau Compact is very similar to the Compact that the Congress approved for the Marshall Islands and the Federated States of Micronesia.

For almost four decades, the Trust Territory has been administered under a Trusteeship Agreement with the United Nations Security Council, which the United States entered into pursuant to the Joint Resolution of July 18, 1947. This Compact of Free Association with the Government of Palau fulfills our commitment under that Agreement to bring about self-government in accordance with the freely expressed wishes of the Palauan people. Termination of the Trusteeship Agreement and the formal assumption of freely chosen political status arrangements by all parts of the present Trust Territory are important foreign policy objectives of the United States.

The Compact with Palau was signed for the United States by Ambassador Fred M. Zeder II and the President of the Republic of Palau on January 10, 1986. It was approved on January 24, 1986, by both houses of the Palau National Congress. On February 21, 1986, the Compact was approved by the Palauan people in a United Nations observed plebiscite. The President of Palau has certified that the approval process has been completed in full compliance with Palau's constitutional requirements.

Enactment of this draft Joint Resolution approving the Compact of Free Association for Palau will complete the enterprise of self-government we began with the peoples of the Trust Territory many years ago. It is the final step preceding full termination of the Trusteeship Agreement. Therefore, I urge the Congress to approve the Compact of Free Association for Palau.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Apr. 14, 1986. ■

Counterterrorism Policy

by John C. Whitehead

Statement before the House Committee on Foreign Affairs on April 22, 1986. Mr. Whitehead is Deputy Secretary of State.[1]

I am pleased to be here with you today to talk about U.S. counterterrorism policy. Given the recent U.S. military reaction to Libyan terrorism, and the diplomatic activity surrounding our strike, I would like to take this opportunity to apprise the committee on the broader elements of our policy and how we expect it to evolve. I will then address the details of implementing current legislation on aviation security.

I would also like to thank the Chairman [Dante B. Fascell] and the committee for their vital support in combating terrorism. U.S. policy in this area must continue to be solidly bipartisan.

The Libyan Threat

Libya is not the only state which supports terrorism, but it is the most flagrant violator of international law—in its organization and direct support of terrorist activities and in its use of surrogates, such as Abu Nidal. More than 50 Libyan diplomats have been expelled since 1981 by the United States and its allies for reasons of terrorism, an astonishing statistic. Earlier this year, Libya's support for terrorism was the subject of a State Department white paper [Special Report No. 138—"Libya Under Qadhafi: A Pattern of Aggression"]. That white paper is already outdated due to continuing Libyan terrorist acts with even more direct official involvement, including the bombing of La Belle discotheque in Berlin, probably the shooting of an American Embassy employee in Khartoum, and the killing of two British professors who were innocent hostages in Lebanon. We also note the tragic murder of Peter Kilburn, in circumstances yet to be explained, and the continuing plight of the American hostages in Lebanon. The long list of Libyan-inspired threats and actions directed against the United States and Europe demonstrates that Libya is systematically using terrorism as a matter of government policy. Libya's official support for terrorism is underscored by its clear pattern of using its diplomatic representations in more than 35 countries to organize and support this terrorism.

The threat from Libya is not new, but it has increased dramatically in recent months. Our initial reactions were to improve security and to work with host governments where we faced specific threats. The response from host governments was universally good from these governments—with one exception. In Berlin, we advised both the East German Government and the Soviet Union of the activities of Libyan Peoples' Bureau members accredited to East Germany. Both governments noted our concerns and stated their general opposition to terrorism; but they undertook no actions to curb the activities of the Peoples' Bureau members. And it was that bureau which delivered the bomb to the La Belle discotheque that killed and injured 250 people. I am not accusing the Soviet Union or the East German Government of complicity in the bombing of the La Belle discotheque, but these governments did not use their influence and legal position to stop illegal activity on the part of Peoples' Bureau members accredited to East Germany.

Our military response to Libya's continued policy of terrorism against us was measured. It was based on the objectives of demonstrating that Qadhafi's continued pursuit of his policies would not be without direct cost to Libya; that the United States was prepared to use force to fight terrorism along lines repeatedly and carefully defined by the President; and that the United States reserves the right to defend itself and its citizens against aggression by any state, even when that aggression takes new forms, such as terrorism.

As the President said, our action may not stop Libyan-supported terrorism, but it will give Qadhafi pause and make other Libyans question whether they want their government to support such heinous acts. It will make the Libyan people wonder whether the costs are not greater than the benefits. It will also give moderate governments in the Middle East and our European allies time to undertake new steps toward preventing terrorism.

Protecting U.S. Citizens

Our right of self-defense is more than just a right. It is also our duty to protect our citizens. In the months and years preceding our most recent action in Libya, we saw risks increase abroad for our military and diplomatic personnel, for American businessmen, and for tourists. All have been innocent victims of terrorists. We increased security to the utmost where there were specific threats in Europe, the Middle East, Africa, and Latin America, and we put all U.S. official installations abroad on high alert. We increased our outreach programs to the private sector and to tourists to alert them to the threat. From the State Department, we repeatedly urged travelers to use prudence and common sense when traveling, especially to areas where threats were highest.

America is an open and highly mobile society. Millions of Americans travel abroad each year for business and pleasure. We must not be afraid to travel abroad. Rather, we must provide the proper security so that terrorists cannot strike, so that commerce continues to expand and tourists can continue to learn about each other's societies and cultures. We have made great strides in aircraft and airport security, which I will address in more detail later. But, until terrorism has been stopped, we cannot say that we have done enough.

The Need for Multilateral Cooperation

We are more convinced than ever that effective prevention of terrorism requires multilateral cooperation. It is no secret that we have had differences with European states over what measures were necessary to deter Libya and other states from supporting terrorism. We have engaged in a long-term effort to deter Libyan support for terrorism through peaceful economic and political measures. In 1979, we designated Libya as a state supporting terrorism. In 1981, we decreed unilateral economic sanctions that decreased U.S.-Libyan trade from $5 billion to a few hundred million dollars. In January, we invoked legislation that virtually cut all remaining economic and political ties to Libya.

In January, I emphasized to European leaders that Qadhafi needed to

understand that he could not support terrorism and enjoy normal relations with civilized nations. We recognized that our allies would have to take similar measures for our sanctions to be fully effective. We also recognized that our allies would have to make Qadhafi understand that Libya could not continue to have normal political and economic relations with civilized nations, if peaceful measures were to be effective. The measures adopted were uneven; Qadhafi's attacks increased in number, geographic range, and deadliness. As a result, America decided it need no longer stand idly by, that the time had arrived for a carefully designed military action.

Some of our European allies did not provide the support we would have liked to see. However, having just returned from extensive meetings with European leaders at the OECD [Organization for Economic Cooperation and Development] meeting in Paris and from a meeting with NATO allies in Brussels, I would urge that this is not the time for recrimination. We have had extraordinary contacts on counterterrorism cooperation with the EC [European Communities] through our Ambassador at Large for Counter-Terrorism, Robert Oakley, and through Attorney General Edwin Meese. European states agree that multilateral cooperation must be made dramatically more effective. In the past week and a half, EC states have been engaged in intensive sessions on counterterrorism. We welcome this development, and we welcome the invitations we have received to cooperate with European states as a group. Our allies have also gotten the message that the economic costs to them of allowing terrorism to continue can be very high, as American tourists plan their vacations elsewhere. Our strike against Libya may have helped to open a hopeful new chapter in multilateral cooperation between European states and the United States.

I know of this committee's interest in promoting an international coordinating committee to combat terrorism. This Administration shares that goal. Our strategy—the only one that we can follow given the large number and diverse policies of countries involved—is the building block approach. In this way, governments that need to reorganize internally—as do we on some issues—are able to make these adjustments, and governments are able to work out the new arrangements necessary for multilateral cooperation. Rather than making pronouncements about bold new structures, we need to work constructively with the Europeans, not in a manner which will cause them to reject cooperation with us. We must allow time for old policies and habits to gradually give way to the new ones necessary for broader cooperation. This is a difficult set of transformations. There is hope again for cooperation in the economic summit context and for cooperative arrangements with the EC. Progress is now underway, but we must guard against governments reverting to old ways of doing business after the shock of a terrorist incident has worn off. Our task is to maintain the current momentum until effective international structures are in place to prevent terrorism.

We also need to do a better job of handling the flow of information regarding terrorism. Due to the sensitive nature of much of this information, I suggest that together we devise a way of providing that information directly to members that need to know. I would be happy to go into the details of how we are cooperating with the Europeans and how we might better inform you and members of the committee in closed session.

Aviation Security

Aviation security is a key strand in the fabric of multilateral counterterrorism cooperation. The Department of State has actively supported improved security for international aviation. We have raised aviation security to a top priority issue within the International Civil Aviation Organization (ICAO) and have established contact with all of our bilateral aviation partners to meet the goals established by the Foreign Airport Security Act.

Strong U.S. leadership within ICAO resulted in the adoption of a major revision to the Chicago convention's annex 17, which deals with aviation security. This revision, which will become applicable next month, sets tough new international standards and recommended practices for airport and aircraft security, including standards requiring antiterrorism coordination between states, thorough examination of baggage, strict control over individuals allowed on the tarmac and in other restricted areas of airports, and, in late 1987, positive passenger-baggage match procedures. ICAO also produced a draft model aviation security article to be adopted between states that has become the foundation for a major U.S. negotiating initiative.

Since January, the Department has launched negotiations with some 80 of our bilateral aviation partners for the adoption of an improved aviation security article based on the ICAO model. Agreements on security have already been signed or initialed with eight countries, including the U.S.S.R.; we are close to agreement with other states, including many of our major aviation partners. Although what we are seeking—i.e., exposing oneself to tough sanctions—is not easy for many states to accept, no country has rejected the concept of improved measures for aviation security.

The Anti-Terrorism Assistance Program, an important tool in our overall efforts to combat terrorism, has also become important in improving airport security. We are currently providing assistance to airports in many countries, including Cairo and Athens. This program could become significantly more effective if we were given greater flexibility to provide training-related equipment within the overall program budget.

Our other major bilateral effort has been to work with the FAA [Federal Aviation Administration] and Department of Transportation to implement the Foreign Airport Security Act. U.S. Embassy officers worldwide have paved the way for the FAA's foreign airport inspection program and have negotiated arrangements to allow armed U.S. air marshals to fly overseas. No formal warnings have yet been issued under the Foreign Airport Security Act, but FAA inspectors have identified areas for improvement in a number of countries which have been rectified following strong, though discreet, FAA and Embassy representations.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.■

Ethiopia: The UN's Role

by Alan L. Keyes

Statement before the Subcommitee on African Affairs of the Senate Foreign Relations Committee on March 6, 1986. Ambassador Keyes is Assistant Secretary for International Organizations.[1]

I deeply appreciate the opportunity to come before this subcommittee to address the subject of the UN's role in responding to the situation in Ethiopia. I believe that in the past 18 months the United Nations has clearly demonstrated the important and unique contribution it can make to international efforts to relieve dire human suffering. In the fall of 1984, the Secretary General took the lead in alerting the world to the shocking magnitude of starvation in Africa. Since then, the world community has responded to the challenge with abundance of heart. The United Nations has played a crucial part in coordinating that response and in helping to assure its effectiveness.

- The Secretary General appointed a special representative to the UN's special coordinating office in Ethiopia.
- To encourage timely and sufficient donor response to the crisis, the Secretary General established the Office of Emergency Operations in Africa. That office made a major contribution to the relief effort by cutting red tape and facilitating cooperation within the UN system. It has also kept donor governments and nongovermental organizations advised of emerging needs on a timely basis.
- Within the UN system, the World Food Program's (WFP) role in logistical coordination of food shipments increased, and the WFP issued weekly bulletins on food aid deliveries to Ethiopia and the other African countries affected by the drought. The WFP is managing a truck fleet which delivers relief supplies within Ethiopia, in coordination with the Ethiopian authorities and public and private donors. WFP has done an outstanding job of handling this new responsibility without incurring significant new expense.

The UN's response to the Ethiopian famine recalls the highest aspirations of the UN Charter. I would like to salute all those—within the UN system and without, in governments, private voluntary organizations, and simply as individuals—who have given of themselves, exhausting their minds, their bodies, their grief—but never their spirit or faith, in living testament to that ideal. I would especially like to salute Kurt Jansen, who recently retired as UN Special Coordinator in Ethiopia. I would also like to note that, as Americans, we can take a special pride in the critical contribution made by a fellow American, Bradford Morse, who crowned a long career of service with his inspiring leadership of the UN's Office of Emergency Operations in Africa.

The UN's response to the African famine reminds us once again that the best principles of the organization were themselves the fruits of mankind's determination not to abandon hope even after the experience of awesome evil, tragedy, and self-destruction in World War II. Most important, it reminds us that the UN ideal is not one that waits merely upon the will and ambitions of governments. It is one that reflects and must respond to the needs and suffering, the compassion and dignity of individual people. The United Nations cannot prevent nature's disasters; it cannot resolve all the world's conflicts or dictate the solutions for its economic or social ills—but it could work actively to assure that the victims of disaster and conflict are not abandoned, that the children of woe are not neglected, that the targets of injustice are never ignored or forgotten. It cannot be the savior, but it could be the watchful conscience of mankind.

Ethiopian Resettlement and Human Rights Abuses

It could be. But for this potential to be fully realized, the members of the organization, and particularly those who become part of its permanent secretariats, must remember that, though the United Nations is composed of governments, it must be dedicated to the service of individual people. It was not a suffering government that appealed so deeply to millions of people around the world. Rather, the mothers, children, fathers, and old men—too weak to move, reduced to silence, yet crying out with a voice heard round the world—those dying thousands and tens of thousands called forth the UN's work in Ethiopia. Their humanity was its mandate, even as it should be the mandate of the organization itself. In one fundamental aspect, however, the organization has failed to fulfill that mandate. That failure has aroused deep concern and just indignation about the UN's attitude toward the roots of Ethiopia's—and Africa's—suffering.

Assistant Secretary for International Organization Affairs

Alan Lee Keyes was born in New York City on August 7, 1950. He received his A.B. from Harvard College in 1972. From 1974 to 1978 he was a Teaching Fellow at Harvard, and in 1979 he received his Ph.D. in Government from Harvard University.

Ambassador Keyes joined the U.S. Foreign Service in 1978 and has served as vice consul at the U.S. Consultate General in Bombay; as desk officer in the Office of Southern African Affairs; and as a member of the Policy Planning Staff.

In 1983 he resigned from the Foreign Service to accept a position as consultant to the National Security Council. Later the same year, he was appointed U.S. Representative to the UN Economic and Social Council, with the rank of Ambassador, representing the United States at the UN General Assembly and at numerous international meetings and conferences. In 1984 he served as Deputy Chairman of the U.S. delegation to the World Population Conference in Mexico City, and he was a member of the U.S. delegation to the 1985 Women's Conference in Nairobi.

Ambassador Keyes was sworn in as Assistant Secretary for International Organization Affairs on November 13, 1985. ■

Since the beginning of 1984, reports coming out of Ethiopia have suggested that the Ethiopian Government's massive scheme to move 1.5 million Ethiopians from their traditional homes and resettle them in government-created villages has produced hunger, deprivation, and death. The Ethiopian Government justifies its resettlement scheme on development grounds. Critics contend that it is politically motivated, aimed at disrupting popular support for forces fighting against the communist government and concentrating populations so as to make them easier to control and coerce. Whatever the truth about resettlement, however, one cannot but be shaken and concerned by persistent reports that the implementation of this scheme has involved a widespread pattern of abuses directed against a people already burdened by the crushing weight of drought and starvation.

By November 1984, the U.S. Government had concluded from these reports that the resettlement program was woefully planned, prepared, and supported and that it involved pitiless coercion, including forced family separation and physical deprivation. We felt there was reason to believe that these abuses had resulted in thousands of deaths. That same month, we disseminated our conclusions to FAO [Food and Agriculture Organization], other international organizations, and donor governments in order to discourage a major FAO initiative intended to support the resettlement program.

Since then, reports originating both in Ethiopia and among Ethiopian refugees in Sudan have confirmed our worst fears. In interviews, all such refugees included fear of resettlement among their reasons for fleeing Ethiopia. The French-based private relief organization *Medecins sans Frontieres* (MSF) compiled a report from its volunteers working in Ethiopia. They concluded that 100,000 people have already died as a result of the resettlement program. Another organization, Cultural Survival, based in Cambridge, Massachusetts, confirmed the reports of coercion, human rights abuses, and 50,000–100,000 deaths in a systematic analysis of interviews with Ethiopian refugees in Sudan. Two former officials of the Workers Party of Ethiopia who fled to Sudan stated that coerced recruitment, forced family separations, property confiscation, and severe physical deprivation are not isolated abuses but endemic to the program. Their estimates of the death rates agree with MSF and Cultural Survival.

The Need for UN Involvement

Based on this evidence, as well as on continuing reports from our own people in the region, the U.S. Government has expressed its alarm about the continuation of the resettlement program. We have called for suspension of that effort, and donor support for it, until these reports can be verified and a system is instituted to prevent abuses in the future.

In the UN context we have sought to secure the cooperation of UN officials in pressuring the Ethiopian Government to respect the human rights and dignity of the Ethiopian people. Unfortunately, there has been reluctance in the UN system to take responsibility for addressing this problem. In adopting this posture, the United Nations has refused to challenge the reluctance of many donor governments to speak out or take action regarding the reported human rights abuses.

The U.S. Government is fully aware of the concerns and fears which give rise to this reluctance. Many donor governments and private organizations fear that drawing attention to the human rights abuses involved in the resettlement effort will confuse and erode public support in donor countries for relief efforts. They fear that if the international community puts pressure on the Ethiopian Government to suspend the program, that government will retaliate in ways that make much more difficult international efforts to assist the millions of Ethiopians who are still in dire need.

Has the Government of Ethiopia subjected its already endangered people to life-destroying abuses of their rights? If so, it may well be true that it would not hesitate to hold them hostage in response to pleas that it cease such abuses. But does this mean that the international community should avert its gaze, allowing its well-intentioned aid to become the instrument and excuse for this massive, deliberate hostage-taking? Must the world accept the grisly alternatives of letting the people of Ethiopia die from starvation and disease or else remaining silent while their government shatters and destroys the lives we have worked desperately to save?

The U.S. Government has acted in the belief that the best escape from this awful dilemma lies precisely in overcoming the paralyzing silence it creates. We believe that the UN system can play a major role in that effort—if its officials and member states can find the wisdom and courage to pursue it. At this moment, the UN Human Rights Commission is in annual session in Geneva. The United States is seeking to obtain passage of a resolution that would establish some means of verifying and monitoring the human rights situation in Ethiopia in light of the persistent reports of abuses connected with the resettlement program. Despite the fears I have outlined above, we challenge our fellow member states to support this resolution.

Some states claim that they lack concrete information about the situation in Ethiopia. But, precisely because we do not know that the reports are true, we should establish a mechanism to investigate them. Because we are not sure that the abuses have occurred on so massive a scale, we should take steps to prevent them from becoming more massive still. Because we may be suspected of political bias, must we risk complicity in moral atrocity?

Avoiding Political and Racial Bias

I believe that the United Nations, and especially the UN Human Rights Commission, was conceived precisely in order to help the world community to deal with such dilemmas as this. Precisely because action by particular states may be suspect, we have sought to create institutions through which conscience may act without suspicion of particular bias. Unfortunately, until very recently, it was clear that these institutions were themselves infected with political bias, easily taking action against states identified with the West but unwilling even to whisper against offenders identified with the Soviet Union or against the forces of terror and radicalism in the developing world. In recent years, with the passage of resolutions establishing monitoring mechanisms for Poland, Afghanistan, and Iran, we have seen some correction of this bias. However, the Ethiopian situation represents an especially critical challenge because the UN system has yet to prove that the universality of its declarations of human rights is not to be amended for reason of race or color.

Such a statement may seem strange, given that condemnations of apartheid, racism, and racial discrimination are commonplace in UN statements and resolutions. Such a record would suffice if respect for human rights, human freedom, and the human capacity for self-government required only that we sympathize with those who are victims of

racial oppression. However, such respect demands not only that victims be defended no matter what their race—it also demands that governments be held accountable no matter what color their leaders may be. Those who condemn the white government of South Africa for its injustice against blacks but who do not even wish to verify the injustices that may be perpetrated by Ethiopia's Government against its people obviously imply that a higher standard of human rights is to be applied to whites than to peoples of other races or colors. We reject this implication. If it is racist not to care when black people are denied their rights, then it is racist not to care when black governments deny them.

Those who excuse the actions of the Ethiopian Government because the country is undeveloped and the people poor, uneducated, or unfed, also imply by their excuses that the poor, the uneducated, and the unfed must also be unfree. We reject this implication, too. As a government which stands by the universal creed of our Declaration of Independence, as human beings who respect the universal scope of the UN's Declaration of Human Rights, we believe that rich or poor, black or white, ignorant or learned, skilled or untrained or unfed—human beings *as such* deserve their human dignity, and all are entitled to be free. This means, of course, that governments everywhere, whether white or black or red, must be held to a standard which respects the rights and dignity of their citizens, no matter how trapped or powerless those citizens may be.

The preamble to the Universal Declaration of Human Rights clearly summarizes the spirit that should guide the United Nations in these matters:

> ... the peoples of the United Nations have in the Charter reaffirmed their faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women and have determined to promote social progress and better standards of life in larger freedom....

Obviously, the United Nations cannot be concerned with only the physical survival of the individuals it is pledged to serve. Its concern should be not only with whether people are fed but with whether they are free.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Hemispheric Cooperation in the Administration of Justice

The countries of the Western Hemisphere all have constitutions or other fundamental laws that guarantee rights and offer remedies for a range of social wrongs. The implementation of these laws depends upon judiciaries to protect the innocent, punish the guilty, and resolve disputes in a timely, fair, and impartial manner. A strong, responsible, and independent judiciary is, therefore, a cornerstone of democracy and a positive force for just economic and social developement.

The U.S. Government supports the growth of democracy throughout the Western Hemisphere. Cooperation with the Latin American and Caribbean democracies in efforts to improve the administration of justice helps make democracy work for everyone. The United States does not seek to prescribe particular solutions to judicial problems of the hemisphere. Our purpose is to promote international cooperation, to help strengthen national and regional institutions, and to respond to requests for assistance.

A number of Latin American and Caribbean countries have developed programs to strengthen the administration of justice. Others have shown interest in such programs. At the same time, most of the national legal traditions of the hemisphere are similar to one another but different from those of the United States. U.S. programs, therefore, support regional sharing of ideas, expertise, and resources as well as programs in particular countries.

Areas of Cooperation

U.S. cooperation in the administration of justice combines public and private resources. The Department of State, the Agency for International Development (AID), the United States Information Agency (USIA), the Department of Justice, and private U.S. educational and professional organizations are engaged in activities with hemispheric counterparts. Multinational institutions, such as the UN-affiliated Latin American Institute for the Prevention of Crime and Treatment of Offenders (ILANUD), the Inter-American Institute for Human Rights (IIHR), and the Organization of American States (OAS), also are involved.

Programs to improve the administration of justice are developing on both national and regional levels, reflecting both the specific interests of individual countries and broader regional concerns. The proposals and desires of Latin American and Caribbean governments and professionals determine the activities and participating institutions through which the United States collaborates to support this aspect of democratic development in the Americas. Specific areas of cooperation include:

Legal Reform Commissions. A number of countries have formed national commissions representing various legal community sectors to determine the state of the administration of justice and develop a national plan for improving it, including proposals for necessary legislation. The United States is prepared to provide financial and technical assistance to aid such efforts.

Specialized Training Courses. Regional institutions, such as ILANUD or the IIHR, are offering courses to improve practical legal and functional skills and knowledge. Regional courses serving the countries' common needs may provide the highest quality training and certain economies of scale. Regional programs also can promote greater cooperation among individuals and institutions.

Judicial Recruitment and Selection. Many democracies of the region provide by law for the nonpartisan recruitment and selection of judges on the basis of merit. The United States is prepared to support national efforts to implement these impartial selection processes to assure recruitment of qualified candidates.

Judicial Careers and Career Development. Most nations whose legal systems derive from civil law traditions provide, in principle, for a magisterial career. The United States will assist

governments that want to design and implement performance-based career structures for their magistrates, with appropriate training and evaluation of the judicial cadre.

Prosecutors and Public Defenders. A functioning system of justice requires legal officers of the court capable of developing the prosecution and defense of cases. Their training and capability are in the public interest to assure the fair and equal application of the law and to guarantee basic rights. We will provide assistance to countries that wish to design and implement programs to recruit, train, and develop prosecutors and public defenders.

Investigation. A functioning system of justice requires competent professional collection, analysis, and presentation of reliable evidence. This helps assure humane law enforcement, conviction of the guilty, and protection of the rights of the accused and the public. It promotes confidence in the judicial system. We are prepared to assist through specialized training that promotes effective coordination among investigative, prosecutorial, and judicial authorities.

Court Administration, Logistics, and Operations. Court administrators and associated support personnel, normally not legal professionals, support the entire judicial process. They provide essential services, from building maintenance to docket management and from financial planning to recordkeeping. We are prepared to assist efforts to diagnose needs and improve support for the court system.

One way to fight the terrorists, the drug traffickers, and all who abuse human life and dignity, is to develop the capacity of our legal systems to render independent, fair, timely, and accessible justice. . . . It is fundamental that in a democratic society all citizens have access to means for effective enforcement of their civil, political, economic, and social rights.

Secretary Shultz, November 12, 1984

Information System and Records Management. Absence of systems for codifying and disseminating new statutes and other legal materials makes it difficult for a judge to determine applicable law in a particular case. There also is a significant opportunity to increase court efficiency and assure fair application of the law through up-to-date records management, from the safeguarding of evidence to the classification of court documents.

Professional Associations. Professionalism and commitment to the principles of justice within the legal profession are essential to the quality of justice. We seek to encourage these qualities through exchanges among fraternal institutions, specialized orientation visits and training in the United States and third countries, invitational travel to professional conferences and association meetings, and assistance to professional groups such as bar associations.

Public Information and Education. Equal protection under the law and equal justice within a social order that maintains vigilance over the individual's basic human rights require public knowledge of how the judicial system works and of how disputes and legitimate grievances can and should be resolved through peaceful legal means. The United States is prepared to assist efforts to this end.

Current Projects

The ILANUD Project. The largest new U.S. program entails a 5-year grant to ILANUD to provide assistance to El Salvador, Costa Rica, Honduras, Panama, the Dominican Republic, and Guatemala. ILANUD, located in San Jose, has been training Latin American judges, prosecutors, and others since 1975. An AID grant has enabled ILANUD to greatly expand its operations and be more responsive to specific requests for assistance.

The ILANUD program includes training and technical and material assistance. It aims to allow both ILANUD and participating countries to analyze specific needs of justice systems and to design region-wide and country-specific projects to address them. A national commission has been formed in each country to bring together representatives of the principal participants in the justice system—the judiciary, public ministries, bar association, law schools, and others—to set national priorities for reform and to formulate measures to address identified needs, including requests to ILANUD.

ILANUD has conducted month-long courses for penal judges and prosecutors, taught by judges, prosecutors, and law professors from various countries in Latin America. ILANUD will continue and expand training, seminars, and workshops to reach court administrators, legislators, and others. It also will work with the Inter-American Institute for Human Rights to support popular education efforts in human rights and legal guarantees.

ILANUD is conducting detailed technical assessments of the justice systems in each participating country as a prelude to the design of region-wide and country-specific projects. The assessment teams are composed primarily of nationals of the country in question, assisted as necessary by outside experts.

ILANUD also has begun region-wide projects to improve the collection of uniform criminal statistics and to support law libraries. ILANUD is providing a basic collection of legal materials to one library in each country as well as other material assistance sorely needed by the justice systems, such as office equipment. Projects also are planned for court administration and digesting of laws and court decisions.

While not all of the national commissions have indicated their plans to ILANUD, some areas of likely support have been identified. Several countries are interested in providing training in-country for judges in specific areas of law, e.g., a new penal code. Likewise, there is interest in effective implementation of judicial career laws, which in some countries are pending before the legislature and in others are enacted but not implemented. ILANUD is prepared to assist in organizing seminars or providing experts who might help in drafting such laws or implementing regulations. Other areas of possible assistance include establishment of effective public defender services and improvement in systems of land titling and registration.

Criminal Investigation and Court Security in El Salvador. Under civil law, investigative work necessary for successful prosecution of criminal cases is the responsibility of the court. In contrast to the common law tradition,

where evidence is presented only by the prosecutor and the defense, the civil law judge directs the investigation.

To provide the Salvadoran judiciary with a core group of well-trained criminal investigators, the U.S. Congress authorized in FY 1984, on an exceptional basis, expenditure of funds to train criminal investigators. Under that authority, a group of 22 specially selected recruits of the various Salvadoran security services attended a 6-week intensive training course on basic investigative skills, such as collection and preservation of crime scene evidence, interviewing witnesses, and ballistics and fingerprint analysis.

The Salvadoran Government has now assigned these individuals and additional recruits to a new national investigative commission responsible for investigating particularly difficult or sensitive cases. Training for these investigators is continuing. The investigative commission also has a forensics unit which is receiving training, equipment, and other technical support from U.S. experts.

The physical security of Salvadoran judges and other participants in the judicial system is threatened by terrorists and other violence. To protect the integrity of the judicial process, in 1984 the U.S. Congress provided funds specifically for the purpose of training a judicial protection unit. In September 1985 the Salvadoran Government officially established the judicial protection unit to protect participants in sensitive criminal cases.

Support for Bar Associations. A strong national bar association can play a leading role in identifying weak points in the administration of justice and developing proposals for overcoming them. While the situation varies greatly from country to country, Latin American bar associations generally have been less active than their U.S. counterparts in pressing for judicial reform, but many are interested in a more active role.

AID has provided a grant to the Inter-American Bar Foundation to support a series of regional meetings of the bar associations of countries participating in the ILANUD program. USIA and AID provided grants to the American Bar Association (ABA) to invite Latin Americans to the ABA annual meeting and to organize a workshop for the visitors.

Contadora Negotiations With Nicaragua

WHITE HOUSE STATEMENT, APR. 8, 1986[1]

We made note of Nicaragua's intransigence there in negotiations. It is regrettable that Nicaragua has not engaged in serious negotiations in Panama City with the Contadora countries. It is clear that other Central American countries were prepared to have serious discussions. The Nicaraguans refused to take part in constructive talks.

We note that the communique gives Nicaragua another week to reconsider its position. It is also interesting to note that the behind-the-scenes role of Cubans in advising the Nicaraguan delegation has come to light.

[1]Text from Weekly Compilation of Presidential Documents of Apr. 14, 1986. ■

Funds also were provided to the Inter-American Bar Association to hold the First Inter-American Judicial Conference at the association's November 1985 meeting in Mexico. The program consisted of a series of workshops on practical problems of judicial structure and function. The participants discussed ways in which their bar associations had worked and could work to improve the administration of justice.

Scholarships. The United States has financed scholarships for graduate legal studies at the University of Costa Rica for Central Americans committed to the advancement of the administration of justice in their countries. This program is continuing within the ILANUD project described above.

Professional Exchanges. As part of its ongoing emphasis on democratic processes, USIA has supported exchanges to enable U.S. and Latin American jurists to meet and discuss issues ranging from constitutional law to court administration. For example, USIA provided a grant for the ABA and its Brazilian counterpart to organize a seminar in Rio de Janeiro on the American constitutional experience and enabled a senior U.S. court administrator to spend a month working with the University of the Andes and with the Colombian Government. USIA and AID also supported the American Enterprise Institute's Second International Conference on Constitutionalism.

In January-February 1986, USIA offered for the first time in Spanish a month-long program on the U.S. legal system, which gave Latin American judges and other practitioners an opportunity to travel together and learn firsthand about the administration of justice in the United States. Supreme Court Justice Sandra Day O'Connor traveled to Mexico as the 1986 Lincoln Lecturer, speaking on the "Shield of Freedom: The United States Constitution and Its Courts."

Next Steps

The Caribbean and South America. Plans for 1986 comtemplate, among other things, a regional program for the Commonwealth Caribbean and the exploration of needs and interests in South America, particularly the Andean region. As in the ILANUD project, the initial emphasis is likely to be on training of judges, prosecutors, and court administrators; support for local law libraries; and other technical assistance required by the countries involved. We plan to provide funding to enable increased participation by South American countries in ILANUD courses.

Training for Criminal Investigators. Congress has recognized the importance of the investigative element to the administration of justice. Pursuant to a 1985 amendment to the Foreign Assistance Act of 1961 (a new Section 534), throughout Latin America and the Caribbean the United States may now support programs to improve criminal investigative capabilities under

judicial or prosecutorial control. AID has transferred funds to the Department of Justice to begin an International Criminal Investigative Training Assistance Program working with judicial, prosecutorial, and law enforcement officials responsible for the collection, analysis, and presentation of evidence for criminal justice systems. This new program will be integrated with overall programs of cooperation to improve the administration of justice.

USIA Exchange Programs. In conjunction with the bicentennial of the U.S. Constitution, USIA will carry out a number of regional and multiregional programs on the administration of justice. Practitioners from Latin America and the Caribbean will participate this year in month-long USIA multiregional programs on the administration of courts, legal education, and the American legal system. Other USIA programs will enable U.S. experts to address specific audiences, work with universities, or participate in other activities requested by organizations in the region. For example, a grant to Fordham University and the National University of Buenos Aires will support a multinational conference on common law and civil law approaches to criminal justice and human rights.

Organization of American States. The OAS General Assembly has authorized initiation of a legal development program by the General Secretariat. The Secretary General recently asked member states to identify specific projects in their own countries. Funding is available during the present budgetary period for a limited number of such projects. The United States is prepared to collaborate with the OAS on this program as it evolves.

Closing Comment

Efforts to help strengthen the administration of justice must recognize and respond to local circumstances and encourage local and regional solutions. U.S. contributions will not export "made-in-the-USA" solutions. The initiative must come from national or regional institutions.

Effective administration of justice is essential to flourishing democracy. Cooperation in support of justice has a permanent place in our relations with our neighbors in Latin America and the Caribbean.

Special Report 145 of April 1986. ■

The Alliance for Progress and Today's Development Policy

by Elliott Abrams

Address before a conference on "The Alliance for Progress Twenty-Five Years Later" organized by the Center for Advanced Studies of the Americas on March 13, 1986. Mr. Abrams is Assistant Secretary for Inter-American Affairs.

In 1958, Presidents Juscelino Kubitschek of Brazil and Dwight Eisenhower of the United States exchanged letters in which they agreed that regional cooperation should be broadened to stimulate more rapid development. Kubitschek had in mind "Operation Pan America," which he envisaged as a plan going beyond even the Marshall Plan in promoting economic and social progress.

The foreign ministers of Latin America and the United States established a Committee of Twenty-One to study the Brazilian proposal. One of the results of the committee's work was the launching of the Inter-American Development Bank (IDB). Dr. Milton Eisenhower expressed this growing interest in hemispheric development when he strongly urged his brother to increase the flow of development capital into Latin America.

Then, 25 years ago today, John F. Kennedy called for an Alliance for Progress, which he defined as, and I quote:

> . . . a vast cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people for homes, work and land, health and schools—*techo, trabajo y tierra, salud y escuela.*

President Kennedy's call marked the beginning of a magnificent undertaking. It took tremendous optimism and political cooperation to attempt to speed up the development of an entire continent and to attack longstanding economic and social inequities. The alliance earned a unique place in the history of inter-American relations. The celebration of its 25th anniversary is well deserved.

Then and Now

Today, our attention is again focused on the nearer parts of this hemisphere. Some of the causes of our earlier concern are still with us, such as inequitable income distribution and the Cuban threat to the peace and stability of the continent.

But Latin America itself has changed much in the last 25 years. And with those changes must come new ways of dealing with the new obstacles to growth and to democracy that we face today.

What are some of the differences between the situation 25 years ago and the situation today?

Thanks in part to the Alliance for Progress, some of the changes are both remarkable and positive.

- Despite recession and crisis in the past several years, over the past 25 years the real economic product of the Latin American region has increased fourfold in aggregate terms and doubled on a per capita basis.
- Latin America's population is now almost two-thirds urban and almost three-fourths literate.
- Life expectancy at birth has gone up from 56 years in 1960 to 65 today; infant mortality rates have fallen by 40%.
- Women have moved massively into the labor force and the educational system.
- In the larger countries, almost 90% of all households have radios, and almost half have television sets.
- Industry accounts for a share of the GNP [gross national product] similar to agriculture, and electric power generating capacity is doubling every 6 years.
- Improvements in transportation and communications are bringing the region together and are simultaneously incorporating the region into the world economy.

There are some equally dramatic negative differences. Foreign debt in 1961 came to about $10 billion; today it totals $380 billion; 10 of the 15 largest debtor nations in the developing world

are in Latin America. Servicing the debt greatly reduces, where it does not completely consume, the resources needed for development.

As an aside, I might note that perhaps we should not curse the debt problem completely. It has had the salutary effect of underscoring the interdependence of the United States and Latin America. The recognition of this interdependence and of the concomitant imperative of cooperation could remind us of the spirit of common effort that marked the alliance.

The rate of population growth in Latin America has put strains on the social fabric almost as impressive as those created by debt. Where the region counted 209 million people in 1961, the same land mass must now support more than 412 million people, virtually double the total at the start of the alliance.

Population growth has coincided with a massive migration from the rural areas to the cities of Latin America. Because cities have traditionally received the lion's share of resources, some migrants may actually have improved their lot. But the migration from rural areas has led governments to devote still more resources to the urban areas, amplifying the distortion against rural areas, harming agriculture at the same time that the new urban concentrations were creating a need for increased food imports. The speed of this urban growth has also contributed to overcrowding and unemployment, as housing infrastructure and job creation have lagged behind the influx of newcomers.

Democracy and Its Contributions

These positive and negative changes have often been accompanied by social tension or ideological extremism. But one cannot talk about how Latin America differs now from 1961 without referring to the growth of moderating forces and a gradual strengthening of democratic practices. True, Cuba has become consolidated as a Soviet base and is a critical source of organized violence. But otherwise only a few isolated countries of the region remain actively antidemocratic. More than 91% of the people in Latin America and the Caribbean now live in countries with governments that are democratic or largely so.

This upsurge in democratic practices strengthens our ability to cooperate with our neighbors. It is infinitely easier to work with governments that truly represent and speak for their people.

The growth of democracy and greater recognition of our economic interdependence have helped build more equal hemispheric relationships. It is far easier to undertake the necessary reforms if they are not the result of pressure from a "big brother."

One criticism made of the alliance is that it relied too heavily on bilateral aid. It is true that U.S. bilateral aid has declined in per capita terms. But U.S. assistance to Latin America in 1985 reached $1.5 billion, only slightly less than the equivalent amounts during the 1960s. At the same time, World Bank and IDB lending to Latin America has gone from $6.6 billion between 1961 and 1970 to $51.2 billion from 1971 to 1984.

Even allowing for the recent concentration of U.S. bilateral assistance to Caribbean Basin countries, the change in the mix of bilateral and multilateral aid means that U.S. support for development in the hemisphere as a whole continues at high levels. In fact, when the U.S. contributions of between 20% and 40% of the capital of the World Bank and the IDB are considered, overall U.S. aid to Latin America today is significantly larger than it was during the alliance.

Lessons

In the past 25 years, it is not only Latin America that has changed. So has the state of our knowledge about the process of development. What are the lessons that we have learned over the past quarter century? Let's look at some of them.

The President's Council of Economic Advisers and individual scholars like Professor Jeffrey Sachs at Harvard have recently provided important insights into the lessons to be drawn from the economic experience of both the developed and developing countries. I commend their research to you. But let me just mention a few key points.

First, exchange rates. When market exchange rates are not maintained, domestic inflation transforms initially appropriate nominal exchange rates into substantially overvalued exchange rates. When this happened in a number of Latin American countries in the late 1970s and early 1980s, exports became less competitive, imports were overly stimulated, and foreign debt often increased.

Second, general price inflation. Except in the short term, a rapid rate of inflation is generally associated with relatively poor growth performance. In the industrial countries high inflation generally brought less growth in the 1970s and 1980s than in the lower inflation 1950s and 1960s. In the developing countries, there has been high growth even with inflation rates in the range of 20%–50%, but inflation rates higher than this have inevitably led to economic disruptions.

Third, international trade policy. An outward-looking, open policy that promotes exports and international trade is conducive to rapid economic growth. Relatively inward-looking policies concentrated on import substitution have resulted in costly inefficiencies.

This is one of the key conclusions of Jeffrey Sachs in comparing East Asia with Latin America. Although both regions received comparable external economic shocks in the late 1970s and early 1980s, and both had relatively similar ratios of debt to GDP [gross domestic product], East Asia generally promoted exports and maintained competitive exchange rates—and achieved significantly higher growth rates than did Latin America.

Fourth, incentives through relative prices. This is crucial in all countries, developed and developing. Where individuals have freedom of choice, they will respond to relative price incentives in deciding on consumption, saving, and in offering their services. This has often been overlooked in countries with a wide disparity in per capita incomes and always with lamentable results.

In developing countries prices of agricultural commodities have often been held down in the presumed interests of low income groups. However this is attempted, it generally shifts production toward crops with higher market prices or toward a return to subsistence agriculture, producing serious declines in the national food supply and a black market.

Fifth, fiscal discipline. Experience does not prescribe an exact size for the public sector or a specific limit on the fiscal deficit. But nations that run large and persistent deficits at unsustainable levels (e.g., 8%–10% or more of GDP) inevitably suffer great difficulties when they stop living beyond their means. It is important to recognize that the hangover is the result of the binge and not of going on the wagon.

I have listed these lessons separately, but much of the research on the experience of economic development speaks of them as parts of a whole. Turned into a general approach, they generate confidence among both domestic and foreign investors. When this approach is lacking, and when there is too much regulation or state planning, the result has often been capital flight. Conservative estimates suggest that more than $100 billion of Latin American capital has fled since the late 1970s. A recent study concluded that in the 10 major Latin American debtor nations, of the $44.2 billion in new net borrowing which was arranged during the period 1983–85, $30.8 billion, or nearly 70%, was negated by capital flight. In some countries this hemorrhaging continues. It is difficult to expect significant new foreign capital flows under such conditions.

Action

The challenge we now face is analogous to that faced by the founders of the alliance: how to apply ourselves to the problems the hemisphere faces today. We must do so with the full realization that both developed and developing countries have obligations.

Trade. One of our major responsibilities in the United States is to continue to provide access to the U.S. market—the largest single market in the world and the most dynamic in recent years. We have done that for Latin America. From a trade surplus of $1.4 billion with Latin America in 1981, the United States has gone to deficits of $6 billion, then $18, $21, and $19 billion. This is typically forgotten when commentators criticize U.S. trade practices only to ignore those of Europe, whose imports from Latin America are a fraction of ours.

U.S. support for free and fair trade and President Reagan's steps to back up his commitment to it have not always been popular here at home. Our domestic shoe industry clamored to keep out rapidly growing imports that would have cost Brazil alone up to some $300 million annually in current export sales. The President ruled against the recommended quotas.

Another example is copper, where America's mines have fallen on hard times. The copper mining industry has pressed for barriers against foreign competitors and claimed, contrary to the evidence at hand, that Chilean copper benefits from government subsidies. In 1984, the President rejected protectionist restrictions.

The Textile and Apparel Trade Enforcement Act of 1985 came encumbered with barriers to trade in copper and shoes. The Administration fought hard against the severe restrictions the bill would have imposed on all textile trade. At the same time, we pledged that we would try to hold the line on imports from well-developed and low-cost textile industries but would consider import growth from developing nations. The battle on the Hill was fierce. The bill passed both houses of the U.S. Congress. On December 17, 1985, President Reagan vetoed it.

The Caribbean Basin Initiative. The five principles I mentioned a few moments ago also underlie the Caribbean Basin Initiative (CBI). The CBI is primarily a program of trade preferences, complemented by aid and investment promotion.

The trade provisions of the CBI (one-way free trade for most products from the region for 12 years) began to be implemented in January 1984. Although our traditional imports from the Caribbean have fallen, nontraditional items have been growing. Thus, our major specific objective for the CBI—broadening and diversifying the production and export base of the region—is being fulfilled.

But that is only a beginning. The rewards of the CBI—increased exports, expanded and diversified production, job creation—will go to those countries that have economic policies that encourage investment, efficiency, and innovation. For the CBI to be fully successful, the region must compete effectively in the international marketplace.

The Central America Initiative. The recommendations of the National Bipartisan Commission on Central America called for greatly increased aid levels but explicitly recognized that aid alone cannot produce development. The assistance we are providing is, therefore, conditioned on concrete steps toward market exchange rates, liberalized trade, encouraging domestic and foreign investment, removing policies which distort relative prices, and reducing fiscal deficits.

We do not expect overnight results, especially given the security situation in the region, but our policies are reinforcing democratic trends and, we believe, laying the foundations for sustained growth in Central America.

The Program for Sustained Growth. Last October in Seoul Secretary Baker outlined a proposal for sustained growth which is often associated with his name. The *sine qua non* of this proposal is a more focused and determined effort at market-oriented structural reform aimed at greater efficiency, more domestic saving, and a more attractive climate for domestic and foreign investment.

If, and that is a big if, the debtor countries adopt measures consonant with economic growth, the World Bank, other international financial institutions, and the commercial banks will be able to support their reforms with significant new financing. A key element would be wider use of sectoral and structural adjustment loans of the World Bank. We also believe that under certain conditions the IDB could do more along these lines.

There is reason to expect a number of debtors to follow the outlines of this process to deal with the crucial symptoms of the debt problem: capital flight and slow growth.

These approaches to trade and debt are in harmony with lessons from the Alliance for Progress. They will work only if both the Latin American countries and the industrialized nations respond to the challenges and opportunities they face and if they avoid overreliance on aid and statist solutions.

Conclusion

Earlier I noted the differences between the Latin America of 1961 and the Latin America of today. I also noted some of the similarities. One common characteristic of that period and this one is the fact that now, as then, the United States must have a sustained, consistent, and attentive bipartisan policy toward the region. Both the alliance and our current policy recognize that a consistent and a sustained effort by the United States and by the nations of Latin America—in partnership—is a necessary condition for success.

The greatest contribution of the alliance is the confidence that if we work together to solve our problems, we can overcome them. Those of you who formed the alliance taught us this. From you we have learned to cope with the problems we face in the hemisphere. With your model of enthusiasm and spirit, we can move forward with the assurance that we will achieve our shared goals. ■

April 1986

The following are some of the significant official U.S. foreign policy actions and statements during the month that are not reported elsewhere in this periodical.

April 2–13
Defense Secretary Weinberger visits South Korea (Apr. 2–3) as head of the U.S. delegation to the 18th annual R.O.K.-U.S. security consultative meeting in Seoul. He visits Japan (Apr. 4–5), the Philippines (Apr. 6–8), Thailand (Apr. 9), and Australia (Apr. 10–12). He returns to Washington on April 13.

April 8
President Reagan meets with Soviet Ambassador Dobrynin to discuss the U.S.-Soviet relations and the summit in the U.S.

April 15–25
In Geneva, U.S.-Soviet delegations hold a second round of talks on outlawing chemical weapons. Ambassador Lowitz heads the U.S. delegation.

April 15–May 26
Ambassador Novak heads the U.S. delegation to the Human Contacts Experts Meeting in Bern. Topics include East-West family reunification, marriage between citizens of different countries, and the ability to travel for personal and professional reasons.

April 15
A U.S. Embassy communications officer in Khartoum is shot in the head and wounded by unknown assailants.

April 16
President Reagan and West German Foreign Minister Genscher meet at the White House to discuss the danger and threat of international terrorism and the U.S. air strike on Libya.

The U.S. Embassy in Lagos temporarily suspends visa services to limit access to the Embassy grounds as a precaution during demonstrations and several bomb threats.

April 17–18
A ministerial meeting of the Organization for Economic Cooperation and Development (OECD) is held in Paris to discuss macroeconomic, trade, and less-developed country issues. U.S. Treasury Secretary Baker heads the U.S. delegation.

April 17
U.S. evacuates dependents and nonessential personnel from the U.S. Embassy in Khartoum due to an escalation in terrorist threats and anti-American violence.

U.S. hostage Peter Kilburn is found dead of gunshot wounds near Beirut. A group identifying itself as the Arab Commando Cells takes responsibility for the slaying of Kilburn and two British hostages in response to the U.S. air strike on Libya.

April 18–19
Assistant Secretary Crocker visits Liberia to hold talks on economic assistance programs and Liberian economic reform measures with government officials.

April 18
Vietnam suspends talks with the U.S. on the U.S. servicemen listed as missing in action as a response to U.S. actions regarding Libya.

April 21
The U.S., U.K., and France veto a UN Security Council resolution condemning the April 15 U.S. air strike against Libya.

A car bomb explodes outside the U.S. Ambassador's residence in Lima. The blast leaves a hole in the outer concrete wall and breaks windows; no injurries are reported. The Tupac Amaru Revolutionary Movement (MRTA), a pro-Cuban group, claims responsiblity in response to U.S. actions against Libya.

April 22
U.S. citizens move from west to east Beirut in the wake of recent terrorist actions in the area.

A bomb explodes near the U.S. Consulate in Songkhla, Thailand. No injuries are reported.

April 23
The House Foreign Affairs Committee and the Senate Foreign Relations Committee vote in favor of a joint resolution to prohibit the sale of $354 million worth of missiles to Saudi Arabia.

April 24
Attorney General Meese, FBI Director Webster, and Ambassador Oakley meet with a group of EC ministers in The Hague. A statement is issued agreeing to increase consultations and exchanges of information on terrorism with the U.S. and other nonmember nations.

April 25
A U.S. Embassy communications officer in Sanaa, the North Yemen capital, is shot and wounded by unknown assailants in a passing vehicle.

The State Department issues a license to the U.S. Council for World Freedom, a private anticommunist organization, to send a UH-1B Huey helicopter for use in Honduras to help Nicaraguan rebels evacuate injured and sick from the war zones.

April 28–29
Under Secretary Armacost meets with Algerian Ministry of Foreign Affairs Secretary General Hamdani to discuss bilateral, regional, and global issues.

April 29
Assistant Secretary Ridgway meets with Soviet Charge Sokolov. She expresses U.S. regret over the accident at the Chernobyl atomic energy station and offers U.S. humanitarian and technical assistance.

A bomb explodes near the U.S. Ambassador's residence in Chile. There are no injuries to occupants, but two windows are cracked as a result of the blast.

Editor's Note: With this issue, we are discontinuing the End Notes section. ■

Current Actions

MULTILATERAL

Commodities—Common Fund
Agreement establishing the Common Fund for Commodities, with schedules.
Done at Geneva, June 27, 1980.[1]
Ratifications deposited: Colombia, Apr. 8, 1986; Yemen (Aden) Jan. 8, 1986.

Conservation
Convention on international trade in endangered species of wild fauna and flora, with appendices. Done at Washington Mar. 3, 1973. Entered into force July 1, 1975. TIAS 8249.
Accessions deposited: Afghanistan, Oct. 30, 1985; Somalia, Dec. 2, 1985.

Amendment to the convention of Mar. 3, 1973, on international trade in endangered species of wild fauna and flora (TIAS 8249). Adopted at Bonn June 22, 1979.[1]
Acceptance deposited: Brazil, Nov. 21, 1985.

Amendment to the convention of Mar. 3, 1973, on international trade in endangered species of wild fauna and flora (TIAS 8249). Adopted at Gaborone Apr. 30, 1983.[1]
Acceptances deposited: Brazil, Feb. 5, 1986; Chile, Sept. 6, 1985; Italy, Jan. 23, 1986; U.K., Dec. 13, 1985.

Finance
Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976. Entered into force Nov. 30, 1977. TIAS 8765.
Accessions deposited: Antigua and Barbuda, St. Christopher and Nevis, Jan. 21, 1986.

Human Rights
International covenant on economic, social, and cultural rights. Adopted at New York Dec. 16, 1966. Entered into force Jan. 3, 1976. 999 UNTS 3.[2]

International covenant on civil and political rights. Adopted at New York Dec. 16, 1966. Entered into force Mar. 23, 1976. 999 UNTS 171.[2]
Accessions deposited: Sudan, Mar. 18, 1986.

Judicial Procedure
Convention on the civil aspects of international child abduction. Done at The Hague Oct. 25, 1980. Entered into force Dec. 1, 1983.[2]
Accession deposited: Hungary, Apr. 7, 1986.

Labor
Convention (No. 144) concerning tripartite consultations to promote the implementation of international labor standards. Adopted by International Labor Conference, Geneva, June 21, 1976.
Transmitted to the Senate for advice and consent: Apr. 10, 1986 (Treaty Doc. 99-20).

Convention (No. 147) concerning minimum standards in merchant ships. Adopted by International Labor Conference, Geneva, Oct. 13, 1976.

Transmitted to the Senate for advice and consent: Apr. 10, 1986 (Treaty Doc. 99-21).

Law
Statute of the Hague conference on private international law. Done at The Hague Oct. 9–31, 1951. Entered into force July 15, 1955; for the U.S. Oct. 15, 1964. TIAS 5710.
Acceptance deposited: Mexico, Mar. 18, 1986.

Maritime Matters
Amendment of article VII of the convention on facilitation of international maritime traffic, 1965 (TIAS 6251). Adopted at London Nov. 19, 1973.
Acceptance deposited: India, June 2, 1983; Mexico, May 31, 1983.
Entry into force: June 2, 1984.

Nuclear Weapons—Nonproliferation
Treaty on the nonproliferation of nuclear weapons. Done at Washington, London, and Moscow July 1, 1968. Entered into force Mar. 5, 1970. TIAS 6839.
Ratification deposited: Colombia, Apr. 8, 1986.

Pollution
Convention for the protection of the ozone layer, with annexes. Done at Vienna Mar. 22, 1985.[1]
Signature: New Zealand, Mar. 21, 1986.

Shipping
United Nations convention on the carriage of goods by sea, 1978. Done at Hamburg Mar. 31, 1978.[1]
Accession deposited: Senegal, Mar. 17, 1986.

Slavery
Protocol amending the slavery convention signed at Geneva on Sept. 25, 1926, and annex (TS 778). Done at New York Dec. 7, 1953. Entered into force Dec. 7, 1953, for the protocol; July 7, 1955, for annex to protocol; for the U.S., Mar. 7, 1956. TIAS 3532.
Supplementary convention on the abolition of slavery, the slave trade, and institutions and practices similar to slavery. Done at Geneva Sept. 7, 1956. Entered into force Apr. 30, 1957; for the U.S. Dec. 6, 1967. TIAS 6418.
Accessions deposited: Nicaragua, Jan. 14, 1986.

Telecommunications
International telecommunication convention, with annexes and protocols. Done at Nairobi Nov. 6, 1982. Entered into force Jan. 1, 1984; definitively for the U.S. Jan. 10, 1986.
Ratifications deposited: Algeria, Jan. 14, 1986; Byelorussian S.S.R., Ukranian S.S.R., Jan. 13, 1986; Cuba, Jan. 28, 1986; Oman, Vietnam, Jan. 23, 1986.

Terrorism
International convention against the taking of hostages. Adopted at New York Dec. 17, 1979. Entered into force June 3, 1983; for the U.S. Jan. 6, 1985.
Ratification deposited: Italy, Mar. 20, 1986.

Timber
International tropical timber agreement, 1983, with annexes. Done at Geneva Nov. 18, 1983. Entered into force provisionally Apr. 1, 1985; for the U.S. Apr. 26, 1985.
Ratifications deposited: Egypt, Jan. 16, 1986; Federal Republic of Germany, Mar. 31, 1986.

Trade
Agreement on implementation of Art. VI of the GATT (anti-dumping code). Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9650.
Acceptance deposited: Korea, Feb. 24, 1986.

Arrangement regarding bovine meat. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9701.

Agreement on import licensing procedures. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9788.
Acceptance deposited: Nigeria, Mar. 14, 1986.

Treaties
Vienna convention on the law of treaties, with annex. Done at Vienna May 23, 1969. Entered into force Jan. 27, 1980.[2]
Accession deposited: Senegal, Apr. 11, 1986.

UNIDO
Constitution of the UN Industrial Development Organization, with annexes. Adopted at Vienna Apr. 8, 1979. Entered into force June 21, 1985.

Women
Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.[2]

Ratifications deposited: Costa Rica, Apr. 4, 1986; U.K., Apr. 7, 1986.
Accession deposited: Bahrain, Apr. 4, 1986.

BILATERAL

Antigua and Barbuda
Agreement amending the agreement of Dec. 14, 1977 (TIAS 9054), regarding U.S. defense areas and facilities in Antigua. Effected by exchange of notes at St. John's Dec. 4, 1985, Feb. 5 and 26, 1986. Entered into force Feb. 26, 1986.

Bangladesh
Agreement relating to trade in cotton and manmade fiber textiles and textile products. Effected by exchange of notes at Washington Feb. 19 and 24, 1986. Entered into force Feb. 24, 1986; effective Feb. 1, 1986.

Canada
Agreement concerning an experimental transborder air services program. Effected by exchange of letters at Washington Mar. 13, 1986. Entered into force Mar. 13, 1986.
Supercedes agreement effected by exchange of notes at Ottawa Aug. 21, 1984.

Agreement extending the experimental transborder air services program to a U.S. airport. Effected by exchange of letters at Washington Mar. 13, 1986. Entered into force Mar. 13, 1986.

Memorandum of understanding concerning a program of cooperation in areas of statistics. Signed at Washington Mar. 27, 1986. Entered into force Mar. 27, 1986.

China
Memorandum of agreement for technical cooperation in the field of civil aviation, with annex. Signed at Washington Mar. 14, 1986. Entered into force Mar. 14, 1986.

Colombia
Memorandum of agreement concerning assistance in developing and modernizing Colombia's civil aviation system. Signed at Bogota Feb. 20, 1986. Entered into force Feb. 20, 1986.

Czechoslovakia
Agreement concerning trade in certain steel products, with arrangement and related letter. Effected by exchange of letters at Prague and Washington May 24, 1985. Entered into force May 24, 1985; effective Oct. 1, 1984.

Agreement extending the air transport agreement of Feb. 28, 1969, as amended and extended (TIAS 6644, 7356, 7881, 8868). Effected by exchange of notes at Prague Dec. 18 and 29, 1985. Entered into force Dec. 29, 1985; effective Jan. 1, 1986.

Dominican Republic
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Santo Domingo Mar. 6, 1986. Entered into force Apr. 14, 1986.

German Democratic Republic
Agreement concerning trade in certain steel products, with arrangement. Effected by exchange of letters at Washington July 17, 1985. Entered into force July 17, 1985; effective Oct. 1, 1984.

Guyana
International express mail agreement with detailed regulations. Signed at Georgetown and Washington Feb. 25 and Mar. 31, 1986. Enters into force July 1, 1986.

Honduras
Agreement for sales of agricultural commodities. Signed at Tegucigalpa Mar. 15, 1986. Entered into force Mar. 15, 1986.

Hungary
Agreement concerning trade in certain steel products, with arrangement and related letters. Effected by exchange of letters at Washington May 28, 1985. Entered into force May 28, 1985; effective Oct. 1, 1984.

Israel
Memorandum of agreement concerning the principles governing mutual cooperation in research and development, scientist and engineer exchange, and procurement and logistic support of selected defense equipment, with attachment. Signed at Washington Mar. 19, 1984. Entered into force Mar. 19, 1984.

Japan
Agreement relating to the furnishing of assistance in the field of training for defense services personnel and defense-related civilian personnel. Effected by exchange of notes at Tokyo Jan. 21, 1986. Entered into force Jan. 21, 1986.

Korea
Agreement concerning trade in certain steel products, with arrangement and related letter. Effected by exchange of letters at Seoul and Washington May 2 and 8, 1985. Entered into force May 8, 1985; effective Oct. 1, 1984.

Liberia
Memorandum of understanding for scientific and technical cooperation in the earth sciences. Signed at Reston and Monrovia Feb. 24 and Mar. 20, 1986. Entered into force Mar. 20, 1986.

Macao
Agreement amending agreement of Dec. 28, 1983, and Jan. 9, 1984, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Hong Kong and Macao Feb. 26 and 28, 1986. Entered into force Feb. 28, 1986.

Mexico
Agreement in the field of geothermal energy. Signed at Mexico Apr. 7, 1986. Entered into force Apr. 7, 1986.

Agreement extending the agreement of July 31, 1970, as amended and extended (TIAS 6941, 7927), for a cooperative meteorological observation program in Mexico, with memorandum of understanding. Effected by exchange of notes at Mexico Mar. 26 and Apr. 3, 1986. Entered into force Apr. 3, 1986; effective Apr. 1, 1986.

Mozambique
Memorandum of understanding for scientific and technical cooperation in the earth sciences. Signed at Reston Apr. 10, 1986. Entered into force Apr. 10, 1986.

Netherlands
Agreement concerning the stationing, support, and operation of the ground launched cruise missile (GLCM) system in the territory of the Netherlands. Effected by exchange of notes at The Hague Nov. 4, 1985.
Entered into force: Apr. 2, 1986.

Nigeria
International express mail agreement, with detailed regulations. Signed at Lagos and Washington Mar. 7 and Apr. 21, 1986. Enters into force July 1, 1986.

Oman
International express mail agreement. Signed at Muscat and Washington Feb. 12 and Mar. 27, 1986. Entered into force May 1, 1986.

Philippines
Agreement relating to air transport services and amending the Nov. 23, 1983, and Jan. 23, 1984, amendment to the air transport agreement. Effected by exchange of notes at Manila Sept. 5 and Oct. 31, 1985. Entered into force Oct. 31, 1985.

Agreement amending agreement of Nov. 24, 1982 (TIAS 10612), as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Washington Mar. 12–13, 1986. Entered into force Mar. 13, 1986.

Poland
Agreement concerning trade in certain steel products, with arrangement and related letter. Effected by exchange of letters at Washington July 11, 1985. Entered into force July 11, 1985; effective Oct. 1, 1984.

Singapore
Agreement amending agreement of Aug. 21, 1981, relating to trade in cotton, wool, and manmade fiber textiles and textile products, as amended. Effected by exchange of letters at Washington Feb. 14 and 24, 1986; effective Jan. 1, 1986.

Somalia
Agreement relating to the agreement of Mar. 24, 1985, for sales of agricultural commodities. Signed at Mogadishu Feb. 27, 1986. Entered into force Feb. 27, 1986.

Sri Lanka
Agreement amending agreement of May 10, 1983, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Colombo Apr. 7 and 9, 1986. Entered into force Apr. 9, 1986.

Uruguay
Agreement amending agreement of Dec. 30, 1983, and Jan. 23, 1984, as amended, concerning export of textile products manufactured in Uruguay to the U.S. Effected by exchange of notes at Washington Mar. 3–4, 1986. Entered into force Mar. 4, 1986.

Venezuela
Agreement concerning trade in steel products, with arrangement and related letter. Effected by exchange of letters at Washington June 13, 1985. Entered into force June 13, 1985; effective Oct. 1, 1984.

[1]Not in force.
[2]Not in force for the U.S.■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
69	4/2	Shultz; news conference, Athens, Mar. 27.
*70	4/4	John T. Gilsenan appointed Executive Director for the U.S. delegation to the 1987 World Administrative Radio Conference for Mobile Services.
71	4/7	*American Foreign Policy: Current Documents, 1983* released.
*72	4/8	Philadelphia Passport Agency streamlines passport issuance.
*73	4/8	Conference on U.S. Trade and Investment in Africa, Miami, Apr. 17.
74	4/9	Shultz: news conference after the President's meeting with Ambassador Dobrynin, Apr. 8.
*75	4/11	Program for the official working visit to Washington, D.C., of Prime Minister Yasuhiro Nakasone of Japan, Apr. 12–14.
*76	4/10	Shultz: remarks at the farewell reception for Soviet Ambassador Dobrynin, Apr. 9.
77	4/14	Shultz: remarks for the Landon Lecture Series at Kansas State University, Manhattan, Kansas.
*77A	4/16	Shultz: question-and-answer session following Kansas State University remarks, Apr. 14.
*78	4/15	Program for the official working visit to Washington, D.C., of Prime Minister Robert J. L. Hawke of the Commonwealth of Australia, Apr. 15–18.
79	4/15	Shultz: interview on NBC-TV's "Today Show."
*80	4/15	Shultz: interview on CBS-TV's "Evening News."
*81	4/16	Shultz: interview on CBS-TV's "Morning News."
82	4/17	State Department and National Archives complete one agreement and commence a second, Apr. 16.
*83	4/16	Charter signed for Overseas Security Policy Group, Apr. 15.
84	4/16	Shultz/Weinberger: news conference, White House, Apr. 14.
85	4/16	Shultz: interview on USIA's "Worldnet."
86	4/17	U.S., Japan, and Canada reach agreement on salmon harvest, Apr. 8–9.
*87	4/17	Indochinese Refugee Panel reports to Secretary Shultz, Apr. 18.
88	4/18	*Foreign Relations of the United States, 1958–1960*, Volume I, Vietnam released Apr. 21.
89	4/18	Shultz: interview by American journalists, Apr. 17.
*90	4/22	Shultz; remarks at dedication of Nitze Building at Johns Hopkins University.
*91	4/23	Shultz: interview on "Press Conference, USA," Apr. 22.
*92	4/24	Shultz: interview on USIA's "Worldnet."
*93	4/25	Notice to subscribers on the termination of the press release mailing list.
94	4/28	Shultz; interview on CBS-TV's "Face the Nation," Apr. 27.

*Not printed in the BULLETIN.■

Department of State

Free **single** copies of the following Department of State publications are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

Secretary Shultz

Moral Principles and Strategic Interests: The Worldwide Movement Toward Democracy, Landon Lecture Series, Kansas State University, Manhattan, Apr. 14, 1986 (Current Policy #820).

Africa

FY 1987 Assistance Request for Sub-Saharan Africa, Assistant Secretary Crocker, Subcommittee on International Operations, House Foreign Affairs Committee, Mar. 18, 1986 (Current Policy #814).

Sub-Saharan Africa and the United States, Dec. 1985 (Discussion Paper).

East Asia

U.S. Security Interests in the Philippines, Assistant Secretary Sigur, Subcommittees on Sea Power and Force Projection and on Military Construction, Senate Armed Services Committee, Apr. 10, 1986 (Current Policy #815).

The U.S. and East Asia: Meeting the Challenge of Change, Assistant Secretary Sigur, Council on World Affairs, Cincinnati, Apr. 18, 1986 (Current Policy #821).

U.S.-Japan Trade (GIST, Apr. 1986).

Association of South East Asian Nations (GIST, Apr. 1986).

Economics

The Tokyo Economic Summit, Under Secretary Wallis, Conference Board, San Francisco, Apr. 10, 1986 (Current Policy #818).

Controlling Transfer of Strategic Technology (GIST, Apr. 1986).

The European Community (GIST, Apr. 1986).

OECD's Arrangement on Export Credits (GIST, Apr. 1986).

Third World Debt (GIST, Apr. 1986).

U.S. Export Controls (GIST, Apr. 1986).

U.S. Export Expansion (GIST, Apr. 1986).

U.S. Prosperity and the Developing Countries (GIST, Apr. 1986).

U.S. Trade Policy (GIST, Apr. 1986).

International Monetary Fund (GIST, Apr. 1986).

International Commodity Agreements (GIST, Apr. 1986).

Energy

The Oil Market and U.S. Energy Security, Deputy Assistant Secretary Wendt, Senate Committee on Energy and Natural Resources, Mar. 25, 1986 (Current Policy #812).

Foreign Relations Volume Released

The Department of State on April 21, 1986, released *Foreign Relations of the United States*, 1958–1960, Volume I, Vietnam. This volume presents the record of the years in which the Viet Cong insurgency against the South Vietnamese Government of President Ngo Dinh Diem began to gather strength. Some of Diem's American advisers urged him to concentrate almost exclusively on a military response, while others believed that increased military efficiency would be futile unless Diem took measures to win broader popular support. To help counter the Vietnamese communists, the United States augmented its Military Assistance Advisory Group, introduced the first teams of special forces advisers, provided additional military hardware, and began preparation of a comprehensive counterinsurgency plan. U.S. attempts to bring Diem to accept comprehensive reforms were more concentrated toward the end of the period, but had little effect. In November 1960, when noncommunist elements, principally in the South Vietnamese Armed Forces, mounted an unsuccessful coup attempt against Diem, the United States worked for reconciliation between Diem and the dissidents.

The volume presents over 750 pages of previously classified documents on U.S. policy with regard to Vietnam. This authoritative official record is based upon the files of the Department of State, the White House, other government agencies, and selected interviews with American participants. The volume released April 21 is the first in the *Foreign Relations* series to be published for the period 1958–1960. This is also the first volume to extend coverage of the official documentary record of U.S. foreign policy to a full 100 years since President Lincoln began the series in 1861.

Foreign Relations, 1958–1960, Volume I, was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. Copies of Volume I (Department of State Publication No. 9449 (GPO Stock No. 044-000-02107-2) may be purchased for $18.00 (domestic postpaid) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. Check or money orders should be made payable to the Superintendent of Document

Press release 88 of Apr. 18, 1986.■

Environment

Environment in the Foreign Policy Agenda, Deputy Assistant Secretary Benedick, Ecology Law Quarterly Symposium on Environment and International Development, Mar. 27, 1986 (Current Policy #816).

Europe

The CSCE Process and East-West Diplomacy, Under Secretary Armacost, Commission on Security and Cooperation in Europe, Mar. 25, 1986 (Current Policy #813).

Dealing With Gorbachev's Soviet Union, Under Secretary Armacost, World Affairs Council, Dallas, Apr. 8, 1986 (Current Policy #825).

European Parliament (GIST, Apr. 1986).

General

Foreign Policy Challenges: A 25-Year Retrospective, Under Secretary Armacost, 25th Anniversary of the International Fellows Program, Columbia University, New York City, Mar. 25, 1986 (Current Policy #824).

Middle East

Arms Sales Policies Toward the Middle East, Assistant Secretary Murphy, Subcommittee on Europe and the Middle East, House Foreign Affairs Committee, Apr. 22, 1986 (Current Policy #822).

Terrorism

Counterterrorism Policy, Deputy Secretary Whitehead, House Foreign Affairs Committee, Apr. 22, 1986 (Current Policy #823).

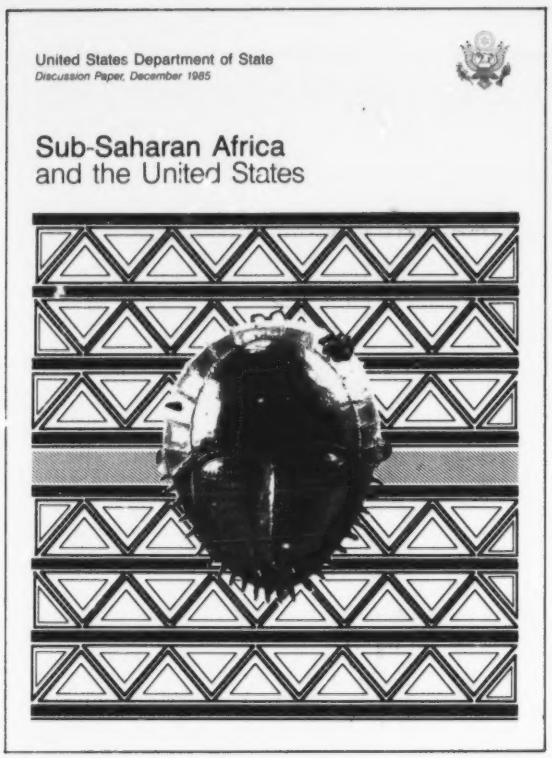
International Terrorism, Apr. 1986 (Selected Documents #24).

Western Hemisphere

The Alliance for Progress and Today's Development Policy, Assistant Secretary Abrams, Center for Advanced Studies of the Americas, Mar. 13, 1986 (Current Policy #809).

The Situation in El Salvador, Apr. 1986 (Special Report #144).

Hemispheric Cooperation in the Administration of Justice, Apr. 1986 (Special Report #145).■



Sub-Saharan Africa and the United States

This 48-page illustrated publication discusses U.S. relations with sub-Saharan Africa and presents basic information on:

- Geography;
- History;
- People;
- Political processes;
- Economy; and
- Multilateral organizations.

It also includes data tables providing selected statistics on each of the 46 independent sub-Saharan African countries.

GPO Order Form

Please send me _____ copy(ies) of *Sub-Saharan Africa and the United States,* December 1985
@ $2.50 per copy (S/N 044-000-02114-5)

Any customer ordering 100 or more copies for delivery to a single destination will be allowed a 25% discount.

Mail to: Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

GPO prices are subject to change without notice.
(Confirm by calling 202-783-3238.)

Enclosed is $_____ ☐ check or ☐ money order (payable to Superintendent of Documents) or charge to my

Deposit Account No. ☐☐☐☐☐☐☐-☐ Order No. _____

Credit Card Orders Only

Total charges $_____

Credit Card No. ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Expiration date Month/Year ☐☐☐☐

Please Print

Company or personal name

Additional address line

Street address

City State Zip Code

(or Country)

For Office Use Only

Quantity Charges

_____ Publications _____

_____ Subscriptions _____

Special shipping charges _____

International handling _____

Special charges _____

OPNR

_____ UPNS

_____ Balance Due

_____ Discount

_____ Refund

6/86

INDEX

June 1986
Volume 86, No. 2111

Africa. Ethiopia: The UN's Role (Keyes) 81
Alliance for Progress. The Alliance for Progress and Today's Development Policy (Abrams) 86
American Principles. Moral Principles and Strategic Interests: The Worldwide Movement Toward Democracy (Shultz) 35
Arms Control
CDE Talks Resume (White House statement) 40
Foreign Policy Challenge: A 25-Year Retrospective (Armacost) 67
News Conference of April 9 (Reagan, excerpts) 24
Soviet Nuclear Test Ban Proposal (White House statement) 39
Bahrain. Vice President Bush Visits Persian Gulf 27
Canada. U.S., Canada, and Japan Agree on Salmon Harvests 73
Congress
Arms Sales Policies Toward the Middle East (Murphy) 70
Compact of Free Association With Palau (message to the Congress) 78
Counterterrorism Policy (Whitehead) 79
Ethiopia: The UN's Role (Keyes) 81
Gulf of Sidra Incident (letter to the Congress) 72
International Cooperation To Protect the Ozone Layer (Benedick, Negroponte) 58
The Oil Market and U.S. Energy Security (Wendt) 51
25th Report on Cyprus (message to the Congress) 66
U.S. Security Interests in the Philippines (Sigur) 41
Cyprus. 25th Report on Cyprus (message to the Congress) 66
Department & Foreign Service. U.S. Diplomatic History Records Transferred to National Archives) 40
Economics
The Alliance for Progress and Today's Development Policy (Abrams) 86
Foreign Policy Challenge: A 25-Year Retrospective (Armacost) 67
The Oil Market and U.S. Energy Security (Wendt) 51
OECD Council Session Held in Paris (final communique) 44
Energy. The Oil Market and U.S. Energy Security (Wendt) 51
Environment
Environment in the Foreign Policy Agenda (Benedick) 55
International Cooperation to Protect the Ozone Layer (Benedick, Negroponte) 58
Ethiopia. Ethiopia: The UN's Role (Keyes) 81
Europe
CDE Talks Resume (White House statement) 40
Conference on Security and Cooperation in Europe (Reagan) 64
Structural Adjustment and the Trading System: Europe's Role (Wallis) 48
European Communities
Foreign Unfair Trade Practices (White House statement) 46
U.S.-EC Trade Dispute (Baldrige) 42
Fisheries. U.S., Canada, and Japan Agree on Salmon Harvests 73
Greece. Secretary Visits France, Turkey, Greece, and Italy 33
Human Rights
Conference on Security and Cooperation in Europe (Reagan) 64
Ethiopia: The UN's Role (Keyes) 81
Hemispheric Cooperation in the Administration of Justice 83
Industrialized Democracies. OECD Council Session Held in Paris (final communique) 44
International Law. Hemispheric Cooperation in the Administration of Justice 83
Italy. Secretary Visits France, Turkey, Greece, and Italy 33
Japan. U.S., Canada, and Japan Agree on Salmon Harvests 73
Libya
Counterterrorism Policy (Whitehead) 79
Gulf of Sidra Incident (letter to the Congress) 72
News Conference of April 9 (Reagan, excerpts) 24
Security Council Considers U.S. Self-Defense Exercise (Okun, Walters) 18
U.S. Exercises Right of Self-Defense Against Libyan Terrorism (Reagan, Shultz, Weinberger, White House statement) 1
Middle East. Arms Sales Policies Toward the Middle East (Murphy) 70
New Zealand. The Benefits of Collective Security (Cleveland) 74
Nicaragua
Contadora Negotiations With Nicaragua (White House statement) 85
News Conference of April 9 (Reagan, excerpts) 24
Oman. Vice President Bush Visits Persian Gulf 27
Palau. Compact of Free Association With Palau (message to the Congress) 78
Petroleum
News Conference of April 9 (Reagan, excerpts) 24
Philippines. U.S. Security Interests in the Philippines (Sigur) 41
Portugal. Vice President Bush Visits Tunisia and Portugal 32
Presidential Documents
Compact of Free Association With Palau (message to the Congress) 78
Conference on Security and Cooperation in Europe 64
Gulf of Sidra Incident (letter to the Congress) 72
News Conference of April 9 (Reagan, excerpts) 24
25th Report on Cyprus (message to the Congress) 66
U.S. Exercises Right of Self-Defense Against Libyan Terrorism (Reagan, Shultz, Weinberger, White House statement) 1
Publications
Department of State 93
Foreign Relations Volume Released 93
Saudi Arabia. Vice President Bush Visits Persian Gulf 27
South Africa. News Conference of April 9 (Reagan, excerpts) 24
Terrorism
Counterterrorism Policy (Whitehead) 79
News Conference of April 9 (Reagan, excerpts) 24
Secretary Visits France, Turkey, Greece, and Italy 33
Security Council Considers U.S. Self-Defense Exercise (Okun, Walters) 18
U.S. Exercises Right of Self-Defense Against Libyan Terrorism (Reagan, Shultz, Weinberger, White House statement) 1
Trade
The Alliance for Progress and Today's Development Policy (Abrams) 86
Foreign Unfair Trade Practices (White House statement) 46
OECD Council Session Held in Paris (final communique) 44
Structural Adjustment and the Trading System: Europe's Role (Wallis) 48
U.S.-EC Trade Dispute (Baldrige) 42
Treaties. Current Actions 90
Tunisia. Vice President Bush Visits Tunisia and Portugal 32
Turkey. Secretary Visits France, Turkey, Greece, and Italy 33
U.S.S.R.
Dealing With Gorbachev's Soviet Union (Armacost) 63
Foreign Policy Challenge: A 25-Year Retrospective (Armacost) 67
President Meets With Soviet Ambassador Dobrynin (Shultz) 60
Soviet Nuclear Test Ban Proposal (White House statement) 39
United Nations
Ethiopia: The UN's Role (Keyes) 81
Security Council Considers U.S. Self-Defense Exercise (Okun, Walters) 18
Western Hemisphere
The Alliance for Progress and Today's Development Policy (Abrams) 86
Hemispheric Cooperation in the Administration of Justice 83
Yemen. Vice President Bush Visits Persian Gulf 27

Name Index

Abrams, Elliott 86
Armacost, Michael H. 63,67
Baldrige, Malcolm 42
Benedick, Richard E. 55,58
Bush, Vice President 27,32
Cleveland, Paul M. 74
Keyes, Alan L. 81
Murphy, Richard W. 70
Negroponte, John D. 58
Okun, Herbert S. 18
Reagan, President 1,24,64,66,72,78
Shultz, Secretary 1,33,35,60
Sigur, Gaston J., Jr. 41
Wallis, W. Allen 48
Walters, Vernon A. 18
Weinberger, Caspar W. 1
Wendt, E. Allan 51
Whitehead, John C. 79

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

OFFICIAL BUSINESS
Penalty for Private Use $300

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

READEX FICHE best copy available

86/2112

Department of State bulletin

The Official Monthly Record of United States Foreign Policy / Volume 86 / Number 2112

July 1986

NEWARK PUBLIC LIBRARY

JUL 25 1986

U. S. GOVT. PUBS.
DEPOSITORY 376

LD [redacted] C
U.S. DOCUMENTS
NEWARK PUBLIC LIBRARY

S1.3:

Department of State bulletin

Volume 86 / Number 2112 / July 1986

Cover:

This Tokyo summit symbol consists of a ring of *musubi* (Japanese-style knots) representing the solidarity and harmony of the seven participating countries and the European Community.

THE DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

BERNARD KALB
Assistant Secretary for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

SHARON R. LOTZ
Assistant Editor

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

DEPARTMENT OF STATE BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street, NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Most of the contents of this publication are in the public domain and not copyrighted. Those items may be reprinted; citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. Permission to reproduce all copyrighted material (including photographs) must be obtained from the original source. The BULLETIN is indexed in the Readers' Guide to Periodical Literature and in the PAIS (Public Affairs Information Service, Inc.) Bulletin.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

CONTENTS

FEATURE

1 Tokyo Economic Summit *(President Reagan, Secretary Shultz, Summit Declarations and Statements)*

The President

15 Visit to Indonesia *(President Reagan, Secretary Shultz)*

The Secretary

24 Unity and Dissent: On the Community of Free Nations

Africa

27 South Africa: Report on the President's Executive Order *(Chester A. Crocker)*
30 FY 1987 Assistance Requests for Sub-Sahara Africa *(Chester A. Crocker)*

Arms Control

37 Nuclear and Space Arms Talks Open Round Five *(President Reagan)*
37 MBFR Talks Resume in Vienna *(White House Statement)*

East Asia

38 Secretary's Visit to Korea and the Philippines *(Secretary Shultz)*
42 The U.S. and East Asia: Meeting the Challenge of Change *(Gaston J. Sigur, Jr.)*
46 Prospects for Continuing Democratization in Korea *(Gaston J. Sigur, Jr.)*
48 Aid to the Philippines *(White House Announcement)*
50 U.S. Assistance to the Philippines *(John C. Monjo)*
53 Visit of Japan's Prime Minister *(Yasuhiro Nakasone, President Reagan)*
54 FY 1987 Assistance Requests for East Asia and the Pacific *(John C. Monjo)*

Economics

61 Economic Policy Coordination Among Industrialized Nations *(James A. Baker III)*
64 The Tokyo Economic Summit *(W. Allen Wallis)*
68 U.S.-Japan Economic Relations: The Tokyo Economic Summit and Beyond *(W. Allen Wallis)*

Europe

71 Soviet Nuclear Reactor Accident at Chernobyl *(Secretary Shultz, White House Statements)*
75 President Meets With Shcharanskiy *(White House Statement)*

Middle East

76 FY 1987 Assistance Requests for the Middle East and North Africa *(Richard W. Murphy)*

South Asia

81 FY 1987 Assistance Requests for South Asia *(Robert A. Peck)*

Western Hemisphere

86 FY 1987 Assistance Requests for Latin America and the Caribbean *(Elliott Abrams)*

Treaties

91 Current Actions

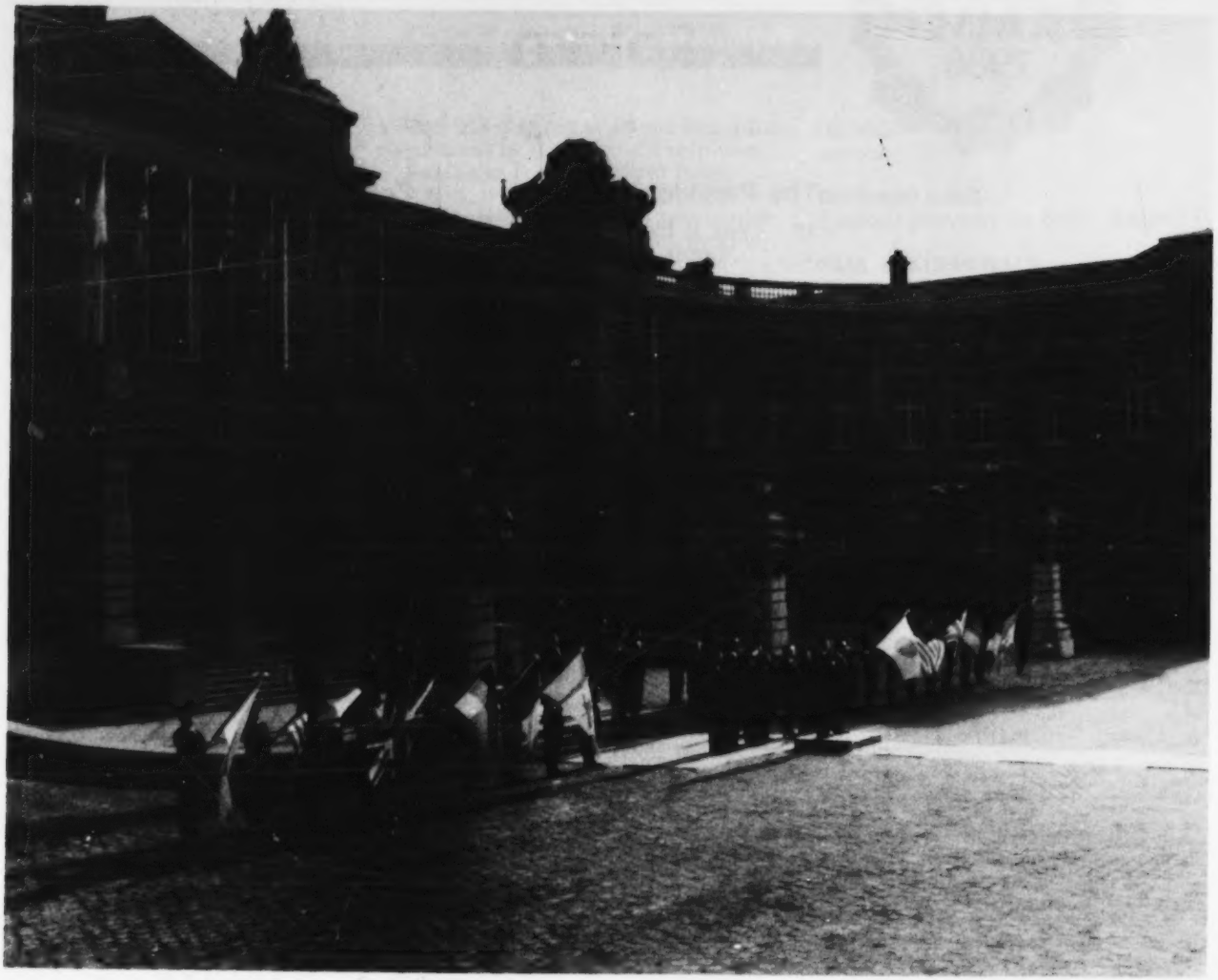
Press Releases

93 Department of State

Publications

94 Department of State
94 GPO Sales

Index



The Tokyo economic summit meetings were held at Akasaka Palace, a palace originally built for the Crown Prince in 1909 and which has served as the State Guesthouse since 1974. The interior of this neobaroque building features beautiful ceiling paintings, fine stuccowork, ceramic tiles, cloisonne plaques, and sparkling chandeliers.

(White House photo by Terry Arthur)

Tokyo Economic Summit

President Reagan attended the 12th economic summit of the industrialized nations in Tokyo May 4–6, 1986, which was hosted by Japanese Prime Minister Yasuhiro Nakasone. The other participants were Prime Minister Brian Mulroney (Canada); President Francois Mitterrand (France); Prime Minister Bettino Craxi (Italy); Chancellor Helmut Kohl (West Germany); Prime Minister Margaret Thatcher (United Kingdom); Jacques Delors, President of the European Communities Commission; and Ruud Lubbers, President of the European Council. Following are news briefings by Secretary Shultz, declarations and statements issued by the participants, and President Reagan's news conference.

Secretary Shultz's News Briefing, May 3, 1986[1]

This summit meeting comes at a moment of real opportunity and important responsibilities—opportunity because the chances for worldwide economic growth look very good. We meet at a time when there are quite a number of favorable developments at hand and where there is a strategy becoming clearer and clearer for how to deal with it. So it's a great moment of opportunity.

It is a moment of responsibility because, clearly, there are great problems—problems that we have it in our hands to come to grips with. It's important for this group of countries to maintain the cohesion that we have always had and which there is every indication we retain in addressing all of the issues in the East-West arena. I'm sure that will be a subject of discussion—an important one.

It is of key significance in the fight against terrorism that we examine this issue together and see what, in our respective ways, we can do about it. Certainly the nuclear accident in the Soviet Union will be discussed, and it highlights the responsibilities that each state has in the case of an event in that state that has clear effects on people in other states, adjoining and otherwise.

There is a big array of subjects and, as I said, this is a special moment of opportunity because there are many positive developments, and the cohesion of these countries and our associated allies has been so significant and important. There are many important issues that put a responsibility before us to discuss them candidly and fully and to do everything we can to set out a line of action that can give positive results for our people.

Q. What are we going to propose in terms of the nuclear accident? What can the rest of the world do? What kind of pressure are you going to put on the Soviet Union? What are you asking?

A. How this will come out, I don't know, obviously. People will come with varying perceptions, no doubt. But from public statements, I think it is clear that there is kind of a two-fold set of concerns. One is immediate: to call for more information so that all of us can assess what the potential implications of the accident are and do what is necessary to do to safeguard the health of citizens and to understand what happened and why, so that, to the extent that we can learn from that, we do so.

And second is to focus on the question of whether it would be worthwhile at this time to try to, in a sense, firm up the inherent obligation that states have to provide information about something going on within their borders that has effects on others. That I think is generally understood, but maybe it would be timely and good to kind of reinforce it a little bit.

As far as we're concerned, comparing notes and seeing what others are doing and thinking and what information they have will help us in continuing our own efforts to, on the one hand, be helpful, and, on the other, to help our own citizens, not so much here, because it seems that there is very little threat to people in the United States, but we have Americans scattered through the area, and we are trying to give them the right kind of advice and provide on-the-spot information for them.

Q. In terms of information, it's been 7 days or so since the accident. Have they been any more forthcoming in private to us about what the status is?

A. They have given some information, but I don't think it is—I'm certain that it isn't anywhere near the scope of information that we have ourselves, based on our own independent sources. By that standard, they have not been very forthcoming.

Q. And they have suggested that—in response to your comments of 2 days ago—we are exaggerating the seriousness of this. Can you respond to that?

A. The way to deal with that kind of question is to provide access and provide information. And if we're exaggerating, I would be delighted to—if that were so. And we'd like to know. We'd like to have the information. We'd like to be able to have what verification we can get. Of course, people measure radiation in the air then, and they can do that, and where it's located. And so people see that.

Q. You said the strategy is becoming clear on how to deal with the opportunities of worldwide economic growth. What is that strategy?

A. First of all, for each country to run its own economy in a way that will be in tune, as much as possible, with noninflationary real growth, with strong savings, and investment. Second of all, to keep world markets open to trade, so that there can be mutually reenforcing expansion. Third, to see that in the Baker plan, there is a means of dealing with the problems of debtor countries, as well as others, that will help get out from under that very considerable problem. So I think those are the fundamental elements here.

I'm sure, also, there'll be some discussion of monetary developments and other similar things: I think healthy national economic policies, openness to trade, and dealing with outstanding financial issues. And I would put the debt problem up at the top of the list.

Q. What relevance, if any, do you believe that the nuclear accident has to the arms control process?

A. I don't think it has any sort of one-to-one connection, but, of course, a reason why people are so interested in reducing nuclear weapons stockpiles is the fear that if ever there should be a war—a nuclear war—and the President has said many times that a nuclear war should never be fought and can never be won. And the reason it can never be won is that it has two great effects of the kinds that people are worrying about.

As far as we're concerned—as far as the President is concerned, he has had at the top of his agenda, even long before he was President, the importance of radical reductions in nuclear weapons. And that subject is the center of the agenda in Geneva, and it will be pursued energetically by us.

Q. There are those who are saying that this shows we can't trust the Soviets and, therefore, arms control is probably that much more difficult. Do you concur?

A. The problem of verification and compliance is a very important problem. And certainly in any agreements that we work out, we'll have to address those issues and address them very completely.

In the statements that Mr. Gorbachev has made, he has recognized the importance of this issue, and he's talked about various possible techniques, and he's used words like on-site inspection. So hoping that we can get to that point, that's all material that we should follow up on.

Q. On the subject of on-site inspections, do you see the nuclear accident as an opening to begin expanding the system of on-site inspections for nuclear power in the Soviet Union?

A. Of course, the inspection of nuclear power plants under IAEA [International Atomic Energy Agency] safeguards is something that has been going on. It's part of the process, and it's been a long struggle to get the nuclear weapons states to agree to have their power plants inspected. The Soviet Union has begun to do that, and I think that's something that needs to be stimulated and encouraged. I would think that this accident would show the importance of inspections and reviews of procedures. For example, just how this accident took place, we don't know. People are speculating about it. But review of what the procedures were and are is the kind of thing that one needs to be doing, and so inspection has a broad cast to it in that light.

Q. Do you stick to your assertion made in Bali that the casualties in the Soviet accident are considerably higher than they have announced, and, if so, can you back it up against Soviet insistence that they've told the truth?

A. I can't give you a number, but the number of two dead I will bet you $10 is very low, and I don't know whether you're ready to take me up on that or not.

Q. In other words, you think it's considerably higher—I mean, four would be considerably higher than two. I'm trying to get some range. What do you have in mind?

A. I don't think this is any matter—I didn't mean to be jocular about it, but I think that the information they provided about the number of killed and others who are in some way incapacitated looks very low compared with information we have from a variety of sources. You take pictures; you see what's on the ground; you see the immobility of emergency equipment that came there and is still there; you accumulate reports of one kind or another that come into your hands. All of it suggests that the impact on individual lives is much more than the statement that they have said. So, yes, I stand by that statement.

Q. Did you tell the Japanese this morning what the U.S. position was on intervention—their intervention—to support the dollar and the German intervention recently to do the same thing? And could you tell us what your position is on that?

A. When I was Secretary of the Treasury, I didn't appreciate it when, for instance, Mel Laird, as I remember when I was in Tokyo, made some comments about the dollar, and I told him to keep his cotton-pickin' hands off economic policy, if you remember. And I'll keep my cotton-pickin' hands off the yen-dollar relationship. Ask Secretary Baker.

Q. What does the way Mr. Gorbachev has handled this suggest to you about his leadership? You mentioned that he has seemed more interested in verification, for instance, in arms control. But what does this suggest about whether he's any different from previous Soviet leaders?

A. He hasn't been forthcoming with information about this accident, and, so far as we can see, knowledge about it within the Soviet Union is far, far less than knowledge about it right here. If that doesn't look like an example of more openness—but that's about all I can say as far as that's concerned.

Q. Could you tell us please what are the considerations that have led the United States to criticize the Soviets publicly for a lack of information? Are you doing it to try to nudge more information from them, to assure Americans you're on top of it? Why isn't this a matter of the quiet diplomacy that you often prefer?

A. The reason why we want more information is that an event has taken place that is potentially—that is spreading material across areas where American citizens are, and it is a responsibility of the American Government to look after the health and welfare of U.S. citizens. We want information about what happened and what is the extent of it and what may happen further so that we can make an assessment and we can give proper advice to people and send the kind of help that's needed. It's an operational matter. And we have called for it privately, and we've called for it publicly, and I think we should.

And I might say that I think every other country has exactly the same feeling. And it comes from, on the one hand, a feeling of interest and sympathy with people near the event itself, but on the other hand, the desire to do everything we can to see that the safety and health of American citizens are taken care of.

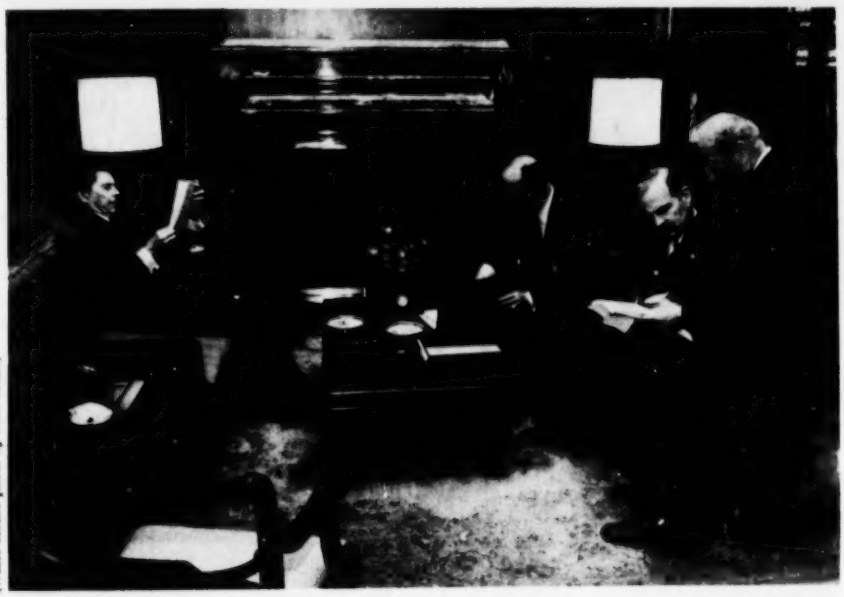
Summit Declaration on the Future, May 5, 1986[2]

1. We, the Heads of State or Government of seven major industrial nations and the representatives of the European Community, with roots deep in the civilizations of Europe and Asia, have seized the opportunity of our meeting at Tokyo to raise our sights not just to the rest of this century but into the next as well. We face the future with confidence and determination, sharing common principles and objectives and mindful of our strengths.

2. Our shared principles and objectives, reaffirmed at past Summits, are bearing fruit. Nations surrounding the Pacific are thriving dynamically through free exchange, building on their rich and varied heritages. The countries of Western Europe, the Community members in particular, are flourishing by raising their cooperation to new levels. The countries of North America, enriched by European and Asian cultures alike, are firm in their commitment to the realization in freedom of human potential. Throughout the world we see the powerful appeal of democracy and growing recognition that personal initiative, individual creativity and social justice are main sources of progress. More than ever we have all to join our energies in the search for a safer and healthier, more civilized and prosperous, free and peaceful world. We believe that close partnership of Japan, North America and Europe will make a significant contribution toward this end.

3. We reaffirm our common dedication to preserving and strengthening peace, and as part of that effort, to building a more stable and constructive relationship between East and West. Each of us is ready to engage in cooperation in fields of common interest. Within existing alliances, each of us is resolved to maintain a strong and credible defence that can protect freedom and deter aggression, while not threatening the security of others. We know the peace cannot be safeguarded by military strength alone. Each of us is committed to addressing East-West differences through high-level dialogue and negotiation. To that end, each of us supports balanced, substantial and verifiable reductions in the level of arms; measures to increase confidence and reduce the risks of conflicts; and the peaceful resolution of disputes. Recalling the agreement between the United States and the Soviet Union to accelerate work at Geneva, we appreciate the United States' negotiating efforts and call on the Soviet Union also to negotiate positively. In addition to these efforts, we shall work for improved respect for the rights of individuals throughout the world.

4. We proclaim our conviction that in today's world, characterized by ever increasing interdependence, our countries cannot enjoy



(White House photo by Pete Souza)

During a break, President Reagan, Adm. Poindexter, Secretary Baker, and Secretary Shultz review their notes before the next round of discussions.

lasting stability and prosperity without stability and prosperity in the developing world and without the cooperation among us which can achieve these aims. We pledge ourselves afresh to fight against hunger, disease and poverty, so that developing nations can also play a full part in building a common, bright future.

5. We owe it to future generations to pass on a healthy environment and a culture rich in both spiritual and material values. We are resolved to pursue effective international action to eliminate the abuse of drugs. We proclaim our commitment to work together for a world which respects human beings in the diversity of their talents, beliefs, cultures and traditions. In such a world based upon peace, freedom and democracy, the ideals of social justice can be realized and employment opportunities can be available for all. We must harness wisely the potential of science and technology, and enhance the benefits through cooperation and exchange. We have a solemn responsibility so to educate the next generation as to endow them with the creativity befitting the twenty-first century and to convey to them the value of living in freedom and dignity.

Summit Statement on the Implications of the Chernobyl Nuclear Accident, May 5, 1986[2]

1. We, the Heads of State or Government of seven major industrial nations and the representatives of the European Community, have discussed the implications of the accident at the Chernobyl nuclear power station. We express our deep sympathy for those affected. We remain ready to extend assistance, in particular medical and technical, as and when requested.

2. Nuclear power is and, properly managed, will continue to be an increasingly widely used source of energy. For each country the maintenance of safety and security is an international responsibility, and each country engaged in nuclear power generation bears full responsibility for the safety of the design, manufacture, operation and maintenance of its installations. Each of our countries meets exacting standards. Each country, furthermore, is responsible for prompt provision of detailed and complete information on nuclear emergencies and accidents, in particular those with potential transboundary consequences. Each of our countries accepts that responsibility, and we urge the Government of the Soviet Union, which did not do so in the case of Chernobyl, to provide urgently such information, as our and other countries have requested.

3. We note with satisfaction the Soviet Union's willingness to undertake discussions this week with the Director-General of the International Atomic Energy Agency (IAEA). We expect that these discussions will lead to

(White House photo by Pete Souza)

the Soviet Union's participation in the desired post-accident analysis.

4. We welcome and encourage the work of the IAEA in seeking to improve international cooperation on the safety of nuclear installations, the handling of nuclear accidents and their consequences and the provision of mutual emergency assistance. Moving forward from the relevant IAEA guidelines, we urge the early elaboration of an international convention committing the parties to report and exchange information in the event of nuclear emergencies or accidents. This should be done with the least possible delay.

Summit Statement on Terrorism, May 5, 1986[2]

1. We, the Heads of State or Government of seven major democracies and the representatives of the European Community, assembled here in Tokyo, strongly reaffirm our condemnation of international terrorism in all its forms, of its accomplices and of those, including governments, who sponsor or support it. We abhor the increase in the level of such terrorism since our last meeting, and in particular its blatant and cynical use as an instrument of government policy. Terrorism has no justification. It spreads only by the use of contemptible means, ignoring the values of human life, freedom and dignity. It must be fought relentlessly and without compromise.

2. Recognizing that the continuing fight against terrorism is a task which the international community as a whole has to undertake, we pledge ourselves to make maximum efforts to fight against that scourge. Terrorism must be fought effectively through determined, tenacious, discreet and patient action combining national measures with international cooperation. Therefore, we urge all like-minded nations to collaborate with us, particularly in such international fora as the United Nations, the International Civil Aviation Organization and the International Maritime Organization, drawing on their expertise to improve and extend countermeasures against terrorism and those who sponsor or support it.

3. We, the Heads of State or Government, agree to intensify the exchange of information in relevant fora on threats and potential threats emanating from terrorist activities and those who sponsor or support them, and on ways to prevent them.

4. We specify the following as measures open to any government concerned to deny to international terrorists the opportunity and the means to carry out their aims, and to identify and deter those who perpetrate such terrorism. We have decided to apply these measures within the framework of international law and in our own jurisdictions in respect of any state which is clearly involved in sponsoring or supporting international terrorism, and in particular of Libya, until such time as the state concerned abandons its complicity in, or support for, such terrorism. These measures are:

- Refusal to export arms to states which sponsor or support terrorism;
- Strict limits on the size of the diplomatic and consular missions and other official bodies abroad of states which engage in such activities, control of travel of members of such missions and bodies, and, where appropriate, radical reductions in, or even the closure of, such missions and bodies;
- Denial of entry to all persons, including diplomatic personnel, who have been expelled or excluded from one of our states on suspicion of involvement in international terrorism or who have been convicted of such a terrorist offence;
- Improved extradition procedures within due process of domestic law for bringing to trial those who have perpetrated such acts of terrorism;
- Stricter immigration and visa requirements and procedures in respect of nationals of states which sponsor or support terrorism;
- The closest possible bilateral and multilateral cooperation between police and security organizations and other relevant authorities in the fight against terrorism.

Each of us is committed to work in the appropriate international bodies to which we belong to ensure that similar measures are accepted and acted upon by as many other governments as possible.

5. We will maintain close cooperation in furthering the objectives of this statement and in considering further measures. We agree to make the 1978 Bonn Declaration more effective in dealing with all forms of terrorism affecting civil aviation. We are ready to promote bilaterally and multilaterally further actions to be taken in international organizations or fora competent to fight against international terrorism in any of its forms.

The heads of the summit delegations meet in the Flowers and Birds Room at Akasaka Palace. From left to right around the table are President Reagan, Prime Minister Nakasone, President Mitterrand, President Lubbers, President Delors, Chancellor Kohl, Prime Minister Thatcher, Prime Minister Craxi, and Prime Minister Mulroney.

Secretary Shultz's News Briefing, May 5, 1986[3]

This has been a long and very good day for democracy, for freedom, for the fight against terrorism, and for cohesion of the West as we work toward sensible relations with the East and for radical reductions in nuclear armaments. The heads of state have agreed on three statements so far, which you have got copies of, I believe.

One entitled "A Tokyo Declaration: Looking Forward to a Better Future," generally stating the objectives and principles that we share, and insofar as the conduct of our arms negotiations are concerned, recalling the agreement between the United States and the Soviet Union to accelerate work at Geneva, ". . . we appreciate the United States' negotiating efforts and call on the Soviet Union also to negotiate positively."

Beyond that, it says in addition to these efforts, ". . . we shall work for improved respect for the rights of individuals throughout the world."

A second statement on the implications of Chernobyl's nuclear accident expresses deep sympathy for those affected, the continued extension of offers of assistance, and, of course, a call for information and a strong suggestion, on the one hand, welcoming the fact that the Soviet Union has undertaken discussions with the Director General of the IAEA and suggesting work that the IAEA may do that will make more sure and automatic the kind of sharing of information and provision of information that everyone has called for in this case.

The statement on terrorism is a very strong restatement of the abhorrence of the increase in the level of terrorism and its blatant and cynical use as an instrument of government policy. It says, "Terrorism has no justification." It calls on the international community as a whole to undertake a maximum effort in the fight against terrorism, combining national measures with international cooperation.

It singles out Libya and talks about applying certain measures against any

state which is clearly involved in sponsoring or supporting international terrorism, and, in particular, Libya, until such time as the state concerned abandons its complicity in or support for terrorism. And it lists a series of measures basically having to do with the diplomatic and political isolation of Libya in the current instance, and of other states that may be involved in international terrorism.

Speaking from the standpoint of the United States, and obviously since each head of government signed on to these statements fully, each shares the view that these are important subjects. And it is, I think, quite significant that in this summit meeting the heads of state have stepped up to them in such a strong, positive way.

Q. Do you have any disappointment that economic sanctions were not addressed, landing rights for Libyan planes—that there were not tougher measures than what had been previously approved by the European Community in many cases?

A. This is a very good set of measures. I think that in addition to the diplomatic isolation and political isolation of Libya that is set out here, you're going to see the increasing isolation of Libya economically. We're very well pleased with the way the discussions have gone, and it's not necessary or even desirable to list every last thing. But this is a very strong and positive statement.

Q. What's the message of this statement to Muammer Qadhafi?

A. The message is, "You've had it, pal!" [Laughter] "You are isolated! You are recognized as a terrorist!" And as far as terrorists are concerned, more and more the message is, "No place to hide."

Q. Are all the states committed to taking all of these acts?

A. This is signed by—agreed to by all of the states.

Q. Do you see that as a specific commitment, though?

A. The answer is, yes. If you read the statement, you'll see that it's a statement of what—"Each of us is committed to work in the appropriate international bodies to which we belong to ensure that similar measures are accepted and acted upon by as many other governments as possible." And then preceding it, "We have decided to apply these measures . . . ," it says.

Q. When you say that Libya will continue to face more economic isolation, what specifically do you mean—something sort of tentatively agreed to amongst the leaders, or what?

A. I don't want to elaborate on it.

Q. You said last week that the summiteers might agree on actions that would not be announced. Were such actions agreed upon?

A. I'm not going to comment on that.

Q. Isn't it, however, a weakness in the statement that it doesn't mention either an oil embargo or the U.S. air raid in some positive fashion?

A. No.

Q. Why not? Why not? [Laughter]

A. I think it's a terrific statement. I can't tell you how pleased I am at how strong this statement is. It is very good to come here after all this talk and turmoil and discussion and find how strongly everybody feels about the problem of terrorism, how ready people are to work on it, how totally nonexistent is any argument about Libya's complicity and how ready people are to isolate them. So I think it's wonderful.

Q. But the summit nations also made a statement about terrorism in 1984. Why are you so upbeat about this when you've already addressed the issue in the past?

A. What we have seen over time, unfortunately, is an increase in the number of terrorist acts, and so we have seen a recognition of the seriousness of the problem and the need to get after it in a great variety of ways.

So I think if you look at the statements and compare the one with the other, you'll see that they have broadened and become more pointed, and I think that's desirable. But, as I think I've said on an earlier meeting with this group, while this statement is important—very important—the things that are going to count more and more are what people actually do, and I feel very good about that, too.

Q. Following up on that question, do you believe that this statement will result in fewer incidents of terrorism? Will there be any concrete results like those you call for because of this statement?

A. We in the West, in the free world, can win this war on terrorism. We're going to win this war on terrorism. And the way to do it is to be unified, as this statement shows we increasingly are. The way to do it is to recognize the nature of the problem and to say flatly, terrorism has no justification. That's a very important sentence.

The way to do it is to see that the tool of terrorists is fear. And the answer to fear is courage. And in this statement, people have the courage to be clear about it. So I think great strides are being made here, and we're going to win this war against the terrorists.

Q. When will American oil companies be out of Libya? When will they stop doing business there?

A. They will be out of Libya before long, and I don't want to give an explicit date. The only reason they're there is that we wanted to do everything we could to have them withdraw without handing Qadhafi a windfall. But they will be out, one way or another, and it won't be very long.

Q. Will there be no windfall when they leave?

A. That's very hard to arrange that.

Q. How will Col. Qadhafi tangibly feel the impact of this statement?

A. He is obviously more and more isolated. He hasn't had anybody really rallying very much to his side—very little. So he's feeling it. And from the information that we have within Libya, all is not well.

Q. What do you mean by that, sir?

A. I'll just leave it right there.

Q. I understand your reluctance to specify some of the economic sanctions that may be brought about. But would you explain why there's not even a sentence in this communique that says that economic isolation also is forthcoming?

A. The subjects have been discussed, and, on the part of some, there is reluc-

tance to make that statement in a statement of this kind, for good and sufficient reasons.

As I say, the question is, what is going to take place? And you're already seeing fewer nationals in Libya, you're seeing an impact on sales of various kinds, and in a variety of ways, you're already seeing economic isolation taking place, and I haven't got any doubt that it's going to go further.

Q. If and when American oil companies move out of Libya, who is going to buy them out?

A. I hope they will have somebody buy them out, and in a way that is in keeping with what we are trying to achieve. But it's very difficult to do it just right and not have them hand over an asset. So it is a subtle matter, and I don't want to go into it too much for fear of spoiling our ability to bring it off. But it may not be possible to bring it off in a proper way, in which case they'll just have to abandon those assets.

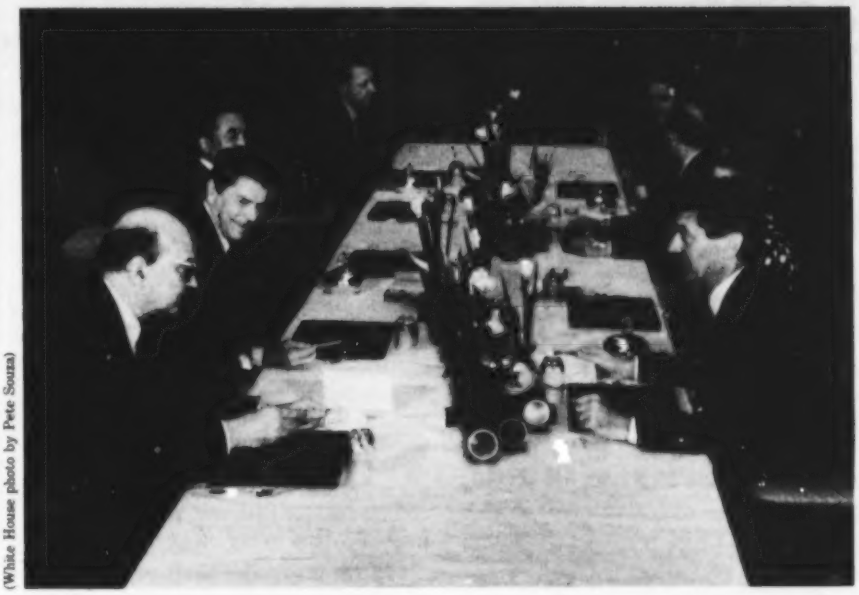
Q. Is there anybody on the horizon that you see who can take over?

A. There are various possibilities. But it's a very hard problem. If it were easy, it would have been solved before.

Q. We were told that over the last 24 hours, there have been efforts to make this statement tougher than it was originally drafted. Could you tell us which are the new tougher parts of this statement?

A. All of these statements as they come about in these summit meetings go through a series of steps and drafts, and generally they start out with something that the sherpas do, and then people look at that. And in this case, the heads of state got hold of it, and in their meetings last night and this morning, they improved it very sharply.

And I think it is especially important that it happened that way, because it's very much the product of a discussion; not of a bunch of staff people sitting around but of the heads of state themselves and saying, "This is what we want to sign on to." They're the ones who are in charge, and that makes it much more significant.



(White House photo by Pete Souza)

The summit participants enjoy a traditional Japanese lunch at Akasaka Palace.

Q. What specifically was added?

A. I don't want to go into a comparison of early drafts with later drafts, but it has changed very sharply from the sherpas' draft that came in here.

Q. For the better?

A. Absolutely.

Q. Can you tell us which of the specific measures mentioned in this statement go beyond the ones that the EC ministers adopted? They appear to be very similar.

A. They're similar. I think they go further in that there's a broader group here, and there are various phrases, such as ones that I picked out. And I think those are the kinds of things that are involved. I don't have before me exactly what they said and exactly this, so you can look that up and make a comparison. I'm not in the position to do it right here off the top of my head.

Q. Were there ideas or plans that you and the President brought to the summit that you wanted in such a statement that was not included?

A. I wouldn't bite on a question like that.

Q. Some of the little countries which are not part of this great, tremendous summit do the bartering with Libya. What do you do with those little countries?

A. We call upon them to join in this and invite them to. And so it's a process of generating a broader and broader consensus behind these very significant convictions that are expressed here. This is leadership, and we're going to spread this around. And it says that, ". . . to ensure that similar measures are accepted and acted upon by as many other governments as possible." In other words, the countries here represented have committed themselves to go and work at that.

Q. Some British officials are saying that, one, the initiative for toughening this statement came from Prime Minister Thatcher, and that two,

they—that is, the British officials—don't feel that the United States gave her the kind of support in these meetings that she was looking for. Do you agree that that was the case, and was that a deliberate strategy to have another country take the hardest line?

A. I think Mrs. Thatcher is a terrific leader. And I can't imagine any way that we could give her more support; if somebody could point it out, we'd do it. She is great.

Q. —in the meetings today?

A. I think that she was very important in it, and others were, the President was, and everybody participated. And the point is that here is this very strong and positive statement, and all seven countries are on board. That's what counts.

Q. Why do you need it? Yesterday, you said that the terrorists are scared to death.

A. This will scare 'em even more. [Laughter] This will show them—

Q. If they are scared to death, why have there been some 10 incidents since you bombed Libya?

A. The terrorists are a major problem, and I don't believe I have done anything but be clear about that for a long time, and it remains so today. And unfortunately, it will continue. This is not going to solve the problem.

But the way to solve the problem is first of all to be clear about it, and to be clear, among other things, that terrorism has no justification. Let's end this business of giving reasons why. That's the way to get after this. And more and more, I think, people are coming to that conviction, and we're going to win this war.

Q. Do you consider this statement as to give sort of advance approval to the United States if it should decide to take another Libya-style air raid?

A. Not in any particular way. We didn't seek advance approval. It does say in here, talking about national measures, so it's recognized that individual countries act by themselves or in concert. But obviously, we want to do things in concert to the extent that we can.

And the whole strength of this statement is the breadth of the countries that support it and the significant individual pieces of the concept and follow-on actions that are listed.

Q. Aren't economic sanctions, in fact, the ultimate test of courage, and this statement fails that test?

A. No. They are not the ultimate test of courage. However, I think in the case of Libya, economic sanctions of various kinds as they roll in are going to wind up being effective. There are many who worry about whether they are effective, whether you do something and it just doesn't amount to much.

And, of course, every time we do something with economic sanctions and I come before you, you all say it doesn't amount to much. It amounts to something. And the more countries that join in, the more it will do. And I think we see a gradual rolling in of the isolation of Libya—diplomatically, politically, economically, and every other way.

Q. On that point precisely, you speak of the isolation of Libya. After all, there are only seven countries that have signed this statement. The U.S. position is regularly and even unanimously defeated, for instance in the Islamic Conference, even so far as economic sanctions are concerned. What do you think the prospects are for this type of position to spread beyond the small club of seven industrial democracies?

A. I think that the world has had enough of terrorism and is going to be delighted to see the strength of this statement. People don't want terrorism; nobody does. I shouldn't say nobody; there are states that sponsor it. But, by and large, in the civilized community, we don't like terrorism. You don't like it. So you like to see, I assume, something being done about it, and something is being done about it. And as I've said, we're going to win this war against terrorism.

(White House photo by Bill Fitz-Patrick)

Summit Economic Declaration, May 6, 1986[4]

1. We, the Heads of State or Government of seven major industrialized countries and the representatives of the European Community, meeting in Tokyo for the twelfth Economic Summit, have reviewed developments in the world economy since our meeting in Bonn a year ago, and have reaffirmed our continuing determination to work together to sustain and improve the prosperity and well-being of the peoples of our own countries, to support the developing countries in their efforts to promote their economic growth and prosperity and to improve the functioning of the world monetary and trading systems.

2. Developments since our last meeting reflect the effectiveness of the policies to which we have committed ourselves at successive Economic Summits in recent years. The economies of the industrialized countries are now in their fourth year of expansion. In all our countries, the rate of inflation has been declining. With the continuing pursuit of prudent fiscal and monetary policies, this has permitted a substantial lowering of interest rates. There has been a significant shift in the pattern of exchange rates which better reflects fundamental economic conditions. For the industrialized countries, and indeed for

the world economy, the recent decline in oil prices will help to sustain non-inflationary growth and to increase the volume of world trade, despite the difficulties which it creates for certain oil-producing countries. Overall, these developments offer brighter prospects for, and enhance confidence in, the future of the world economy.

3. However, the world economy still faces a number of difficult challenges which could impair sustainability of growth. Among these are high unemployment, large domestic and external imbalances, uncertainty about the future behaviour of exchange rates, persistent protectionist pressures, continuing difficulties of many developing countries and severe debt problems for some and uncertainty about medium-term prospects for the levels of energy prices. If large imbalances and other distortions are allowed to persist for too long, they will present an increasing threat to world economic growth and to the open multilateral trading system. We cannot afford to relax our efforts. In formulating our policies, we need to look to the medium and longer term, and to have regard to the interrelated and structural character of current problems.

4. We stress the need to implement effective structural adjustment policies in all countries across the whole range of economic activities to promote growth, employment and the integration of domestic economies into the world economy. Such policies include technological innovation, adaptation of industrial structure and expansion of trade and foreign direct investment.

5. In each of our own countries, it remains essential to maintain a firm control of public spending within an appropriate medium-term framework of fiscal and monetary policies. In some of our countries there continue to be excessive fiscal deficits which the governments concerned are resolved progressively to reduce.

6. Since our last meeting we have had some success in the creation of new jobs to meet additions to the labour force, but unemployment remains excessively high in many of our countries. Non-inflationary growth remains the biggest single contributor to the limitation and reduction of unemployment, but it needs to be reinforced by policies which encourage job creation, particularly in new and high-technology industries, and in small businesses.

7. At the same time, it is important that there should be close and continuous coordination of economic policy among the seven Summit countries. We welcome the recent examples of improved coordination among the Group of Five Finance Ministers and Central Bankers, which have helped to change the pattern of exchange rates and to lower interest rates on an orderly and non-inflationary basis. We agree, however, that additional measures should be taken to ensure that procedures for effective coordination of international economic policy are strengthened further. To this end, the Heads of State or Government:

- Agree to form a new Group of Seven Finance Ministers, including Italy and Canada, which will work together more closely and more frequently in the periods between the annual Summit meetings;
- Request the seven Finance Ministers to review their individual economic objectives and forecasts collectively at least once a year, using the indicators specified below, with a particular view to examining their mutual compatibility.

With the representatives of the European Community:

- State that the purposes of improved coordination should explicitly include promoting non-inflationary economic growth, strengthening market-oriented incentives for employment and productive investment, opening the international trading and investment system and fostering greater stability in exchange rates;
- Reaffirm the undertaking at the 1982 Versailles Summit to cooperate with the IMF in strengthening multilateral surveillance, particularly among the countries whose currencies constitute the SDR [special drawing rights], and request that, in conducting such surveillance and in conjunction with the Managing Director of the IMF, their individual economic forecasts should be reviewed, taking into account indicators such as GNP growth rates, inflation rates, interest rates, unemployment rates, fiscal deficit ratios, current account and trade balances, monetary growth rates, reserves and exchange rates;
- Invite the Finance Ministers and Central Bankers in conducting multilateral surveillance to make their best efforts to reach an understanding on appropriate remedial measures whenever there are significant deviations from an intended course; and recommend that remedial efforts focus first and foremost on underlying policy fundamentals, while reaffirming the 1983 Williamsburg commitment to intervene in exchange markets when to do so would be helpful.

The Heads of State or Government:

- Request the Group of Five Finance Ministers to include Canada and Italy in their meetings whenever the management or the improvement of the international monetary system and related economic policy measures are to be discussed and dealt with;
- Invite Finance Ministers to report progress at the next Economic Summit meeting.

These improvements in coordination should be accompanied by similar efforts within the Group of Ten.

8. The pursuit of these policies by the industrialized countries will help the developing countries in so far as it strengthens the world economy, creates conditions for lower interest rates, generates the possibility of increased financial flows to the developing countries, promotes transfer of technology and improves access to the markets of the industrialized countries. At the same time, developing countries, particularly debtor countries, can fit themselves to play a fuller part in the world economy by adopting effective structural adjustment policies, coupled with measures to mobilize domestic savings, to encourage the repatriation of capital, to improve the environment for foreign investment and to promote more open trading policies. In this connection, noting in particular the difficult situation facing those countries highly dependent on exports of primary commodities, we agree to continue to support their efforts for further processing of their products and for diversifying their economies, and to take account of their export needs in formulating our own trade and domestic policies.

9. Private financial flows will continue to play a major part in providing for their development needs. We reaffirm our willingness to maintain and, where appropriate, expand official financial flows, both bilateral and multilateral, to developing countries. In this connection, we attach great importance to an early and substantial eighth replenishment of the International Development Association (IDA) and to a general capital increase of the World Bank when appropriate. We look for progress in activating the Multilateral Investment Guarantee Agency.

10. We reaffirm the continued importance of the case-by-case approach to international debt problems. We welcome the progress made in developing the cooperative debt strategy, in particular building on the United States initiative. The role of the international financial institutions, including the multilateral development banks, will continue to be central, and we welcome moves for closer cooperation among these institutions, and particularly between the IMF and the World Bank. Sound adjustment programmes will also need resumed commercial bank lending, flexibility in rescheduling debt and appropriate access to export credits.

11. We welcome the improvement which has occurred in the food situation in Africa. Nonetheless a number of African countries continue to need emergency aid, and we stand ready to assist. More generally, we continue to recognize the high priority to be given to meeting the needs of Africa. Measures identified in the Report on Aid to Africa adopted and forwarded to us by our Foreign Ministers should be steadily implemented. Assistance should focus in particular on the medium- and long-term economic development of these countries. In this connection we attach great importance to continued cooperation through the Special Facility for Sub-Saharan African countries, early implementation of the newly established Structural Adjustment Facility of the IMF and the use of the IDA. We intend to participate actively in the forthcoming United Nations Special Session on Africa to lay the foundation for the region's long-term development.

12. The open multilateral trading system is one of the keys to the efficiency and expansion of the world economy. We reaffirm our commitment to halting and reversing protectionism, and to reducing and dismantling trade restrictions. We support the strengthening of the system and functioning of the GATT [General Agreement on Tariffs and Trade], its adaptation to new developments in world trade and to the international economic environment and the bringing of new issues under international discipline. The New Round should, *inter alia*, address the issues of trade in services and trade related aspects of intellectual property rights and foreign direct investment. Further liberalization of trade is, we believe, of no less importance for the developing countries than for ourselves, and we are fully committed to the preparatory process in the GATT with a view to the early launching of the New Round of multilateral trade negotiations. We shall work at the September Ministerial meeting to make decisive progress in this direction.

13. We note with concern that a situation of global structural surplus now exists for some important agricultural products, arising partly from technological improvements, partly from changes in the world market situation, and partly from long-standing policies of domestic subsidy and protection of agriculture in all our countries. This harms the economies of certain developing countries and is likely to aggravate the risk of wider protectionist pressures. This is a problem which we all share and can be dealt with only in cooperation with each other. We all recognize the importance of agriculture to the well-being of rural communities, but we are agreed that, when there are surpluses, action is needed to redirect policies and adjust structure of agricultural production in the light of world demand. We recognize the importance of understanding these issues and express our determination to give full support to the work of the OECD [Organization for Economic Cooperation and Development] in this field.

14. Bearing in mind that the recent oil price decline owes much to the cooperative energy policies which we have pursued during the past decade, we recognize the need for continuity of policies for achieving long-term energy market stability and security of supply. We note that the current oil market situation enables countries which wish to do so to increase stock levels.

15. We reaffirm the importance of science and technology for the dynamic growth of the world economy and take note, with appreciation, of the final report of the Working Group on Technology, Growth and Employment. We welcome the progress made by the United States Manned Space Programme and the progress made by the autonomous work of the European Space Agency (ESA). We stress the importance for genuine partnership and appropriate exchange of information, experience and technologies among the participating states. We also note with satisfaction the results of the Symposium on Neuroscience and Ethics, hosted by the Federal Republic of Germany, and we appreciate the decision of the Canadian Government to host the next meeting.

16. We reaffirm our responsibility, shared with other governments, to preserve the natural environment, and continue to attach importance to international cooperation in the effective prevention and control of pollution and natural resources management. In this regard, we take note of the work of the environmental experts on the improvement and harmonization of the techniques and practices of environmental measurement, and ask them to report as soon as possible. We also recognize the need to strengthen cooperation with developing countries in the area of the environment.

17. We have agreed to meet again in 1987 and have accepted the invitation of the President of the Council of the Italian Government to meet in Italy.

President Reagan's News Conference, May 7, 1986[2]

It's no exaggeration to describe the Tokyo summit as the most successful of the six that I have attended. The atmosphere was cordial, the talks were candid and constructive, and a strong measure of allied unity on the fundamental issues of our agenda was achieved. All we sought to accomplish at the summit was achieved.

This triumph at Tokyo was due in no small measure to the leadership of Prime Minister Nakasone. The summit seven agreed upon the menace posed by the scourge of international terror and upon new political and diplomatic measures to deal with it. We agreed that the Libya of Col. Qadhafi represents a unique threat to free peoples, a rogue regime that advances its goals through the murder and maiming of innocent civilians.

We arrived at this summit as a rising tide of prosperity in the industrial democracies was demonstrating to the world the wisdom of the free market policies that we've pursued. And together we committed ourselves in Tokyo to strengthen those policies when we return home. For developing countries as well, as a robust and free Asia demonstrates, the principles of free market are more important to progress than any level of economic aid.

On the emerging issue of agricultural overproduction, it was agreed that the primary cause of the worldwide surpluses of food and fiber is domestic government policies that must be addressed.

One danger to the common prosperity we all recognize is the specter of protectionism—that vain search for security behind tariff walls and inside closed markets. History has proved again and again the fallacy of that reasoning and the folly of protectionism.

In Tokyo we have obtained a green light for the commencement of a new round of trade negotiations beginning in September. The way to resolve trade problems is to seek open, not closed, markets; to seek multilateral negotiation, not unilateral legislation.

We made progress in strengthening economic policy coordination with our summit partners. This will help reduce trade imbalances by tackling their underlying causes and promote greater exchange rate stability. We also believe this will result in greater stability in the yen-dollar relationship, something both the United States and Japan desire. We also won an endorsement for the U.S. initiative for a joint debt strategy for developing nations.

And, finally, as events of the past week starkly demonstrate, we need more openness on nuclear accidents. A breakdown at a nuclear powerplant that sends radioactive material across national frontiers is not simply an internal problem.

But let me now thank our Japanese hosts, and in particular Prime Minister Nakasone. They put up with the inconvenience that thousands of summiteering politicians, bureaucrats, and press must have caused them with unfailing courtesy and graciousness; and we are in their debt.

Q. You came to Tokyo saying that you didn't want a grandiose statement on terrorism, you wanted action. Now you have your statement, but your fellow summit leaders say that nothing really has changed. What actions do you expect, if any?

A. I find it difficult to believe that the people that I've been meeting with, the heads of state, would have indicated anything otherwise; because what we have agreed upon is that terrorism is a threat to all of us. It is an attack upon the world. The determination of terrorists who murder and maim innocent people in pursuit of some political goal, and that the way to deal with it is not individually or unilaterally, but to deal with it together. And this was the sense of the agreement that we arrived at; that we are going to act together with regard to opposing terrorism, to isolate those states that provide support for terrorism, to isolate them and make them pariahs on the world scene, and even, if possible, to isolate them from their own people.

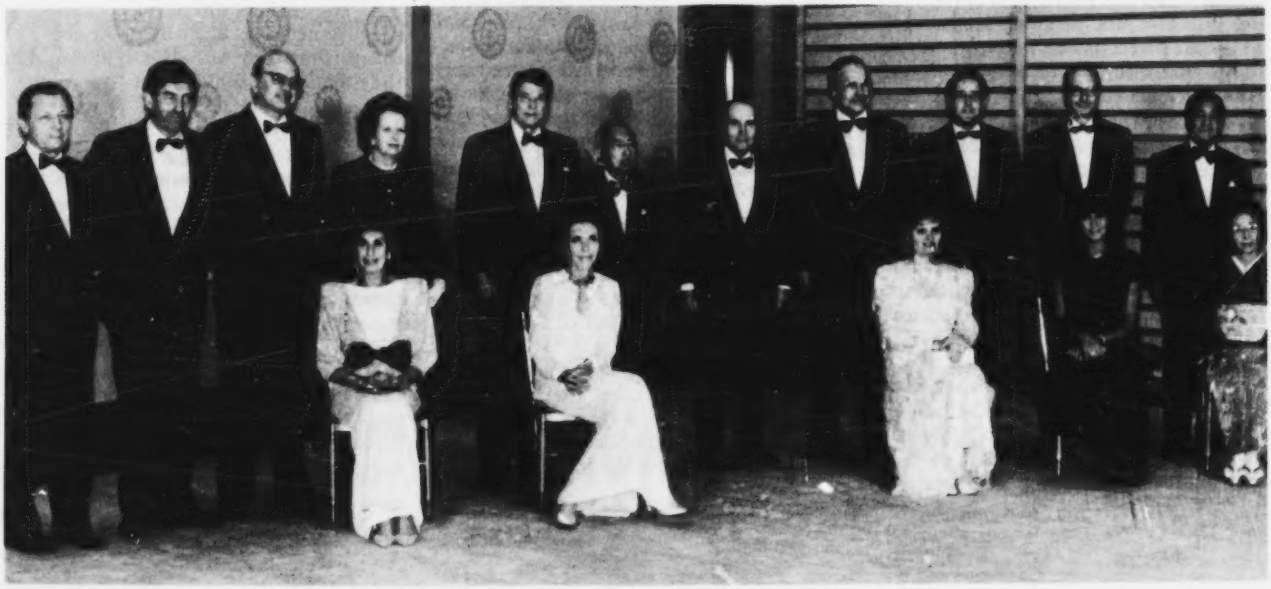
Q. There were no sanctions or joint actions specified. Could you tell us what action you do expect?

A. We discussed at great length specific actions and all. But the statement was one to simply say that we together will decide upon what is appropriate, depending on the acts, what is the most effective thing to do in the instance of further terror incidents. And we didn't think that it was, perhaps, useful to put all of that into a public statement, telling the terrorists exactly what it was we intended to do.

Q. There are reports that you are preparing a missile attack—another round—against Libya with conventional warheads. Do you think that the summit statement on terrorism gives you a license to bomb any country that you suspect is harboring terrorists?

A. I have to tell you, I read that little item myself this morning. No one was more surprised to hear that I was planning that than I was—[laughter]—because I'm not planning that. As I said, we'll work together on these things. But we do feel—and this was

At the conclusion of the economic summit, Emperor Hirohito hosts a dinner at the Imperial Palace. In the back row (left to right) are President Delors, President Lubbers, Prime Minister Craxi, Prime Minister Thatcher, President Reagan, Emperor Hirohito, President Mitterrand, Chancellor Kohl, Prime Minister Mulroney, Prime Minister Chirac, and Prime Minister Nakasone. In the front row (left to right) are Anna Maria Craxi, Nancy Reagan, Hannelore Kohl, Mila Mulroney, and Tsutako Nakasone.



(White House photo by Pete Souza)

part of the gist of the conversation that we all had and the agreements that we came to—and that is that we can take whatever action is necessary to curb, to stop, and to punish, if they are successful in a terrorist attempt, those who practice terrorism and the states that back and support it.

Q. Is the United States so bereft that it has to drop tons of bombs on a country to get one man?

A. Again, you touch upon something where military action is deemed necessary. I'm not going to discuss that, because I think it would be counterproductive to do so.

But we weren't out, in the sense of getting one man—that we were dropping those tons of bombs hoping to blow him up. I don't think any of us would have shed tears if that had happened. But we were out to damage and destroy those facilities that were making it possible for that particular state under his guidance to back and support terrorism.

Q. A moment ago you talked about people who commit terrorist acts in pursuit of a political goal. Do you really think you're going to stop that kind of action until you deal with the root causes of terrorism?

Your Secretary of State seems to suggest, or at least indicate, that it's just a question of people who are thugs. Where is the emphasis on trying to revive the Middle East peace process? Where is the emphasis on trying to settle the Palestinian problem? Has there been any?

A. All of those things are still goals of ours, and we're still doing everything we can to arrive at solutions.

But I think that's the same thing as the cliche line that is going around that, well, one man's terrorist is another man's freedom fighter. No such thing. The people who are customarily called freedom fighters are fighting against organized military forces. Even if it is a civil war, it is a war. Terrorists, as I said before, are people who deliberately choose as a target to murder or maim innocent people who have no influence upon the things that they think of as their political goals. And, therefore, those people must be treated as to what they are, and that is they are base criminals.

Q. The Soviets have now admitted that they miscalculated the accident at Chernoby[1] in the first few days. Their officials complain that your focus has not been on sympathy for that great tragedy that their country has suffered, but that you're more focused on bashing their system and their country and taking advantage of this tragedy. What's your response?

A. My response is that our first response when word came to us—and not as information directly from them, but that there had been such a thing happen there—was an offer of any kind and every kind of aid that might be helpful to them. And certainly an expression of sympathy went with that for those who might have suffered in the accident.

Since then, the effort—for a limited period at least—to cover up and confuse the issue, we think, was the wrong way to go. We're not bashing at all. We're simply citing the need for any one of us, if that happens, to let the neighbors know that they may be threatened as the outcome of this.

But I am pleased to say that in the last few days there has been a change, and the Soviet Union has been more forthcoming about this with regard to getting information and so forth.

Q. Have you heard from Mr. Gorbachev? Have you received a message from him saying that he still wants to have a summit with you this year?

A. No, I have not received such a direct message. On the other hand, I haven't received anything that said he has changed his mind and that we won't have a summit.

Q. As a result of this summit meeting, how soon can we expect the $150 billion trade deficit of the United States to come down?

A. I don't think that I could put a time on that, but I think that we did things at this summit that are dealing with that kind of problem and are going to do our utmost to see that markets are opened and trade restrictions are removed. That was one of the prominent subjects here and one which will be treated with the forthcoming GATT rounds.

Q. Do you have a deadline in mind for U.S. companies—especially the oil firms—to get out of Libya?

A. Yes, we have told those that have a share in oil firms in Libya—there are none of them, I think, a majority owner—that they are to dispose of their holdings by June 30th.

Q. You and Mrs. Thatcher worked so hard to get Libya mentioned in the summit declaration. Syrian President Assad has said that there should be more terrorist acts against Israel. Why did you not work to get Syria mentioned as a terrorist-sponsoring state?

A. Right now the one state on which we all have irrefutable evidence of their support of terrorist acts—indeed, we had intelligence information that knows in advance of 35 planned operations backed by them. So, we tagged them. What we have made plain is that if we have the same kind of irrefutable evidence with regard to other countries, they will be subjected to the same treatment.

Q. I'd like to go back to the terrorism statement signed at the summit. The leaders did agree to some specific actions. Most of them are things that they are already doing, but they explicitly decided not to endorse either economic sanctions or military action. Are you saying that there were some secret agreements and that they have approved economic sanctions or military action?

A. I am saying that in our discussions leading to what we really wanted to accomplish—and that was a recognition that instead of each one of us treating with this alone, we are going to treat with it on a united front. And in those discussions we discussed all the things that could be seen as possible tools or weapons in this war against terrorism, but we didn't feel that this was something that you put down in a plan.

You then treat with an incident in which we all come together and say, "Now, what are the things here that we think are the most effective to use?"

Q. But, if I might, were there any commitments made? The French and the Japanese are already saying they don't view this summit statement as binding. They'll decide to do whatever they want to do.

A. As far as I know, seven heads of state agreed to a statement that said that we believe the way to deal with terrorism is on a unified front, that we're in this all together.

Q. There are those in the Administration who say that a decision has been made to take two Poseidon submarines out of service to observe the limits of the SALT Treaty—the unratified treaty—when that deadline comes around. Can you tell us if you have made the decision, or if it's imminent, and if, when you do make it, and if you do do that, if you're going to say that you're going the extra mile once again?

A. No decision has been made. And with regard to the two submarines you mentioned, I might tell you that no decision was made there either. But a decision has to be made that has nothing to do with the SALT Treaty restraints. The thing is a practical question of whether it is better, economically and for our strength, to try to refurbish two aging submarines or whether to put them out of action simply because they are no longer and their lifespan is so short. And we haven't made the decision on either one of those things yet.

Q. But it sounds like you're not going to characterize it as going the extra mile to keep on observing the SALT Treaty if you do that.

A. No. As I say, no decision has been made on either one of these two things.

Q. When you were in Indonesia, what did you tell President Soeharto about the human rights situation there? And as a followup, what would you like the Secretary of State to carry in the way of a human rights message to South Korea when he goes there today?

A. I have to say with regard to my conversations with Soeharto—and I've always believed this with regard to human rights things and anyone we're talking with—I've found that it's far more productive if quiet diplomacy is practiced and if you simply discuss those things in private. So, I won't refer to that. I will call attention to the fact, though, that with all of the criticisms that are being made, and particularly since the issue of whether some reporters could or could not land, the progress that has been made by Indonesia, the fact that they have become totally self-sufficient in providing food for their 165 million people, a number of things of this kind, the economic growth. He has much to be proud of and the record that has been established by his government.

Q. If you won't tell us what you discussed, can you say whether you brought the subject up? And again on South Korea, with the Secretary going there today, will those be discussed?

A. I haven't had time to talk to the Secretary of State, or he to me, about what he's going to be discussing there in South Korea.

Q. You say the allies have signed a statement pledging joint action on terrorism. Does that mean that precludes unilateral American military action in the event of a terrorist attack? And a followup to an earlier question. What exactly is the state of the solution to the Middle East problem, the Palestinian problem?

A. Let me just say that with regard to the first question, no, there wasn't anything in there in which we said that we would try to preclude some nation from acting. We simply said that it shouldn't be dependent on a single nation to try and find an answer, that all of us were united, that this was an attack against all of us.

We continue to try and have tried to be helpful in bringing about peace negotiations in the Middle East. And we have stated from the first and still state that the solution to the Palestinian problem must be a part of any peace settlement. We haven't retreated from that.

Q. While you've been here, you've been losing ground in the Senate. The Senate voted against arm sales to the Saudis, and the Senate tax committee has approved a plan that abolishes capital gains and does quite a few other things that you said you're not for. What are you going to do about it?

A. Let them just wait till the old man gets home—[laughter]—and see what happens to 'em.

Q. Exactly, on taxes, what part of what the Senate committee is doing are you going to try to change?

A. On the tax reform? There are a few things in there I've got some questions about, but haven't had time to really study in depth with all that's been going on here. I have to tell you that, over all, I think the Senate Finance Committee's tax plan basically meets the four requirements that I had always set down for a tax reform. And I find that, overall, it is far superior to the House version. And I think that, very likely, I can find myself supporting the Senate committee's version. I hope it comes out to the floor. As a matter of fact, there's a possibility it may have, and they may be voting on it right now.

Q. In your discussion with the allied leaders, did they tell you of any specific, new economic measures they plan to take shortly against Libya? And if they did, how soon?

A. Again, I would be violating a confidence. All of them were talking about their problems, their relationship with Libya; and many of them were making suggestions as to what they thought they were going to do. But I don't think that I should be quoting them or making that public, because those were in private conversations.

Q. As you know, your government has information suggesting that the perpetrator of the Berlin disco bombing got the explosives from the Syrians. Do you intend the agreement that you all signed here this week as a warning to the Syrian Government as well as to the Libyan Government?

A. We think that this agreement that we signed, yes, is one that is saying to those other countries which there's reason to suspect have if not openly supported, certainly not discouraged terrorism coming from their countries. We intend this to make them think also and realize that they're covered by this agreement, that they will have to face all of us united if we get evidence that they are doing this.

Q. Do the various enforcement measures contained in the statement apply to suspected terrorists of other countries, other than Libya? For instance, if Washington or London were to expel, say, three Syrian diplomats for alleged terrorist activity, would Paris be required to deny them diplomatic status as well?

A. Here again is a decision that would then be made by all of us. And as a matter of fact, without waiting for incidents in a particular locale—whether to start at least reducing their personnel or sending them home entirely, that is a decision that we will all make. And that is one of the things that needs to be done.

Q. You and Mrs. Thatcher managed in 1984 to get through a statement on terrorism that, at the time, you considered quite forceful. And yet the incidents of terrorism increased, and you didn't get cooperation on the April 15th raid. Is there any reason to think that this time it would be different, that the allies would be willing to do what they seemed to be unwilling to do the last time after passing a declaration like this?

A. I think there is reason to believe that because we have all seen the evidence and we've all seen the fact that the victims of the terrorist attacks and the place where the attacks take place are such that almost any incident involves more than one country to begin with, that they—as I said last year, together with sharing intelligence with other countries, we were able to abort 126 planned terrorist acts.

Now we, as I say, have evidence ourselves of 35 planned attacks, but they're in a number of countries. And in many instances, however, the targets would be specifically Americans, but in other countries. The incident in France—and I had to congratulate President Mitterrand on it—they discovered this incident that was to take place very shortly. And this was when they expelled the members. It was for this reason. Through the Libyan organization that they—they don't use the word "embassy," but it amounts to that in Paris—weapons had been provided to terrorists who were then going to set up—and outside the American Embassy where people line up to go in and get visas to come to America. Those aren't Americans. They don't need visas if they're Americans. So, those innocent people of whatever nationality, probably predominantly French, were going to be mowed down with small arms fire and hand grenades. And that was aborted, and they sent the diplomats home and are sending additional ones home. But, again, it reveals that we all have come to an awareness that we're all targets.

Q. You compared our relationship with France to a marriage that can have some problems. Do you think the next time we need French airspace they're going to say yes, or are we headed for a divorce? [Laughter]

A. That's one of the wonderful things that came out of this summit. There may and will, I'm quite sure, be differences here and there between countries on a method or what to do. But I don't see a divorce in the offing. I think the marriage is happier than I've ever seen it. As a matter of fact, people who have been familiar with more summits than I have said the same thing that I have said. Of all the six I've attended, I never have attended one in which the sense of unity and the cordiality between us in—whatever differences, they were more of how to accomplish something than whether to accomplish something. And we are all going home pretty much inspired by that.

---

[1]Press release 100 of May 3, 1986.

[2]Text from Weekly Compilation of Presidential Documents of May 12.

[3]Press release 103 of May 8.

[4]Prime Minister Nakasone read the declaration to news correspondents assembled in the Hotel New Otani in the presence of the other summit participants (text from Weekly Compilation of Presidential Documents of May 12). ■

Visit to Indonesia

President Reagan departed the United States April 28, 1986, and arrived in Bali on April 29. Following is the address he made before the ministerial meeting of the Association of South East Asian Nations (ASEAN), Secretary Shultz's news briefing, and the President's dinner toast.

President's Address Before ASEAN Ministerial Meeting, May 1, 1986[1]

I appreciate this opportunity to discuss with you the wide range of issues that are of mutual concern to our peoples. Since coming to the Presidency, I have stressed enterprise, not redistribution, as the best means of improving the economic well-being of any country. I've emphasized the importance of free people cooperating together to meet the serious challenges that are loose in the world today. Our talks, then, have particular relevance. Since its founding in 1967, ASEAN has been a shining example of enterprise and cooperation.

It was my honor earlier to have met and conferred with [Indonesian] President Soeharto. Our discussions were friendly and carried out with the mutual respect one would expect between the leaders of two great nations. I am confident that our discussions will be in the same spirit—I mean our discussions here. And I'm looking forward to hearing your views.

You know, there is a story back in the United States about two men out in the woods on a hike. And they saw a large bear coming over the hill directly toward them. And one of them sat down, took off his knapsack, reached in, got out a pair of tennis shoes, and started to put them on. And the other one looked and says, "You don't think that putting on those tennis shoes—you're going to be able to outrun that bear?" He said, "I don't have to outrun the bear; I only have to outrun you." [Laughter]

If there is a bear coming over the hill, unlike that hiker, the American people can be counted on to stick with our friends. We won't put on running shoes. [Laughter] Standing together, we can make certain the people of this region remain free and secure.

Today there is an ever-increasing recognition that our futures are linked in so many ways. Two ASEAN members, Thailand and the Philippines, are treaty allies. All of you are friends with whom we work closely. The United States sees ASEAN's unity and decisiveness as an example to other free people. The ASEAN collective voice of responsible international behavior has been amplified throughout the world, and I am here to listen to you. Support for and cooperation with ASEAN is a linchpin of American Pacific policy.

Nowhere has your leadership been more inspiring than in molding the world's response to the Vietnamese invasion and occupation of Cambodia. After the collapse of South Vietnam, ASEAN took a strong stand against Vietnam expansionism. When Vietnam invaded Cambodia in 1978, you recognized the threat and acted quickly. The strength of your commitment and the direction you've provided on this vital issue have been much admired by the United States.

In 1981 ASEAN organized the International Conference on Kampuchea. We continue to support the basic principles for the settlement of the Cambodian situation agreed upon at that conference: the complete withdrawal of Vietnamese forces under international supervision; the restoration of Cambodian independence, sovereignty, and territorial integrity; a Cambodian Government chosen in free elections under international auspices.

ASEAN's efforts are consistent with American desires to bring peaceful resolution to the tragic cycle of events that has plagued the Cambodian people. We continue to believe a negotiated settlement with ASEAN is in Vietnam's interest and in the best interest of everyone in the region. We are prepared to participate constructively in a regional settlement and call upon Vietnam to answer your reasonable proposals for negotiations. The contrast between the economic conditions prevailing in Vietnam and ASEAN is striking. Their continued occupation of Cambodia is simply widening this gap each day. Cambodia is, of course, something we will discuss further this afternoon along with other issues of regional and global importance.

In approaching our discussions, let me just say the United States considers itself a Pacific rim country, with a heavy stake in the outcome of events in this region. The Philippines, for example, is a country with which the United States has deep and abiding ties. We hope that recent events there will increase the chances of unity through democracy and enable the Philippine people, to a greater degree, to join in the economic advances so apparent throughout the region. Before I left Washington, we announced a Philippine aid package to help our Filipino friends during this difficult period.

This region's economic stature continues to grow. Collectively, ASEAN is now the United States' fifth largest trading partner. Our trade with you, as with all of East Asia and the Pacific, is growing faster than with any other region of the world. When this organization was founded back in 1967, our annual trade was running at less than $2 billion. In 1985 U.S.-ASEAN trade reached $23.5 billion.

(White House photo by Bill Fitz-Patrick)

President Reagan and Secretary Shultz give their attention to Philippine Vice President Laurel, chairman of the ASEAN ministerial meeting. Seated behind the President are (left to right) Assistant Secretary of State for East Asian and Pacific Affairs Gaston J. Sigur, Jr., the President's national security adviser Adm. John M. Poindexter, and the President's Chief of Staff Donald Regan.

As you are all aware, there is growing pressure in many industrial countries to restrict trade. I'm certain you agree that any substantial cut in the commerce between nations would be an unmitigated disaster. It is only right that we are meeting prior to the 12th economic summit in Tokyo. One of the messages I am bringing to the economic summit concerns the necessity of keeping open the avenues of world trade. This is something that the United States and ASEAN should work closely together to achieve. It is fundamental to the well-being of both our peoples.

As part of my preparation for the economic summit, I'm also looking forward to hearing today your thoughts on issues that the summit conferees should keep in mind as concerns of the countries of ASEAN. We are pleased, as a Pacific rim partner, to take your ideas to the meeting in Tokyo.

Our progress has been based on freeing, not restricting, man's commerce, energy, and creativity. A strong commitment to the principles of freedom and independence, and a fundamental trust in free enterprise and open markets, have propelled ASEAN countries far beyond what others would have thought possible. The decisionmakers of your countries have proven their wisdom and good sense. But I have a favor to ask. I think the leaders of the developing world could use your advice. You know, give a man a fish and he won't be hungry today, but teach him how to fish and he'll never be hungry again. You can do a great service by telling others, especially those trying to improve their lot, how to follow the path of personal incentives to economic progress.

I would like to mention the humanitarian issue of great personal concern to me, my Administration, and the American people. It is about our men still missing in action from the Vietnam war. Vietnam's recent, apparent attempt to link this last vestige of the war to other issues is a great disappointment to us. We were pleased with the evident progress over the past year. It indicated Hanoi had agreed with us that resolution of this issue was in their national interest. We appreciate all that you have done to help us on this, and we hope that Vietnam will soon resume these important talks.

In closing, I would like to say the United States is proud to be a partner with ASEAN in the quest for peace, freedom, and greater prosperity. I am looking forward to our meeting this afternoon and to the continuing close relationship between our governments and people.

Secretary's News Briefing, May 1, 1986[2]

The President and Mrs. Reagan are coming toward the end of their visit to Indonesia with the Indonesian Government and with the Foreign Ministers of ASEAN.

This has been a fine occasion for the President and Mrs. Reagan to renew their friendship with President and Mrs. Soeharto, which goes back to their visit to Jakarta in 1973, and, of course, President Soeharto was in Washington in 1982. And so we have enjoyed that interaction. Of course, we are very impressed with the hospitality of the Indonesians and the beauty and the extraordinary setting that we're in here in Bali.

In the course of the meetings—turning to the substantive side of it—between the President's lengthy private meeting with President Soeharto and the meetings that went on simultaneously with the Indonesian delegation and the U.S. delegation, earlier meetings with the Foreign Minister and our individual meetings—mine with the ASEAN Foreign Ministers, the President's meeting with [Philippine] Vice President Laurel and then the meeting he's just concluded with all of the ASEAN members—there was a tremendous amount of substance covered and let me just indicate quickly the nature of it.

In the discussions with the Indonesians on the economic side, we discussed the Tokyo summit—and I might just say, skipping ahead, the ASEAN countries submitted a memoir to the President giving their views about matters to be covered in the Tokyo summit. We discussed the problem of protectionism, and they expressed their appreciation and admiration for the President's strong stand on that. We brought up our interest and concern about intellectual property rights. There was a lot of discussion of the desire for U.S. investment in this part of the world and in Indonesia, and we discussed the conditions that we thought would be advantageous and help to bring that about. They expressed their concern that the communications satellite that serves Indonesia go up, and the President assured them that we understand their problem and we understand our responsibilities, and we hope that we'll be able to work that out. We dis-

cussed the whole subject of financial assistance, debt problems around the world, and their great interest in the Baker plan.

On the political side, of course, there is a great preoccupation here and throughout the region with the problems of Cambodia and Vietnam's occupation of Cambodia and invasion of Cambodia. The associated issues involving refugees were explored. We expressed our appreciation for the Indonesian help in our POW/MIA issues, and that's true of the other ASEAN Foreign Ministers as well. The Indonesians were interested in talking about developments in the Philippines and the outlook there.

We took the occasion in all of the meetings with the Foreign Ministers and in our meeting this morning with the Indonesians and the President with President Soeharto to describe the developments in terrorism, the culpability of Libya, clearcut, and the strong evidence to show the nature of the problem as we see it.

We also made plain our view of freedom of the press, which is different from the view here. And we always have a continuing quiet dialogue on problems in the general human rights area, and we see, I think, some good developments with which we hope our private diplomacy may have some benefit.

On the ASEAN meeting, you heard, of course, the public statements that were made in the private meeting. The emphasis was on four different subjects, as the ASEAN Foreign Minister organized the meeting.

First, economic matters; again, the problem of protection. They're very glad to hear the President's strongly reiterated views about the dangers to the world economic system of protection and the strength of his view of fighting it. Their interest in the Baker plan was expressed and the importance of economic expansion as the way to get at the problems of the world economy. They're concerned, of course, about commodity prices, which have remained at low levels, and particularly in the case of Thailand, the problems created, as they fear them anyway, coming from our recent farm bill and having to do with markets for rice.

There was a considerable discussion of the Cambodia issue. And they described their three-pronged approach, with which we agree and which we support strongly, namely to do everything possible to help the opposition of the Cambodians, the opposition to Vietnam's occupation, help that opposition be cohesive and strong and represent a force able to create new facts on the ground and pressure in the situation.

Second, to be ready for a political solution if a political solution consistent with the objectives that ASEAN has set out, namely that there be a removal of Vietnamese troops and the emergence of a government in Cambodia that reflects the will of the Cambodian people. If such a political solution can be worked out, then certainly we and they want to see that happen. In the meantime, in addition to the opposition, the cohesion of that, we agree on the importance of isolating Vietnam diplomatically—as has been done—and economically. I might say the contrast between the spectacular economic developments which are there despite current problems in the ASEAN region, as contrasted with the virtual no-progress-whatever in Vietnam is quite striking.

And third, they wanted to talk about and did talk about China's role in Southeast Asia, and they expressed their sense of—on the one hand welcoming the modernization program and perhaps the interest in stability that comes with that, and on the other hand being conscious of the size of China and the indigenous populations and the potential problem that that might represent for them. They expressed that to the President and he expressed our own view of the importance of working with China as it tries to undertake—does undertake its own modernization program.

Finally, they talked about the Soviet Union's interest in the region and they, as they said, are not fooled in any way by recent developments. And they see the dilemma of the Soviet Union in approaching them, namely, that on the one hand as long as the Soviets retain Cambodia and destabilize the region, there's no way they can expect to be on reasonable terms with the balance of the countries in the region. On the other hand, if there is the kind of settlement that the ASEAN countries think is a proper one, then that may shift the Soviets' influence in Vietnam. They have a dilemma, and they described that in some detail.

Let me just say again how worthwhile I believe the meetings here have been, and I know that the President shares that view. He's found them to be interesting and rewarding and looks forward to the dinner tonight and then off to the summit meeting in Tokyo.

Q. Since the issue of the nuclear accident did come up with President Soeharto, can you tell us whether they are his—at this point, that any Soviet response—further information to our request for details and response to our offer of assistance?

A. The Soviet nuclear disaster did not play any particular role in the conversations today. Insofar as the President's message to Gorbachev and offer of assistance is concerned, they did reply that they appreciated the offer and they don't sense any need for it at this point. So, we've had that exchange.

Q. And have they given us any more information about the casualties, the damage, whether or not—

A. They provided some information, but we are gathering information ourselves from photography, from, of course, the measurements in the region of the radioactivity and various other ways in which we are accumulating information. And I think by this time, we have a much fuller picture than the Soviets are presenting to us or, for that matter, to their own people.

One of the things about this kind of accident, with all of the cross-border implications and the existence in the air of the radioactive discharge, is that you can't hide it. And so it's become quite apparent to everyone around the world.

Q. What is your view of the Soviet obligation to inform the rest of the world about this accident and about its obligation to seek what best help it could get? And, secondly, what is your feeling about whether the Soviets are living up to the obligation?

A. I think any country has an obligation when something happens in that country that has cross-border definite implications. It's an obligation to inform the other countries which will be affected—in this case it is, for all intents and purposes, a worldwide potential implication, anyway, to provide information and to do so promptly. And we don't think that they have provided as full and prompt information as they should have. They are providing some information. I suppose you have to allow for the fact that when something like this happens, you don't know exactly what has happened immediately and you're busy coping with the immediate problem. Nevertheless, by this time the fact is from our own sources we know more than the Soviet Union has told us or other countries, and we think they should be posting us fully.

Q. But can you give us an idea of the magnitude of the disaster then, particularly on casualties? Have there been sizable casualties?

A. I can't give you anything that I would feel comfortable in doing. I think the scope of the accident is certainly a major one, and our own pictures give us information that suggests the casualty rates are higher than those that have been announced by the Soviet Union so far by a good measure. But as far as being precise and able to give numbers and so on, we're not in a position to do that.

Q. When the Soviets told us they had no need of assistance at this time, did they continue to say they had it under control or simply was it that they didn't want the United States to help?

A. The suggestion of the response was that they were adequately equipped to deal with the problem.

Q. Do you think they are?

A. They have a problem on their hands, and I hope that they are because a continued evolution of the problem without getting it taken care of poses an increasing level of threat, particularly to their neighbors—I might say, to themselves, because the prevailing winds will tend, eventually, to take the radioactive waste over the Soviet Union, rather than over Europe.

Q. Earlier today we were told that the Soviets had expressed appreciation but had not responded. You are saying now that they have responded. Can you give us some indication of how and where this took place in the 5 hours between that briefing and this?

A. I don't know about what was said in the last briefing and I can't pin down the precise time, but their senior person in Washington, Sokolov, gave us the response and it was, in a sense, oral talking points and I read it this morning sometime. But I can't pin down exactly when I read it. When exactly what happened, I'm not too sure. At any rate the response was some additional information and a statement that they appreciated our offer and that they felt they had what they needed to deal with their problem.

Q. They didn't leave it open for possible acceptance of help later on? It was just a simple thanks, but no thanks?

A. As I just finished saying, I think it was more than that. It was a statement that they felt they had the knowledge and the equipment to deal with the problem. Maybe they will come to a different conclusion. That remains to be seen.

Q. There's a report, as you may know, of casualties being taken to Sweden or the Swedish Government being sounded out about this. Do you have anything on that? And do you have anything on a second disaster in another one of the nuclear units at that site?

A. I don't. I've seen the reports. I've also seen people skeptical—I'm speaking of the second question—skeptical about that and I don't think that we are in a position to make any statement worth reporting on at this point. As far as the request to Sweden is concerned, I haven't heard that and presumably if those have been made, and the Swedish announce them, that will be a fact. But that's for the Swedes to announce. I don't know.

Q. The on-going exchange between the United States and the Soviet Union over this accident and the impact on the Soviets themselves, how would you expect this to affect talks, for instance, in the arms area? Any at all?

A. Of course, this is a major accident at one of their nuclear power plants. I might say, first of all, that in our own nuclear power industry and the nuclear power plants that we operate on ships and submarines, we have—on the ships and submarines—never had an accident or, in fact, in the nuclear power industry, an accident in which anyone was killed. Our safety record is extraordinary in the handling of nuclear power. I think we all realize that people around the world are afraid of nuclear war because of its direct impact, obviously, and because of the kind of fallout from it.

Let me just take the occasion to say, from our standpoint, that we believe that it is essential that we confront these issues of the large arsenals of nuclear weapons. And it's with these concerns in mind that the President has called for the total elimination of intermediate-range nuclear missiles—that he's called for a radical reduction in strategic nuclear arms, including those that are the most threatening and destabilizing.

We were glad to have the agreement at the Geneva summit with Mr. Gorbachev that 50% reduction should be the intermediate goal, and obviously, we have to have the reductions in things that will be stable as we come down. And we also welcome the ultimate goal of completely eliminating nuclear weapons. I think that while this accident has to do with nuclear power and has nothing to do with the nuclear armaments as such, it's that problem in the backs of people's minds that's gnawing away at the world. We completely understand it, and it is a reason why the President has been so concerned that in our negotiations we do not seek control, in the sense of controlling the increases, but reductions and really get at it. I hope that when our negotiators go back to Geneva as they will next week, or middle of May, that we will have a very active negotiating round. No reason why it can't go forward.

Q. Why doesn't the President use the "Hot Line" and try to talk to Gorbachev directly about this nuclear accident?

A. There's no reason to do that. There's no threat, no major misunderstanding. That would be a misuse of the "Hot Line."

Q. Could you tell us a little more about the President's meeting with Vice President Laurel and, specifically, did Mr. Laurel ask the President for reassurances that he, in fact, recognizes and supports the Aquino government? And did the President make the point of offering those assurances?

A. We, of course, recognized the Aquino government very quickly when it assumed office, from Washington, and the President wants to see the government that the Philippine people have put there be successful and he has said that. And I think Mr. Laurel was glad to have him say that again, which he did.

We discussed their concerns about economic development and our readiness to help in that. I think that, as with all countries, economic development starts with what you do yourself and we're very pleased to see the strong efforts being made by the Finance Minister, Mr. Ongpin, in that regard. We discussed the insurgency and the difficulties with a cease-fire—that is, the Philippine Government has been ceasing fire, but the insurgents haven't. And so there's a genuine military problem. We discussed military reform which is proceeding. And, of course, the very important and increasingly, apparently, precise timetable for the establishment of a new constitution, for a vote on it by the Philippine people, and then an election which they hope to have held be-

fore the middle of November. I think that's very constructive.

Q. Did he ask for the President's help in the Philippine Government's efforts to recover Marcos' assets?

A. The questions posed by that are basically matters that will be handled, as the President has said right from the outset, by Philippine law, by U.S. law, and international law. And that is the manner in which we think it should proceed.

Q. You've twice mentioned the fact that the ASEAN nations thanked President Reagan and appreciated his comments on protectionism. In the public statements that we were allowed to hear, we heard a reference by Foreign Minister Mochtar to President Reagan's professed anti-protectionism policy and then a litany of problems on commodities and other trade problems. Was the President able to offer anything, any deeds, to support the words that he has offered them on protectionism?

A. The President doesn't need to offer anything. The President's record is right there for everybody to see—in the vetoes, most recently, of the textile bill—and of his actions even during the election campaign on various other things.

On the question of the farm bill, our farmers have deep problems, and the farm bill was designed to deal with those. There were aspects of the farm bill that the President didn't like and which we worked against. It is sometimes the case, as you know, that a piece of legislation comes out of the Congress and not every bit of it is exactly what the President would want, and so he always has a problem; should he sign it or not in view of the fact that some of the things in it he doesn't want. And he preferred, in this case, to sign it and then work against the things that he didn't want, including the rice program, and there has been some change in the export enhancement program. The sugar program is one that he opposed and so on. So the President's credentials as a person fighting protection are very strong.

I might say we brought up the fact that one of the things that developing countries could do in this regard is look at their own protectionist practices. Just to take the example of Indonesia as they raised with us the questions of more U.S. investment, it is a problem for an investor if you want to establish a plant someplace. Some of the output of that plant will be exported, if you're required to buy from local monopolies commodities that you can buy more cheaply on the world market. So that's a form of protection that tends to block investment. We were assured that they recognize that problem and would like to do something about it.

But as far as the President's credentials on the fight against protection, they're very strong. Unfortunately, there are a lot of people in our Congress who don't agree with him, so we have a big battle on our hands continuously, but the President is leading that fight. I think everyone recognizes that there's no such thing as his "professed"—I kind of resent that word, as you can see.

Q. On the human rights question, at what level was that raised, and what was the response? Did that come up between the two Presidents or at some lower level?

A. I'm not going to discuss it in any great detail because that is the approach that we have adopted here. The subject has come up, and in some respects was brought up by the Indonesians. There has been a considerable amount of progress over the years, a lot of important things have taken place, although the situation still has things that need to be done. But let me just list some of the things that, from our standpoint, are positive.

I think first of all when President Soeharto came into office, you had a great deal of starvation in Indonesia. It was a chaotic kind of situation. They're now self-sufficient in rice. And I think that's basically a great victory for human rights. This is a country that's predominantly Muslim, but it has a large Catholic population. It has quite a wide variety of other religions, and it has a proud tradition and practice of religious freedom. I think it's fair to say that stability in Indonesia has been a key to peace in this area of the world. It's also, I think, worth noting that the economic progress that's been made has been based, broadly speaking, on a relatively free and open economy. From the standpoint of work on human rights problems around the world, the fact that there has been a very large number of refugees processed in Indonesia—and that continues to be the case, where one of the first two asylum centers is located—is a very important achievement. There are other problems, and we call attention to them. We've discussed East Timor; we're glad to see the emphasis on development in East Timor. So, these discussions go on.

Q. What about Dr. Mochtar saying that this was all slander? Did he raise that with you? The paper quotes him as saying that these charges of human rights violations are slanderous of Indonesia.

A. I have said what I have to say on the subject.

Q. You said the Marcos money was not mentioned in the meeting. Can you tell us if Mr. Marcos—

A. I didn't say that. I said that the way that the problem is being worked at, and, in our view should be worked at, is by the application of the relevant laws to the problem.

Q. Was there any discussion on Mr. Marcos in any other context, such as telling about the phone conversation last week? And, also, can we take it from your listing that the American bases were not brought up?

A. The bases aren't an issue, and they weren't brought up. But they're not an issue. They're there and no one has any question about the fact that they're there and properly so. The agreement under which we are there at those bases—they're Philippine bases—runs until 1991 and we'll work on that. What was your other question?

Q. The phone conversation, was the—the President fill him in on—

A. No, there wasn't—I don't think it's appropriate to fill in on that, other than to say what the President's view is on the importance of a successful government in the Philippines.

We do feel that it would be well if the Philippine Government had an attitude toward possible movement by Mr. Marcos that was a little different from what they have, and we'd like to see him able to move to another country if he wishes to do so.

Q. Did the Vice President extend to the President on behalf of President Aquino an invitation to visit the Philippines at some future date, and, if so, what was the President's response?

A. He has extended an invitation to the President through the press to stop by on his way back from Tokyo. And there isn't any way the President can do that, so I'm the substitute and I will be going. He did not extend any further invitation to the President, but I'm sure that the President would be welcome in the Philippines.

Q. Yesterday Vice President Laurel said that he would hope that he'd hear it "straight from the horse's mouth," as he put it, something that would clear up the cobwebs of doubt over who the President—who President Reagan supports and whether there is any question of Marcos' standing as a future political figure in the Philippines. Did the President give him any reason to clarify that?

A. I've described, basically, the conversation insofar as that's concerned. And since Vice President Laurel used that expression, you'll have to ask him if the cobwebs are still there.

Q. From the information about the Soviet nuclear accident that the United States has gathered, does it appear to you that the Soviets are trying to cover something up?

A. There isn't any way you can cover up an accident like that, and so the world is learning rapidly about it.

Q. They covered it up for 2 days.

A. I'll just repeat. There is no way you can cover it up, because the release comes into the atmosphere; it's noticed, as it was, and as time passes, photography takes place, you hear from people in the area, and so on. And so, gradually, more and more information is accumulating.

Q. Do you think it may turn out to be worse?

A. Of course, it is a great contrast in the way information emerges on something of that kind, let's say in the United States as compared with the Soviet Union because there would be a tremendous volume of information available if that accident had taken place here. Of course, there isn't any way it could take place here, because our nuclear power plants operate safely.

Q. Could you clarify what you said about Mr. Marcos being able to go somewhere else, to another country?

A. Yes, that we think that if he wishes to go to another country, we think that the Government of the Philippines should not discourage that. And he ought to be provided with a passport so that he can go around.

Q. The Spanish Government has said that it would only accept Mr. Marcos if the Philippine Government had asked for it. Is that what you're referring to?

A. I think in general the Government of the Philippines has let it be known that they would consider it unfriendly if another government took Mr. Marcos in, and that has meant that other governments have not wanted to do that; they don't particularly want to create a problem with another friendly government. I think that that's a policy that ought to be thought over carefully.

(White House photo by Bill Fitz-Patrick)

President Reagan confers with Philippine Vice President Salvador Laurel before the ASEAN ministerial meeting.

Q. Did Vice President Laurel make any specific request for increase in U.S. aid or new U.S. aid for the Philippines in fighting the communist insurgency? And did President Reagan give him any type of promises or response?

A. There is a substantial flow of U.S. assistance now flowing. In addition, the President is requesting another $150 million from the Congress, and we have reason to believe that the Congress will likely act favorably on that.

Vice President Laurel, I must say, gave the impression that his needs were infinite, and we don't have infinite capacity to provide money. I think the main point is that when it comes to economic development, solutions to the problems start at home with the kind of reforms that the Finance Minister, Mr. Ongpin, is instituting, and we're very impressed with what they're doing. We think that with those kinds of reforms, assistance not only from us but from the Japanese, from the international financial institutions, from the commercial banks—all of these sources can be rallied to help in something that we would all like to see, namely the emergence of an economically and politically healthy Philippines.

Q. You mentioned the Indonesian investment request. Did we suggest anything specific beyond the one item you mentioned that Indonesia could do to improve the climate for investment here?

A. We went through a little list of things that we thought could be considered, and they indicated that they are in the process of putting together a package that they felt might well satisfy the things that we listed. So it was a good exchange.

Q. Could you give us some idea of what that list included?

A. I'd be glad to, and I just can't tell it right out of my mind, and I don't have my notes, but there were four or five items that we listed as examples. Things such as when you make a request for approval for an investment, can we have a regulatory process that has relatively rapid turnaround to it. If they can get that here, then we could adopt the same practice in the United States. Regulatory practices are slow; they could be speeded up.

Other examples are, there is a timetable for the diminution of foreign equity interest in an investment over a period of time, and it is fairly rapid. So I think if it were less rapid, it would probably be more encouraging to foreign investment to come in, and so on.

Many of the things that need to be considered, of course, have just as much to do with investment by Indonesians. That is, Indonesian money, as foreign money. So I think that if you look at the statistics, you see a fall-off in Indonesian investment as well as foreign investment over the past 3 or 4 years. I think there is a clear message there, that the climate should be attended to, and they are fully aware of it and talked about it themselves in a very interesting way.

Q. Back on the Soviet nuclear accident for just a second. Has the United States dispatched any American scientists, diplomats, or other task force officials to deal with the European allies and other European countries on a coordinated monitoring and perhaps response—offering of assistance, that sort of thing?

A. We have not sent anything like that around. There has been a lot of diplomatic exchange. Undoubtedly the subject will get discussed at the summit meeting, although we have lots of other things to discuss at the summit meeting. We don't want to have it dominated by this accident, important though the accident may be.

Q. Mr. Laurel said that there is one thing the United States could do with regard to Mr. Marcos' wealth that is not a matter for the courts, and that is to help them investigate and locate what he called this "hidden wealth" in the United States. Is the United States prepared to do something to help in that regard?

A. There are various lawsuits and those are going on, and I think there is quite a lot of activity. I don't think this is a matter that the U.S. Government as such needs to do because it is being done by private parties and by the Government of the Philippines, which has standing in the courts.

Q. Did Mr. Laurel ask for it?

A. No, he didn't.

Q. Did you or the President make any headway with either President Soeharto or the ASEAN Foreign Ministers in gaining understanding and support for the U.S. decision to bomb Libya when you discussed terrorism?

A. You have to ask them that. With each Foreign Minister I made a presentation about the geographic spread and scope of terrorism, of the clearcut proof of Libyan involvement, of the accumulating proof as seen by what the Turks have done, what the French have done, and so on. And of course I always feel that when I make a presentation like that, that I very much believe in, that people must be impressed. But you have to ask them.

Q. How about the President? How much time did he devote to—

A. I don't have sort of a time line on his private discussion with President Soeharto. Of course, I wasn't there, so I can't answer that question fully. I spent a lot of time on it myself with each Minister and with Mochtar, and the subject was addressed in some detail in this morning's meeting by [national security adviser] Adm. Poindexter—did a very good job of presenting our views.

Q. Did the President raise it with ASEAN this afternoon?

A. I don't think that it was in his talk and, basically, the ASEANs organized their meeting around these four subjects and we responded to those. But if the burden of your question is that we don't really care about the subject, let me assure you that we do, and we have gone to great lengths in our stay here in Bali to draw it forcefully to the attention of each interlocutor.

Q. It appears, from your response to questions concerning Mr. Laurel, that there may have been a somewhat testy exchange. Is that true?

A. I didn't think so, no. I thought it was a very good and friendly exchange. It wasn't particularly testy at all.

Q. He expressed a lot of irritation with him.

Q. You noted, for example that he offered an invitation to the press. You said Mr. Laurel's needs seem to be infinite. There seems to be an edge here that we don't normally associate with your briefings.

A. I'm sorry if there is an edge. I should always resist any inclination I might have to be slightly humorous because it's always taken wrong.

Q. Mr. Laurel told us yesterday that he was looking to hear from the President. That he, the President, told Mr. Marcos in that telephone conversation that he stated specifically to Mr. Marcos that the United States supports the Aquino government. Did that occur during this meeting? Did the President provide—

A. You will have to ask Mr. Laurel if he is satisfied. Let me remind you, the President is not on trial.

Q. What precisely does that mean?

A. It means that you keep saying "I want to know, did the President do this; did the President do that." The President's not sitting before you on trial. And he—

Q. We're not trying to try the President. We're simply trying to find out what happened here.

A. All right. And I've told you.

Q. You didn't—in fact, you did not tell us—

A. I'm not going to discuss the President's private telephone conversation any further than I have.

Q. No, I'm not asking—

A. And that is the ground rules of that conversation.

Q. Vice President Laurel said that you discussed it with him and told him that the President told Marcos that he should forget about any future political plans. Is that a fair assessment of what you told Mr. Laurel?

A. One part of the telephone conversation I thought was appropriate to reiate and it was referred to and that was by way of assuring the Philippine Government that the President wants to see the government that's there—Mrs. Aquino's government—bring about a healthy, politically stable, economically prosperous Philippines. And we have been at great pains to put substance behind that point of view.

I think we were the first country to recognize the Aquino government. We were very prompt in sending teams out to survey the situation; Phil Habib immediately and then subsequently a combined team of AID [Agency for International Development] and military people and Treasury people and State people with a prompt report back. And then a decision to—given all of our own bugetary problems—add $150 million to our aid program. We've had Secretary Weinberger and Adm. Crowe go through there. I'm going to go and visit in the Philippines. So the President has been very forthcoming in what he has done and what he has had people do.

In his own telephone conversation with Mrs. Aquino, he informed her about the aid program and also invited her to come and visit in Washington. Vice President Laurel told us today that she accepts and would like to do that. Probably, he felt, it would be after the process of constitutional reform and elections which they expect to culminate, probably in the middle of November some time.

So I think there has been a very strong, positive effort on the part of the President and the U.S. Government here and it's beyond me why there seems to be any question about it.

Q. Why are they in so much doubt?

Q. Why, then, do you think that Mr. Laurel—

Q. Because Mr. Laurel raised it yesterday.

A. I don't understand it.

Q. Really? You've shown a lot of—

Q. Why do you think he did that?

A. I don't have a clue. You'll have to ask him.

Q. Do you think that it was totally unjustified for him to say that?

A. You'll have to ask him about what he has had to say.

Q. I'm asking you what your feelings are?

A. I have responded and I reiterate we want to see the government succeed, we want to see the constitutional reform process go forward, and the timetable looks like it will culminate in November, it looks like a good one. The economic reforms that are being undertaken under the leadership of Jaime Ongpin look very promising to us.

The military reform process is proceeding well. We recognize the problems they have with the insurgency, and Mrs. Aquino is struggling with that. And so we want to see success in dealing with that effectively and, as far as I can make out, everything the U.S. Government has said and done has been a very supportive proposition.

Q. Is there anything we could or should do to lean on Mr. Marcos to stop making phone calls and telephone speeches back in Manila?

A. We've given him our opinion, but he's a free man and we have a free country. He can talk to the press any time he wants to, he can use the telephone. We don't put restrictions on people in their access to the press and access to our communication systems.

Q. But we've told him we don't think it's a good idea?

A. Certainly.

Q. Did Laurel agree that he should be allowed to travel—that he should get—

A. You'll have to ask him about the attitude of his government. He listened.

Q. Could you give us the language that the President used in expressing his support for the Aquino government—his conversations?

A. I've tried to summarize it as best I can. I can't get it—

Q. It might be helpful since this has gone back and forth here, it might be helpful if you attempted to reconstruct his actual language.

A. I don't have the mental capacity to recreate it and give it to you exactly, but I believe if there is anybody in the room that doesn't think that the flavor had been, from the beginning, a very supportive one, it's a mystery to me.

(White House photo by Bill Fitz-Patrick)

President and Mrs. Soeharto and President and Mrs. Reagan.

President's Dinner Toast, May 1, 1986[3]

Nancy and I are delighted to be with you tonight. It's a great honor to be visiting Indonesia again and to receive the warm hospitality and gracious welcome for which the Indonesian people are justly famous. I remember how much I enjoyed my visit to Indonesia in December of 1973 when I was Governor of California and here representing our President at the time. I also recall with pleasure, Mr. President, your visit to the United States in October of 1982. I remember well that in your dinner toast you suggested, "Like it or not, we must consider the world as the common homeland of all nations." The American people are honored that, as citizens of the world, we count as our close and trusted friends the people of Indonesia.

Americans see Indonesia as an impressive success story. In just over 40 years, this vast and beautiful nation has made enormous strides. We Americans appreciate that the path to national union is not easy for a country that spans over 3,000 miles and is scattered across more than 13,600 islands. The challenges you face in developing your country, with its wide expanse and rich diversity, are not unlike the obstacles and hazards Americans faced in settling and developing our own country.

Despite regional diversity, Indonesia, under your leadership is a united country, a country that is assuming an increasingly significant role in the region and in the world. Your commitment to Indonesian resilience, drawing on your own resources and your own traditions and institutions, serves to enrich your people materially and spiritually.

In the United States, our governing institutions celebrate the wisdom of a balance of power that works to shape our laws and traditions. Indonesia's governing philosophy of consultation and consensus is different from our own, yet its ultimate goal is blending diversity into national unity. Even though our methods of government differ, the friendly and open nature of the discussions we've had here and when you were in Washington reflect the positive and constructive day-to-day, year-to-year conduct of relations between our two countries.

I want to congratulate you on Indonesia's achievement in reaching self-sufficiency in rice production. This is an enormous accomplishment of which you can be justifiably proud. Having moved so far, so fast in providing ample food resources is another indication of your government's effective management.

The attainment of rice self-sufficiency is just one indication that Indonesia's economic development program has been wide-reaching and impressive. This program of growth and advancement has been directed toward bringing the benefits of development to all levels of society. Mr. President, not too long ago you said, "It is impossible to reach equity in development, impossible to wipe out poverty if there is no economic growth." We applaud that emphasis. We have a saying in the United States that rather than talk about how to divide a smaller pie, let's work and build and bake a bigger pie so everyone can have a bigger slice.

We have been happy to cooperate with you in a number of social and economic fields, including food production, off-farm employment, private sector development, and health care. We look forward to continuing our work together. In this regard, we have found the growing cooperation between our two nations in the field of science and technology to be particularly beneficial.

Indonesia is also to be congratulated for its humanitarian policy of granting first asylum to almost 100,000 refugees from Indochina. The international community and the American people applaud Indonesia for its generous response to the plight of these unfortunate people who are seeking freedom and refuge. Many of these refugees have also resettled on our shores and have enriched the fabric of American life. The plight of these friends in distress is very important to Americans. I want to express to you my personal appreciation for the sacrifice and consideration your government has shown in this humanitarian endeavor.

I am struck by how our discussions have reflected a mutuality of interests and a harmony of views. And I am confident the spirit that has prevailed here will enable us to forge even stronger relations in the years ahead.

And I would ask you all to join me then in toasting the people of Indonesia; their distinguished leader, President Soeharto; and the friendship between the Indonesian and American People.

[1]Text from Weekly Compilation of Presidential Documents of May 5, 1986.

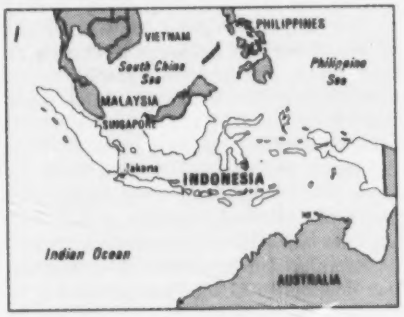
[2]Press release 96.

[3]Made at a dinner hosted by President Soeharto for President Reagan and the ASEAN ministers (text from Weekly Compilation of Presidential Documents of May 5). ■

Indonesia—A Profile

People

Nationality: *Noun and adjective*—Indonesian(s). **Population** (1985): 173 million. **Annual growth rate:** 2.1%. **Ethnic groups:** Javanese, Sundanese, Batak, Buginese, Minangkabau, Balinese, Chinese, Irianese. **Religions:** Muslim 90%, Christian 5% (mostly Roman Catholic), Hindu and Buddhist 3%. **Languages:** Indonesian (official), local languages, the most widely spoken of which is Javanese. **Education:** *Years compulsory*—6. *Enrollment*—90% of eligible primary school-age children. *Literacy* (1980)—67%. **Health:** *Infant mortality rate*—89/1,000. *Life expectancy*—55 yrs. **Work force** (67 million, 1985): *Agriculture*—55%. *Industry and commerce*—29%. *Services*—12%. *Civil Service*—4%.



Geography

Area: 2.0 million sq. km. (736,000 sq. mi.), about the size of Alaska and California combined; 3.1 million sq. km. sea area. **Cities:** *Capital*—Jakarta (1985 est. pop. 8 million). *Other cities*—Surabaya (3 million), Bandung (2.2 million), Medan (1.5 million), Semarang (1.2 million). **Terrain:** More than 13,500 islands; the larger ones consist of coastal plains with mountainous interiors. **Climate:** Equatorial, but cooler in highlands.

Government

Type: Independent republic. **Independence:** August 17, 1945. **Constitution:** 1945.

Branches: *Executive*—president (head of government and chief of state). *Legislative*—460-member Parliament (DPR), 920-member People's Consultative Assembly (MPR). After the next parliamentary election in 1987, the DPR will be expanded by 40 appointees and the MPR by 80 appointees. *Judicial*—Supreme Court.

Subdivisions: 27 provinces, 281 regencies.

Political parties: GOLKAR (functional groups), Indonesia Democracy Party (PDI), Unity Development Party (PPP). **Suffrage:** Universal over 21, except those serving in the armed forces.

Central government budget (1985–86): $21 billion.

Defense: 10% of 1985–86 budget.

National holiday: Merdeka (Independence) Day, August 17.

Flag: Divided horizontally—top red, bottom white.

Economy

GDP (1984): $90 billion. **Annual growth rate** (1985 World Bank/IMF est.): 3%. **Per capita income:** $566. **Inflation rate** (CY 1984): 8.8%.

Natural resources: Oil, tin, natural gas, nickel, timber, bauxite, copper.

Agriculture (25% of GDP): *Products*—rubber, rice, palm oil, coffee, sugar. *Land*—8.6% cultivated.

Industry (12% of GDP): *Types*—food and beverages, textiles, cement, fertilizer, light manufacturing, wood processing. Minerals and petroleum (30% of GNP).

Trade (1984): *Exports*—$21.9 billion: oil, natural gas, plywood, rubber, tin, tea, coffee. *Major markets*—Japan, US, Singapore. *Imports*—$13.8 billion: food, chemicals, crude petroleum and petroleum products, capital goods, consumer goods. *Major suppliers*—Japan, US, Thailand.

Official exchange rate (October 1985): 1,120 rupiahs = US$1.

Fiscal year: April 1–March 31.

Membership in International Organizations

UN and some of its specialized and related agencies, including the General Agreement on Tariffs and Trade (GATT), International Monetary Fund (IMF), World Bank; Association of South East Asian Nations (ASEAN); Non-Aligned Movement; Organization of the Islamic Conference (OIC); Organization of Petroleum Exporting Countries (OPEC); Asian Development Bank (ADB); INTELSAT; Group of 77; International Atomic Energy Agency (IAEA); Islamic Development Bank (IDB); and others.

Taken from the *Background Notes* of December 1985, published by the Bureau of Public Affairs, Department of State. Editor: Juanita Adams. ■

Unity and Dissent: On the Community of Free Nations

by Secretary Shultz

Address before
the American Jewish Committee
on May 15, 1986[1]

I appreciate so much the warmth of your welcome and your beautiful statement. It is an honor to receive this award [the American Liberties Medallion], and I am really delighted to have a chance to be here and to address you.

Two months ago, while on an official visit to Athens, I had the pleasure of an early morning tour of the Acropolis. My guide was a young American archaeologist. He described in some detail the friezes on the Parthenon: the seemingly endless struggles between the ancient Greeks and their warlike neighbors; battles in which a center of civilization and culture sought to defend itself against repeated assault. The Parthenon, and its haunting past, capture what Yeats called "tragedy wrought to its utmost"—the destruction of a civilized community.

The Jewish people, like the ancient Greeks, have known in their long history the kind of tragedy carved on the shattered friezes of the Parthenon. They know that no people determined to ensure their own survival can hold any illusions about the vulnerability of a center of civilization in a world threatened by forces of barbarian violence.

These stark impressions of that early morning tour of the Acropolis have been with me in recent weeks as our own country has dealt with challenges to its security by violent assaults from those who would bring fear and chaos to our community. Tonight, I would like to share with you some thoughts about how we are winning this struggle—and what we still must do to achieve our civilization's triumph over totalitarianism and barbarism.

My subject tonight goes to the heart of what everyone gathered in this room represents. The American Jewish Committee—like the Jewish people and, indeed, like Israel itself—seeks to safeguard a culture and a people through a community of effort. You know that a community is more than just a collection of individuals; more than the separate resources they bring together. A community is the vessel for the ideals and values a people hold in common. An individual of extraordinary character can represent and can lead a community. But no individual, no matter how strong or devoted, can secure his ideals alone; only a community can defend, nurture, and enable its ideals to flourish from one generation to another.

But we must recognize the tremendous role that individual leadership and examples play. And I can't help but to reflect on the example and the heroism, the flame that has been kept burning there by Natan Shcharanskiy. He never gave up. He stuck to his guns.

The other day he visited me in my office. I could hardly get him into my office because everybody there wanted to shake his hand and say hello, and we talked, of course, about his confinement, about Soviet Jewry. And after we talked, we got in my car together—that great big thing I ride around in—and we rode over to the White House. While we were riding over there, he was telling me about his experiences, his confinement for over a year. He sat in a cell with nothing in it in about half the size of that automobile, but he persevered. And from that cell he rallied people in every part of the world behind the great cause of Soviet Jewry and the great cause of freedom.

Through it all somehow he kept his incredible sense of humor. We just can't get enough of this guy. His spirit is what the love of liberty makes possible. And, of course, when we talked about Soviet Jewry, he gave us his views about how to handle it, from which we benefited, and we agreed—and I'm sure all of you agree—that whatever our tactics of the moment may be, we must never compromise, we must never give up, we must keep the faith with this cause.

I thought you might like to meet the wonderful lady who managed the negotiations to get Shcharanskiy free for the President. She happens to be here tonight—Roz Ridgway [Rozanne L. Ridgway, Assistant Secretary for European and Canadian Affairs].

I was speaking about the importance of a community to defend its ideals so that they flourish from one generation to another. The Jewish people have borne witness to this truth over the centuries. It was a fact of Jewish life long before the cause we share today—the community of Western civilization—had emerged on the world stage.

Indeed, the Jewish people helped to bring that civilization to life, infusing it with their religious genius, with the sanctity of the individual, the importance of tradition, and the powerful integrity of a community defined by culture and religious values.

Today, as yesterday, Western civilization would be unthinkable without the contributions of the Jewish community. As we learned from the Holocaust—the most barbaric assault on humanity in our time and, let us pray, of all time—the destiny of the Jewish people and the rest of the civilized world is joined in a ceaseless struggle to defend community against enduring assaults by forces hostile to our way of life.

The Jewish community has survived centuries of persecution and dispersion because Jews throughout the world have kept faith with their common heritage. So, too, the continuity of modern civilization requires that all members of the community of nations—Americans and Israelis, Europeans and Japanese, Latin Americans, Africans, and others of the developing world who seek democracy—make common cause in defending our highest values and our way of life.

American Jewry's staunch support for Israel is an outstanding example of dedication to our shared heritage. In the modern world, our sense of community is enriched by different histories, different customs, different religions, and languages. But the civilization we share transcends these differences and joins us in a community that is stronger for the diversity each of us brings to it.

I am speaking tonight about our modern community, about what is required for its protection and propagation, not only from those of us here but from the larger collective we are part of: the community of like-minded nations.

A Community of Like-Minded Nations

The very idea of a community among nations is unique. From the city-states of ancient Greece to the modern nations of our era, communities have had to join forces to defend their individual interests. Economic, political, and military conditions have their own imperatives, requiring shifting alliances and coalitions of expedience. But the contemporary community of nations—a free association based on shared principles and an increasingly shared way of life—emerged only with the evolution of the democratic idea. Just as free peoples choose their governments, so do free nations choose their friends and allies. We are joined not just by common interests but by ideals that transcend the dictates of necessity.

This community has long been a minority of humanity. In our own time, however, we have seen our numbers increase. In recent decades we have been joined by like-minded nations around the Pacific Basin; by the struggling young democracies of Latin America; and, of course, by Israel, whose very existence is a constant reminder of what may be required if civilization is to be secured. Together, we stand for something that no other alliance in history has represented: the advancement of the rights of the individual; the conviction that governments founded on these rights are, in Lincoln's phrase, "the last best hope of men on earth."

Our community and our heritage have enemies. Over the past two centuries, whether separately or in concert, free peoples have defended themselves against marauders and tyrants, militarists and imperialists, against Nazis and the Leninist totalitarians of our time. We have seen our heritage shaken to its roots. The graves of Normandy and the death camps of the Third Reich bear permanent witness to the vulnerability of all we cherish.

Today, we see other evidence of the determination of our adversaries. We see it in the Berlin Wall, a disgrace to humanity and a mute symbol of the fear our civilization and its values evoke in a totalitarian world. The Soviets, of course, have their values as well. They value a regime that imposes an unchallenged order in its own sphere and foments instability and division elsewhere.

And our civilization has other adversaries: in the terrorist networks of the Middle East and Europe; in the communist insurgents that threaten developing nations; in bandits, criminals, and narcotics traffickers who tear at the fabric of society—and in all the states that support these varieties of barbarism. Taken together, they form an army of anarchy marching against the heritage we share and would pass on—and that we will pass on.

These threats draw strength from one another. Entire nations have disintegrated under their pressure. Only a few years ago I visited Beirut as a private citizen. Visitors in those days delighted in the city's gaiety, in its culture, its sophistication and grace. Today, thugs and murderers comb the rubble. No one who has known Beirut's splendid past and its tragic present can dismiss the possibility of anarchy or the evil reality of unconstrained violence.

And Beirut's fate now threatens elsewhere. We see it in Afghanistan, where a society has been shattered, an entire nation forced underground or into exile. We see it in Cambodia, where the Khmer people have been twice ravaged—by Pol Pot's mass slaughter and now by the Vietnamese occupation. And we see it in Latin America, where drug traffickers, thugs like the M-19 group, and communist aggressors menace nations newly devoted to democracy and an open society.

And even in the free world, with our well-established order, we find the marauders of anarchy intruding into our daily lives. Today, the nations of Europe are discovering again that accommodation does not bring immunity to such threats. The vanishing tourist—and we should be ready to travel; let's not be scared out of that—is only one symptom of Europe's heightened vulnerability. Americans, too, stand exposed—both private civilians who are targeted as innocent travelers, and the soldiers, diplomats, and other official personnel who serve our nation abroad.

But these threats have not gone unanswered. The free world has shown that it will not allow life to revert to the condition characterized by Thomas Hobbes three centuries ago as "continual fear and danger of violent death; and the life of man, solitary, poor, nasty, brutish, and short." Today our adversaries, who have long underestimated our resolve, are beginning to learn some hard lessons of their own. Our determination is turning the tide of events against them.

That is my message tonight: we have the winning hand. Our enemies are losing. We have to keep this momentum going. We can do it if we understand the challenges and work against our enemies, not against each other.

Defense—Alone or in Concert?

The first obligation of any free nation is its own defense. West Germany's actions against the Baader-Meinhof gang; Italy's suppression of the Red Brigades; the Israeli rescue at Entebbe; America's interception of the *Achille Lauro* murderers; and Japan's actions against the Middle Road Faction: these are all examples of the principle of national self-defense at work.

But many of the threats that come with the modern age are not confined to individual states. Today, ideologues of violence are colluding across borders to undermine our very way of life. The IRA [Irish Republican Army], the PLO [Palestine Liberation Organization], the Japanese Red Army, M-19, and Sendero Luminoso: these and other groups are in communication; they are cooperating and even coordinating their murderous actions. And they do not operate on their own. Terrorism could not exist on its current scale without aid and encouragement from sovereign states both within the communist world and beyond. This collaboration represents a new axis of aggression against the free world.

Because the challenge these forces pose transcends any one of us, we have a transcendent obligation to meet it together. That effort takes more than determination or will. We must be strong in body as well as in spirit. We must have vital economies. Economic growth, as the American example has demonstrated in recent years, generates the needed resources to sustain military strength. And our social institutions must remain healthy. Government can-

not make up for what family, community, and religious organizations fail to provide. We must nurture these institutions, protect them against illegitimate intrusion by the state, and strengthen them against the forces of anarchy.

And we must be strong abroad. Our collective defense depends on an array of strategic, political, economic, and military tools. We are stronger today because we have strengthened many of these tools over the past few years. But others are in disturbing disrepair. We need to take a hard look at these common resources and ask ourselves what we can do to make them more effective.

The Tools of Common Security

We must enhance our mutual defense militarily. In the last few years we have made solid gains: U.S. intermediate-range missiles have been successfully deployed in Europe; Spain has reaffirmed its commitment to NATO; we have made progress with allies on SDI [Strategic Defense Initiative] research; and our regional partnerships are strong. The U.S.-Israeli Joint Political-Military Group is now a permanent institution of increasing significance.

Our collective security depends on the nurturing and protection of democracy. Central and South American nations, and the Philippines, are inspiring recent examples. Our community of nations must stand together in constant reaffirmation of the democratic ideals and institutions that keep our civilization vibrant.

Our strategic situation requires economic cooperation among friends and allies. The importance of economic growth has been demonstrated by the worldwide, American-led recovery of the early 1980s; more and more state-run economies are getting the message. And economic assistance is a vital tool: today, Israel is a most dramatic example of how economic assistance can strengthen joint interests. "Operation Independence," an association dedicated to bringing to Israel the vitality of the American business community, is an inspiring example of the best kind of economic cooperation at work.

We are stronger today than we were 10 or even 5 years ago. Our strategic and economic resources are doing their work on behalf of collective security and well-being. To build on these recent gains, we need to make our other assets work as well—for they have suffered from political attack at a time when the need for unity has been increasing. There are some key points that call for recognition.

While always seeking to act with restraint, we must recognize that passivity is sometimes the most dangerous course. We are making progress, but there is much more to do. We reached a remarkable consensus in the proclamation against terrorism of the seven industrial democracies at Tokyo last week. We set forth critical guidelines for the civilized world to follow in responding to its enemies. Yet we must recognize that the Tokyo communique did not come easily. It was the product of bitter lessons: the deaths of Robert Stethem, Leon Klinghoffer, Kenneth Ford, and so many other names from so many other countries. Today, as in the 1930s, the consequence of inaction is never greater security for ourselves and our friends but the emboldening of those who would destroy our community. A vital next step after the Tokyo communique should be passage of the U.S.-U.K. Extradition Treaty, now before the Congress. We might summarize that treaty in a phrase: there is no such thing as a good terrorist.

And we must recognize that action sometimes means military action. There has been less public consensus about the success of our strike against Libya—very warmly supported, widely supported in the United States, but some variation elsewhere. But the results are convincing the skeptics. Qadhafi is in retreat, and Syria is uneasy—a reaction which may induce that country to think hard about involvement in murderous adventures.

As we look for support, so must we support friends whose armed forces are responding to aggression—such as American help to Great Britain during the Falklands war, our recent aid to the French effort against Libya in Africa, and Great Britain's support for us last month. Those who use military force, or help those who do, invariably find themselves immersed in controversy. But it is precisely at such times that solidarity counts. We all noticed that Israel was quick to support our action against Libyan terrorism and aggression.

Let me inject something at this point that some of you may not want to hear. This principle also applies to America's need to support—under carefully limited conditions—Saudi Arabia's effort to defend the Persian Gulf. The danger there is real. If Khomeini-ism advances into that area, America's strategic interests will be harmed—and, needless to say, so will Israel's. There are many in the Arab world who want peace and stability and moderation—and who can be brought to accept the permanent reality of the State of Israel. But if America cannot demonstrate that we are a constant, effective, strong, and responsive presence in the Middle East, those with the best of inclinations inevitably will make their accommodations with those who bear the worst intentions toward us.

Let me say that I well understand your attitudes, and I've talked with Jewish leaders a great deal about this subject, and I want to say to you that when votes come on the question of sustaining the veto of President Reagan, there is an added dimension. Not simply a vote on Saudi arms but a vote on whether we want to say to our President that we support him and the world can see that the President, in the clutch, will have support on something that he feels very deeply about.

Let me conclude by briefly noting some other areas where greater concerted understanding and effort are required.

Trade differences within our international community have been particularly divisive, eroding cooperation and weakening public confidence in the value of our common ties. We must guard especially against protectionist policies, which undermine long-term growth and encourage longrunning divisions.

We need to face the fact that our divisions at home can weaken our unity with friends abroad. The relatively recent constraints on executive action are an impediment to effective action and undermine our credibility with friends and enemies alike. As an example, the constraints on the use of force embodied in the war powers act practically invite an enemy to wait us out. And they undermine support from allies who might be more willing to go along with us if they were convinced that America would stay the course.

I might say to you that the President sometimes is challenged: "How is it that you sent those Navy planes and brought down that Egyptian plane with the terrorists on it and you didn't get congressional approval before you acted?" And he said: "What kind of nonsense is that?"

And we have to get over the idea that "covert" is a dirty word. Free nations accustomed to open debate are naturally uneasy about covert measures,

just as they are uneasy about the ambiguous circumstances that require us to act in secret. Yet we must remember that intelligence breakthroughs and secret operations had a decisive influence on our victories in two world wars.

Today, in our shadow war against terrorism, the use of these instruments is just as imperative. The United States will use such measures legally, properly, and with the due involvement of the designated legislative committees. What is crucial is the ability to take some initiatives quietly, in situations where the more the measures are known, the less effective will be their results.

Recent history has reaffirmed to friends and allies that American influence abroad is a force for liberation and prosperity. Our support for democratic forces in the Philippines; our support for national movements against tyrannical regimes; and our demonstrated willingness to defend our friends and ourselves from attack has given renewed confidence to our allies and to our own public. We are on the move. The contest is going our way.

But recent gains are vulnerable. We are beginning to understand that our enemies' greatest asset is our own disunity. Let us remove all doubt that we and our friends have the potential to mobilize a rich range of capabilities to ensure our security.

The Need for Unity

A community of free nations will always see the expression of differing opinions. Dissent is the sound of freedom and democracy at work. But we need to agree at least on two fundamental points: what we stand for and what we stand against. As [Prime Minister] Bob Hawke, speaking for Australia, said after the U.S. strike against Libya, on these questions we must be, in his words, "at one."

The risks of disunity could not be more profound. Dissent over fundamental issues encourages our adversaries and erodes our cooperation across the range of our relations. And it undermines the security and morale of those who aspire to join us.

The community of civilized nations has known threats since its very inception. Our way of life has survived and flourished despite them. It has withstood global depression and world wars, surviving even in the darkest corners of Nazi-occupied Europe and in the most remote Soviet gulags. But as the Jewish people have known throughout their history, any community that has faith in itself and its values seeks more than mere survival. It seeks to ensure that those values flourish. And above all, it seeks to pass them on proudly and without fear of repression to generations to come.

Our course requires sacrifice—individual and collective, material and human. It requires what Ben Netanyahu [Israeli Ambassador to the United Nations] calls "civic valor"—a will to sacrifice for the common good that springs from faith in ourselves and our way of life. And it requires leadership. Communities of nations, like communities within them, are not abstract enterprises; they are collections of individuals, led by men and women of vision and courage. They are the custodians of our aspirations and our future.

The heroism of individuals like Natan Shcharanskiy teaches that no one struggles alone. That is a truth for nations as well as for men. The United States and Israel, and our friends in Europe and the rest of the world, are embarked on a common course. If we keep faith with one another, and with the heritage that binds us, we will prevail against all challenges to our community. And we will prevail together.

[1]Press release 111 of May 19, 1986. ■

South Africa: Report on the President's Executive Order

by Chester A. Crocker

Statement before the Subcommittees on Africa and on International Economic Policy and Trade of the House Foreign Affairs Committee on April 9, 1986. Mr. Crocker is Assistant Secretary for African Affairs.[1]

Thank you for the opportunity to appear before you to continue the hearings on U.S. policy toward South Africa.

When I last appeared before you on March 12, I reviewed events of recent months in South Africa and described the course of U.S. policy. The hearing today is intended to deal specifically with the question of further sanctions against South Africa, including those proposed in H.R. 997. It will also examine implementation of the President's Executive order of September 9, 1985, on South Africa. I am pleased to address both of these matters.

U.S. Policy

Americans are united on the issue of apartheid. No responsible voice in this country defends that policy. All agree that our government and society should work to end apartheid and work actively for negotiations on the establishment of a system of government based on the consent of all South Africans. We take it as given that apartheid is a doomed system. What matters is how it ends and what follows it. Moreover, we believe South Africa—far from being frozen in a rigid *status quo*—is a society in transition. As we Americans consider our role, we must avoid the temptation to view South Africa as a one-act morality play in which the curtain descends after the villain has been punished. Our responsibility is to look at consequences. The criterion we should put to ourselves is how our policy can effectively promote conditions conducive to justice, democracy, peace, and welfare in southern Africa. The question we should ask ourselves about any action is whether it speeds the process away from apartheid's evils and toward a full sharing of power by all South Africans on a nonracial basis.

Our policy is designed to both react to and encourage the real ferment in South African society, to capitalize upon the growing realization among all sectors there of the imperative of change. We do this in many ways: as a government, working within and outside traditional diplomatic channels, and as a partner with concerned Americans and South Africans anxious to bring about the type of societal and political restructuring South Africa needs.

Our diplomacy goes well beyond the rhetorical. It is one of action. Our diplomatic mission in South Africa is the most active, the most involved of any

nation represented there. We maintain contacts with all political elements, notwithstanding the grave difficulties of doing so in a highly polarized environment. We maintain a constant emphasis on human rights themes in our contact with the South African Government, expressing ourselves privately and publicly on the critical issues of detentions, bannings, torture, unnecessary use of force, and other abuses. In addition, we continually stress to all the necessity to get on with the pressing task of negotiations which will lead to a new, just, political dispensation in South Africa.

We also seek to help private American individuals and companies who are engaged in promoting change. We welcome such commitments as Coca-Cola's pledge of $10 million for programs of social betterment. We encourage the Sullivan signatories in their efforts, both inside and outside the workplace.

Our continued presence in South Africa is our most effective tool for bringing about change. By applying fair labor standards based on the Sullivan principles, U.S. firms have set a prominent example for treating workers with dignity. For fiscal years 1986 and 1987, the U.S. Government proposes allocating $45 million in assistance programs in the fields of education, labor and entrepreneurial training, legal assistance, and other programs to help those disadvantaged by the system of apartheid. These programs seek to educate and train a new generation of black South Africans who will play a major role in shaping their country's destiny. Our human rights fund and our new legal assistance program are also helping those South Africans who are working for change.

We are a force for change and, I would contend, an increasingly effective one. We should be building on this solid basis, not undercutting it.

Regrettably, last year's debate on South Africa emphasized the differences that exist among concerned Americans on the means we should use to effect change rather than the goals we all share regarding South Africa. By emphasizing differences over punitive sanctions, many in this country, in South Africa, and in third countries received the erroneous impression that we are divided. This gave precisely the wrong signal to those in South Africa who believe that the apartheid system can be maintained and who believe that there is sympathy for this view in the United States. They are wrong.

The President's Executive order of September 9 was intended to make it clear to all concerned that this country speaks with one voice on South Africa. The Executive order sent a powerful message to the Government of South Africa that the United States unequivocally rejects apartheid and supports the efforts of the South African people to put an end to that repressive system.

The measures taken by the President last September were intended to serve as a positive form of pressure for genuine change. Their objective was not one of indiscriminate punishment or damage to the economic well-being of the people of South Africa. Rather, they were targeted at those elements of the South African Government that enforce and sustain apartheid.

We do not believe prospects for change in South Africa can be enhanced by worsening the economic problems of the South African people. We consequently urge you to resist the impetus to focus the South African debate again on the divisive issue of punitive sanctions. We believe, instead, that this country should, at this time, focus its attention on the many positive things we can do and are doing to support the efforts of those in South Africa seeking genuine change.

This is not the place for me to rehearse the broad range of political, economic, and moral arguments against punitive sanctions directed at South Africa. In lieu of that, with your permission, I would like to insert into the record an article on sanctions to be published in the spring 1986 issue of *Business and Society Review*. This article, by U.S. Ambassador [to South Africa] Herman Nickel, presents a definitive statement of our case.

I would add that we are aware that some South Africans, notably Bishop Tutu, have called on Western nations to impose such measures. Others in South Africa and here have a very different view. Let me be very clear on this point. We can understand the sentiment that leads some to call for what may appear to be strong measures against apartheid. We do not question their motives in pressing for actions which, if seriously implemented, could damage the economy and standard of living in that country. But we do question their assumptions and their analysis about how to achieve real change. We have a duty—yes, a moral obligation—to take those actions we believe right, proper, and effective in the current circumstances.

The Executive Order

It has been 7 months since the President signed the Executive order on South Africa. Since that time, the numerous provisions in the Executive order have been strictly and expeditiously implemented. In addition, the President promulgated another Executive order on October 1 to prohibit the import of Krugerrands.

A series of rules and regulations has been issued by the Office of Foreign Assets Control [of the Treasury Department] on bank loans and Krugerrands; by [Treasury's] Bureau of Alcohol, Tobacco, and Firearms on arms imports; by the International Trade Administration of the Department of Commerce on computers and other exports; and by the Department of State on the labor practices of U.S. firms in South Africa.

The Secretary of State has also established an Advisory Committee on South Africa, composed of 12 distinguished Americans, to provide recommendations on how U.S. policy can be most effective in bringing about change in South Africa. The advisory committee will offer its report to the Secretary no later than 12 months after its first meeting, which took place on January 29.

Within the Department of State, we have taken the steps necessary to implement fully the Executive order's provisions on the fair labor practices of U.S. firms in South Africa. We have also taken steps to ensure that our Embassy and consulates in South Africa comply with these fair labor practices and make affirmative efforts to target nonwhite firms for future purchases of goods and services, as called for by the Executive order.

Our regulations on the labor practices of U.S. firms in South Africa entered into force on January 1 of this year. All U.S. firms employing at least 25 nationals in South Africa were required to register with the Department of State, and the registration process has now been completed. We consulted closely with the public in the preparation of the regulations and related implementing documents, such as the detailed questionnaire that companies will file so that we can determine whether they are taking good faith steps to implement the fair labor standards specified in the Executive order We believe that the system adopted is simple, efficient, and without undue bureaucratic and regulatory requirements.

The restrictive measures adopted by the United States against South Africa are more comprehensive than any measures adopted by any Western country. To make clear for the record the extent of these measures, I would like to introduce a summary of the measures adopted by the United States and the texts of the relevant laws and regulations.

House Resolution 997

We strongly oppose bills such as H.R. 997 that would have the effect of imposing punitive sanctions on South Africa. H.R. 997 has six principal measures.

Section 1 would prohibit any U.S. person from making any investment in South Africa and would require complete disinvestment within 180 days.

Section 2 would prohibit the import to the United States of any article grown or produced in South Africa and would prohibit the export to South Africa of all U.S. goods and information.

Section 3 would curtail U.S. landing rights (except in emergencies) for all aircraft owned by the South African Government and all South African nationals.

Section 4 would prohibit the import into the United States of any gold coin minted in South Africa or offered for sale by the South African Government.

Section 5 would prohibit any person from receiving any credit or deduction under the Internal Revenue Code for certain taxes paid or accrued to South Africa.

Section 6 sets forth severe penalties for violating any of these measures.

In our view, the measures proposed would be unreasonable and ineffective. The broad prohibition on investments would not bring reform and change from the South African Government. Instead, it would merely cause U.S. firms to suffer substantial economic loss as a result of the immediate 6 months' sale required under the bill. There is no consensus among South African blacks over the usefulness of disinvestment. Most U.S. firms operating in South Africa have worked hard during the past 10 years to improve working, educational, and living conditions for their employees. These companies are now leaders in the efforts of the business community to develop a concrete program for political and social change. If they were to leave South Africa, they would be replaced by domestic South African firms or firms from third countries who would not be active catalysts in pushing for reform and who would be less likely to adhere to the fair labor practices subscribed to by their American counterparts.

The proposed ban on imports and exports would also be counterproductive. The United States already has in place stringent controls on selected exports to South Africa, including a comprehensive embargo on exports to the military and police. Our purpose must be to target carefully the machinery of apartheid. What conceivable purpose could be served by imposing a total embargo on that society? There is no evidence to sustain a belief that U.S. commercial exports "support" apartheid or that a ban on them would help to bring about change in South Africa. The only real victim of such measures would be ourselves, our exporters, and our workers in those export industries.

The proposed import ban would unnecessarily preclude access to South African minerals and resources, some of which are significant to our national security and are not readily available from other sources. This would serve no national purpose. The ban would raise serious questions with respect to our commitments under the General Agreement on Tariffs and Trade. Like disinvestment, pressure of this kind will not influence the South African Government to change its policy. Instead, we can only expect that it would result in a hardening of political attitudes among white South Africans and a slower, not faster, pace of change.

We do not believe that cutting off landing rights for South African aircraft would serve our interests. Interfering with travel between the United States and South Africa could cut South Africans off from access to Americans at a time when exposure to the United States and its people can help influence change. In addition, a termination of landing rights would contradict the grant of rights in the 1947 Air Transport Services Agreement between the United States and South Africa. South Africa would be entitled to demand international arbitration if the United States were to take this action because of H.R. 997.

The proposed ban on tax credits is clearly intended to penalize U.S. firms by making it more expensive for them to operate in South Africa. The ban would be inconsistent with the obligations of the United States under the 1946 Convention for the Avoidance of Double Taxation between the United States and South Africa—a treaty which was ratified with the advice and consent of the Senate.

Conclusion

H.R. 997 is based on the assumption that isolating South Africa from the people, economy, and Government of the United States will help influence change in South Africa. It relies on a belief that indiscriminate and blunt acts of economic punishment inflicted on South Africa would produce better behavior or changes in basic policy by its government.

We believe, on the contrary, that there are serious and dangerous risks in imposing punitive sanctions on South Africa. In effect, we could, perversely, maximize intransigence of both black and white. The demands of the sanctions/disinvestment movement have led many whites in South Africa to discount the need for their country to play a role in the world community. It has produced a "fortress South Africa" mentality in many who argue that the country's vast wealth and important exports place it in a position where it can ignore the clamor for change. This tendency toward white intransigence is mirrored among many in the black community who view the international call for sanctions as obviating the need for negotiations with the white regime—that is, with enough international trumpets sounding, the walls of apartheid will crumble. The fact is, South Africa needs less intransigence, more negotiation, less illusions, more dialogue, less hatred, and more civility.

We should also keep in mind that pressures are already in place in South Africa, put there by the international condemnation of apartheid, market forces, the President's Executive order, and, most importantly, by the undiminished protests and actions of the black population of South Africa itself. Important initiatives are underway. The Commonwealth's Eminent Persons Group has visited South Africa and will probably do so again in pursuit of its mandate of promoting dialogue. The members of Secretary Shultz's Advisory Committee on South Africa, created by the President's Executive order, are currently working toward a report on the subject of how the people and Government of the United States can best use our influence in South Africa.

This is not the time to mount punitive sanctions against South Africa but, rather, to use our good offices and influence to move ahead the process of reform and negotiation in that country.

In summary, our policy is a coherent, logical one designed to promote change in South Africa and to pursue our own national interests. We would welcome efforts by this body to increase U.S. assistance to those working to put an end to apartheid and to improve our ability to reach out effectively to communities in all parts of South Africa, such as we had in mind when proposing the creation of a consulate in Port Elizabeth. Such measures will ensure that the United States has a positive role to play in bringing about our goal of ending apartheid in South Africa.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

FY 1987 Assistance Requests for Sub-Sahara Africa

by Chester A. Crocker

Statement before the Subcommittee on International Operations of the House Foreign Affairs Committee on March 18, 1986. Mr. Crocker is Assistant Secretary for African Affairs.[1]

I welcome the opportunity to testify today on the 1987 foreign assistance request for Africa. I believe it is important to be here because Africa is too often lost in the shuffle in light of higher profile interests elsewhere in the world. Yet, it is Africa, as I hope this committee will agree, that poses some of the greatest challenges and opportunities for the United States.

I recognize that in these days of budget cutting and deficit reductions we need to ensure that all U.S. Government assistance programs are based on solid U.S. foreign policy interests and objectives and that all programs have been scrutinized to consolidate and reduce costs wherever possible.

My presentation is in two parts—first, the nature of U.S. interests and, second, the programs proposed to support these interests. While these cannot and should not be rigidly separated, I would divide U.S. interests in Africa into the following broad categories—strategic and political, economic and developmental, and humanitarian. All of these interests share one common factor: the awareness that Africa is part of a broader global system.

U.S. Interests

Soviet/Libyan/Cuban adventurism operates in Africa just as it does in Afghanistan, Nicaragua, and the Middle East. Africa's financial problems are part of a broader global framework, and failure to deal with them endangers the multilateral system crucial to our global interests. For example, while African debt is dwarfed by that of Latin America, the country with the largest arrears to the IMF [International Monetary Fund] is Sudan; and debt, in relationship to size and potential of economies, is far more serious in Africa than elsewhere. By the same token, Africa's level of socioeconomic development is much lower than that of other regions. African countries do not have the same ability to adjust to changing international economic developments that other regions—such as Latin America and Asia—have. For this reason, I think Africa needs to be recognized both for its special characteristics and for its importance to our world interests.

In development terms, what is occurring in Africa today, after a long period of stagnation and misdirection, is positive and encouraging. As I will describe in somewhat greater detail later, Africans have taken initiatives, risky initiatives, in terms of policy changes which deserve our support. Africans are not asking for a handout, nor do we propose to give them one. They are not arguing that their debt be repudiated. They are asking for support in developing institutions which will permit their economies to grow, with benefit to Africans and non-Africans. If we and our allies respond, we can head off far worse problems in the future.

Our request for Africa is not extravagant in this context. Our total request for development and security assistance to Africa comes to $2.50 per African. This is not an amount that can be cut substantially and still have the effect on poverty, disease, and dislocation that is desired. Some prominent elements in the United States, most notably the recent report of the Council on Foreign Relations and the Overseas Development Council, have urged that we do much, much more in Africa. But we are very much aware of budget constraints and have shaped our proposals in the context of what we believe is our proper share of our international effort, both bilateral and multilateral.

We have important security interests in Africa. Africa is relevant in strategic terms to the shipping lanes from the Middle East, the security of the Indian Ocean, and the transit across the South Atlantic. Africa is also near the critically important southern flank of Europe and vulnerable oil-producing areas in Saudi Arabia and the gulf. Africans are active participants in the security of these regions, for their own safety and development.

We have an interest in seeing the continent free from outside subversive influence and aggression or its use as a base for anti-Western propaganda and activities. Most African leaders share our perceptions about the dangers to the continent offered by Soviet, Cuban, and Libyan involvement and our view that disputes should be settled by peaceful negotiation—not armed force. We have not hesitated to provide military assistance to our friends when threatened by external aggression, as we did in the case of Libyan incursions against Chad. Our allies in Europe have reacted strongly as well. We ignore at our peril the intrusion of hostile external influence and power into this fragile and often unstable zone.

With about one-third of the membership in the United Nations, African nations are the most cohesive voting bloc at the United Nations and in other international fora. They play a critically important role in determining UN positions on political, economic, and technical issues, such as policy in the Middle East, on terrorism, and on human rights. Just to give one example, African countries consistently resisted efforts to challenge Israel's right to participate in the United Nations.

Africa's markets and our access to its rich mineral resources are important concerns to American industry and commerce. We depend heavily on Africa for the supply of such critical minerals as chrome and cobalt.

Africa is important to us in cultural and historical terms. About 11% of the American people trace their ancestry back to Africa. Afro-Americans are today a more cohesive and activist constituency than at any time in the past, not only on the emotionally charged issue of South Africa but also on the range of America's African interests and policies.

And finally, we have a strong humanitarian interest in helping our fellow man meet basic human needs and realize his potential. Last year, Africa experienced one of its worst droughts in modern history, with over 30 million people at risk. We can be proud of the U.S. role in providing unprecedented levels of food and other types of emergency assistance. Millions of lives were saved. With the return of rains to much of Africa, the specter of famine is receding but much still remains to be done to reduce deprivation and suffering. Equally important, we must ensure that Africans living on the narrow margins of subsistence have the realistic hope that life for their children tomorrow will provide more opportunities and economic security than there is today.

The Shift in the African Approach to Economic Development

Africa is at a crossroads in economic development. Drought, sharply changing terms of trade, and, perhaps above all, misdirected policies have brought Africa to a point where it has regressed to the per capita income of 1960. The seriousness of this crisis, however, has produced a major shift in African thinking. Indeed, among Africans and donors alike, there is a consensus on dramatic steps that must be taken by African governments and the nature of international support. If these steps are not taken, the situation will worsen with terrible human as well as, unquestionably, political consequences. But the key is that this crisis is recognized, and African leaders are taking actions of unprecedented nature to meet it.

What are African countries doing to help themselves? Much of the reform taking place reflects a move away from bankrupt statist policies dating back to the early years following independence. At that time, many African leaders were attracted by socialist solutions which held out the promise of a more rapid economic growth while at the same time promoting a more equitable distribution of income. Even countries that did not profess socialism were inclined toward a large state role in production, marketing, distribution, and finance. This path clearly has been a disappointment. Rather than a high rate of economic growth, it has promoted rapid growth of government and state enterprises at the expense of the fragile but productive private sector. Bureaucracies have swollen beyond the economy's ability to support them, creating incentives for corruption and distortions in the allocation of benefits. Subsidies were introduced that increased deficits as well as dependence on imports.

Many African countries are now aware of their past mistakes and are proceeding to pare down their government bureaucracies and remove controls which are preventing the economy from operating efficiently. I will give you briefly specific examples of important reform efforts by selected African countries.

Zaire. Zaire's policy adjustments are among the most thorough in support of market-led development. The local currency, the zaire, has been devalued sharply and allowed to float in a free foreign exchange market. Import licensing has been liberalized and payment restrictions eased. Virtually all state trading monopolies have been abolished and price controls eliminated. Questionable trading practices in the mineral sector that allowed for hidden capital flight have been abolished under World Bank direction. Interest rates have been freed and floated to rates that are positive in real terms. Finally, public expenditures were cut back sharply. As a result of these measures, inflation has dropped to an annual rate of 20% after running at over 100% in 1983; exports have increased, and the trade surplus has doubled despite a continuing decline in copper prices. Growth has also recovered, rising to a 2.8% real rate in 1984. However, despite these positive results, debt service remains a tremendous problem for Zaire, consuming about half of the government's budget.

Zambia. In Zambia, the government has recently introduced a series of fundamental economic policy changes. It has established an auction system for foreign exchange; liberalized its foreign trade regime and ended all import licensing and other quantitative restrictions; decontrolled interest rates; and established a daily auction in Treasury bills to help meet its domestic credit needs from sources outside the banking system. No less significantly, the government has also continued to push ahead with sectoral reform programs, increasing and/or decontrolling producer and retail prices for agricultural products, restructuring tariffs, and developing an action program for the rationalization of the mining industry.

Somalia. Similarly, Somalia in 1985 embarked upon one of the more sweeping reform programs in Africa. Prices were entirely decontrolled; import licensing was abolished; all restrictions on internal grain marketing were eliminated; and a dual foreign exchange market (with a freely floating exchange rate for most commercial transactions) was developed as a first step toward a unified free foreign exchange market. Real public expenditures were also cut back sharply. Together, these measures had an immediate impact on prices, production, and exports. Inflation settled to a rate less than half that of 1984—about 30%-35%; foodgrain production rose to record levels; exports almost doubled; and overall GDP [gross domestic product] growth strengthened to a 4% real rate for the year.

Guinea. After 26 years of economic mismanagement, the new Government of Guinea, under the leadership of President Conte, launched a sweeping economic reform program in the fall of 1985 aimed at implementing IMF and World Bank recommendations and putting the Guinean economy on a private sector footing. Guinea devalued its currency by 1,500% and instituted a foreign exchange auction system as a step toward market-determined rates; the state banking sector was liquidated, and its functions are being handled by three Franco-Guinean banks; the prices of basic commodities are being decontrolled to stimulate increased supply; the import and retailing of rice was privatized; state enterprises were dismantled or privatized; and targets were set for deep cuts in civil servant staffing.

Role of the Donor Community

What should the donor community do to support such important economic reforms? In its recent report "Financing Adjustment with Growth in Sub-Saharan Africa 1986-1990," the World Bank presents a sobering view. In the introduction to the report, World Bank President Clausen notes that the "development strategies of many African countries have changed dramatically," that "major structural reforms are being undertaken," and that "there has been marked progress by many African countries in redressing major macro-

economic and sectoral distortions." He adds, however, that "the major structural reforms undertaken by many African countries to address their long-term development problems have not received adequate donor support."

The Bank believes that, in order to achieve sustained and sound growth, approximately $2.5 billion in additional assistance is required. Some of this can come from an enlarged IDA VIII [International Development Association], but the remainder must come from bilateral support. I am not arguing for a gap-closing exercise for all of Africa. For better or for worse, this is not sustainable in the United States or most other countries. What is needed is a combination of donor concentration of assistance on programs to produce results in those countries in Africa seriously engaged in adjustment and to provide incentives for the future to other countries that must eventually take this path.

Economic Assistance

I, and my AID [Agency for International Development] colleagues, believe in this, and the proposals which are before you reflect this approach. U.S. bilateral assistance is perhaps one-eighth of total assistance flows to Africa. Yet our relatively small share of assistance is crucial to broader patterns of assistance. We are proud to be considered the leader and innovator in African development. This is a role we wish to maintain.

Accepting the reality that we do not have the resources to do everything that we would like to do, we have evaluated our priorities carefully to focus our assistance. Our request for economic assistance for Africa in FY 1987, at about $1 billion, is about 10% below actual expenditures in 1985. Over half of our assistance is concentrated in nine countries: Cameroon, Kenya, Liberia, Niger, Senegal, Somalia, Sudan, Zambia, and Zaire. In terms of programming our economic assistance, about 43% of our resources goes to assist economic stabilization and reform efforts; 35% to promote increased agricultural productivity which is made possible by such reforms; and 22% for human resources development. Development assistance, economic support funds, and PL 480 food assistance each provide roughly a third of the resources for our bilateral programs. While some of these resources may help meet short-term needs, our major objective is to increase the long-term productivity of the countries we are helping.

Economic and institutional reforms will continue to be the centerpiece of our development strategy. Under our regular assistance programs in Africa, we have been providing increased balance-of-payments assistance and conditioning it on economic structural reforms (e.g. trade liberalization, agricultural market liberalization, civil service reform) to create a favorable framework for medium- and long-term growth. This is precisely in line with recommendations of the World Bank to bilateral donors.

In FY 1985, we began implementing a new program, the African economic policy reform program, which provides additional, more flexible assistance to African countries undertaking critical policy reforms and for whom additional, timely resources would accelerate the pace of such reforms and ensure implementation at the sector level. The first year was a success. We selected five countries for a total program of $75 million and negotiated reforms which included: reduction of fertilizer subsidies in Malawi; pruning of the civil service payroll in Mali; lowering of tariffs and marginal personal tax rates in Mauritius; liberalization of price controls in Rwanda; and elimination of subsidies on maize and fertilizer in Zambia. Due to budget restraints, funding for the program in 1986 was reduced to $47.9 million. We hope Congress will provide us the resources so that we bring this important, effective program back up to the $75 million level in 1987.

The African economic policy reform program was a precursor of and gave impetus to a similar program, the World Bank's Special African Facility—a facility which, together with bilateral funds available for cofinancing, totaled about $1.3 billion to finance policy reform programs in Africa. The facility has done useful work, and we have been coordinating our reform programs with the World Bank and in FY 1986, at the initiative of Congress, made a direct contribution to the special fund.

This year, we will begin implementing "food for progress," using an initial allocation of 75,000 tons of food to support several pilot programs. "Food for progress" is designed to support market-oriented reforms in the agricultural sector with a view toward increasing a country's productive capacity. Benefiting from the experience of the first programs, we plan to expand it in 1987 and are hopeful that, like the reform program, it will also make a significant contribution to the structural reform efforts of African countries.

Lastly, I would like to mention briefly our efforts to mobilize additional multilateral support for Africa. Last October, at the IMF/IBRD [IMF/International Bank for Reconstruction and Development] annual meeting in Seoul, we tabled a proposal on the use of IMF trust fund reflows in conjunction with World Bank resources and possibly bilateral contributions. The proposal would promote greater consistency and coordination of efforts of all parties involved in the implementation of structural adjustment programs in the beneficiary countries. The IMF and World Bank would develop a comprehensive economic framework, and then each institution would negotiate its own policy-based lending programs consistent with the overall framework.

At the February 11 meeting of the IMF Executive Board, the trust fund proposal was endorsed. The initiative was also considered at the March 17 World Bank Board, but we do not yet know the results. Nonetheless, we are fairly confident that the initiative will go forward and expect that it will make an important contribution toward helping close the resource gap for Africa identified by the World Bank. The trust fund part of the U.S. proposal alone would provide substantial increased concessional assistance for the poorest countries with protracted balance-of-payments problems. During the first round of distributions of the IMF trust fund, only 27% went to African countries. This time we would expect more than triple that percentage to go to Africa.

This, in sum, is what we propose on the economic side.

Military Assistance

This year, as in previous years, our request for military assistance is based upon our strategic interests in Africa and on the philosophy that the armed forces of Africa are an important power factor in their individual countries. We believe that these military organizations can be either stabilizing or destabilizing forces and that we must stay involved in terms of providing justifiable assistance to key countries. If we do not play in the game, we will have no influence over the outcome. We have a stake in supporting moderate, friendly states and an interest in moving countries that

have been part of the Soviet order into a more fully nonaligned position.

In FY 1987, as in the past, our request for economic assistance outweighs our request for military assistance by a factor of 5 to 1. Our request for military assistance for FY 1987 is reduced from our FY 1986 request by 9%. The request for FY 1986 was $220 million, but because of severe budget reductions, we were able to allocate only $111.5 million. The request for FY 1987 is $201.5 million: $174.1 million, MAP; $14 million, FMS credit; $13.4 million, IMET.

The reductions that we were required to take in military assistance in FY 1986 were very costly in terms of U.S. interests. In Sudan, the reductions were so severe as to give rise to questions about our seriousness in a country of vital strategic importance to Egypt and Kenya and which is gripped with an internal insurgency fueled by Ethiopian arms. In Kenya, we cut back on planned support to one of our staunchest friends in the region—indeed, in the Third World. In Botswana—just as that country faced greater tension on its borders and more than ever was determined to defend itself from both other countries and armed movements that would misuse its territory—we had to cut our program nearly in half. In Cameroon, which has kept its borders clear of trouble from Chad or elsewhere, we had to eliminate the program altogether, even though it is one of the best managed programs in Africa. These are costly steps. These reductions, often drastic, raise the most basic questions in the minds of important regional partners about our readiness to help victims of Libyan encroachment or other cross-border raids. These countries have stood up continuously in favor of positions we have supported in international and regional matters and expected not large, but timely and consistent help from us. If we continue this pattern of reductions in future years, we will have opened the door to more trouble in Africa than is readily understood. In Sudan, Libya is today actively exploiting the uncertainties about our military relationship with that country to gain a foothold in military matters. And unlike our role, which was to concentrate on border defense and urge strongly a negotiated settlement of the internal uprising, Libya will not adhere to such principles.

Our request for military assistance in FY 1987 is concentrated in five countries: Sudan, Kenya, Somalia, Chad, and Zaire. Kenya, Sudan, and Somalia figure directly and prominently in the U.S. Southwest Asia strategy. These countries support U.S. political and military objectives in the region and provide U.S. forces with access to and through their countries.

Chad is under siege from Libya. Libyan forces occupy the northern third of the country. The French have the major responsibility for helping Chad defend itself, but the United States plays an important supporting role as France cannot manage the entire burden alone. U.S. bilateral support for Chad also demonstrates our resolve to help African nations counter Libyan aggression and adventurism.

Zaire continues to be a staunch supporter of U.S. policies in Africa, including the containment of Libyan aggression, as shown by President Mobutu's 1983 decision to send troops to Chad to counter earlier intervention by Libyan and rebel troops. Zaire has a military that has an enormous mission and requires outside assistance from a number of supporters, especially in the airlift and logistics areas.

Our other major military assistance goes to Liberia and Botswana and to a regional civic action program. We are well aware of the congressional concerns about military assistance to Liberia, but we cannot walk away from that country's military establishment. We reduced our 1986 allocation to $5 million, and we are requesting $8 million less assistance in 1987 than in 1985. While we take very seriously the Senate and House resolutions concerning military and ESF assistance, we believe it is vital to stay involved with the rank and file military in Liberia. The military did not impede the process of return to constitutional rule nor did it serve as an instrument to interfere with the recent elections. This military is a prime example of where a properly trained force can be a stabilizing influence, and an untrained, undisciplined force can be a recipe for future unrest and chaos. We cannot abandon our commitment completely or precipitously.

In Botswana we have a commitment to assist the defense force with training and equipment that will increase its border defense capabilities. Botswana must remain both economically and militarily stable in this critical and potentially unstable area of Africa.

The Africa civic action program, although only in its second year, has already paid dividends. In 1985 and 1986 we have been able to identify small projects in Mali, Niger, Malawi, Senegal, Ivory Coast, and Rwanda; and we are working on coastal security programs with Senegal, Guinea, Sierra Leone, and Mauritania. We are getting a lot of mileage out of the civic action program for a very small investment.

There is one new program identified in the 1987 request: a $1 million MAP program for the Central African Republic (C.A.R.). The C.A.R. has been very supportive of U.S. and French policies in the region and has acted quickly to deter Libyan adventurism in not only the C.A.R. but in southern Chad as well. The French provide the majority of the military assistance required by the Central Africans, but, as in Chad, they cannot supply all of the legitimate requirements. We intend to provide trucks for key mobile infantry units to help them increase their effectiveness in protecting their borders.

In this era of reduced resources available for military assistance, we have carefully examined each of our programs and have consolidated a number of projects in each country. I would like to point out that we have maintained a remarkably consistent military assistance request over the years. Since 1982, the total request for military assistance each year has been approximately $200 million. Because of the shortfall in 1986, we consolidated some programs and projects and deferred others. We plan to do the same in 1987. However, there is a level below which we should not fall; a level below which our assistance would not make sense or be effective. There are those who would argue that we should curtail military assistance to African countries. We cannot and should not do that. We would run the risks I outlined above—the risks of losing the influence that we have and of actually adding to instability rather than stability.

I would like to take a moment at this point to set the record straight on a commonly expressed misconception of U.S. military assistance to Africa. This Administration has been accused of trying to militarize Africa, of emphasizing military assistance over economic assistance. That is simply not the case.

When we do respond to requests for military assistance, it is in the area of training, logistics, supply, communications, engineering, and most recently in the area of civic action. However, when friends and allies are threatened or invaded, as in the case of Chad, we have responded with lethal, primarily defensive, equipment. We believe that this is the correct response, and we will continue to follow this pattern.

The Congress and the public are not aware of the number of requests for military assistance that we deflect. We consult closely with African nations when they ask us for military assistance, and more often than not we conclude that their situation does not warrant a military supply relationship with the United States. In these cases we have established training programs which have proven to serve better the needs of African militaries than expensive, hard to maintain, equipment programs. Out of all the nations in sub-Saharan Africa, we have military equipment assistance programs in only 14. These 14 fall into very select categories: they are either key actors in U.S. national security strategy or they are threatened by external aggression. There are a few countries which fall into both categories. By contrast, we have training programs with 44 nations. I believe that the record demonstrates where we place our priorities.

I want to emphasize the point that there are, indeed, African nations that are threatened by aggression and internal instability, that this instability works directly contrary to U.S. interests, and that the United States will respond to help our friends. Deterioration in the security situations in Chad, in Sudan, in Somalia, and in southern Africa will impact seriously upon U.S. interests in those key regions in Africa. We are not requesting military assistance because we are "nice guys." We receive valuable benefits in return for our investment. We are pursuing objectives that are part of U.S. national strategic policy.

I will now review regional highlights.

Southern Africa

We are engaged in a major diplomatic effort in southern Africa to decrease the level of violence and establish a more stable basis for regional security and to end apartheid and establish a more just system based on the consent of all the governed. These objectives are interrelated. As long as the level of cross-border violence and the perception of threat remain high, it will be difficult to generate among white South Africans the political will necessary to adopt real reforms. On the other hand, there is no question that, for as long as it exists, apartheid will be the principal source of conflict and instability in the region, creating opportunities for outside intervention.

We have seen some progress toward these objectives. Our goal of diplomatic resolution of conflict and of economic development is gaining support as opposed to an orientation toward armed conflict which favors only our adversaries. The Nkomati accord between South Africa and Mozambique has decreased the level of cross-border violence. Our effort to achieve Namibian independence on the basis of UN Resolution 435 has made important progress. We now have concrete proposals on the table from both Angola and South Africa, including a date of August 1, 1986, for implementation of UN Resolution 435 for Namibian independence, if there is a satisfactory agreement on Cuban troop withdrawal.

These achievements are fragile and incomplete. Much more remains to be done. The area has vast development potential, but this potential can never be achieved as long as the problems of racism, war, economic disruption, and foreign intervention persist. Our assistance programs have been greatly expanded and are designed to achieve greater regional security, economic development, peaceful change, and further reform in South Africa. They are tangible demonstrations that we, and not our adversaries, have the capacity and willingness to help the countries in the region achieve peace and better the lives of their people.

We strongly endorse and support the objectives of the Southern African Development Coordination Conference (SADCC) which seeks to coordinate development projects of the nine majority-ruled governments in southern Africa. AID provides direct technical and financial support to the SADCC Secretariat and works with SADCC in various areas, including agricultural research, manpower development, food security, and transportation.

In Zambia, the Kaunda government, supported by the IMF and World Bank, remains committed to a difficult program of economic reform. Zambia has begun a series of fundamental changes in its basic economic policies which our aid programs are helping to sustain. Zambia's economy remains fragile and needs substantial outside assistance to cushion the effects of its reform program.

Due principally to sensible agricultural policies, Malawi has largely been able to feed its population. However, the insurgencies in neighboring countries, particularly Mozambique, have made Malawi's ability to import or export commodities extremely costly. The country remains extremely poor, and it warrants our support as it undertakes new initiatives to diversify and strengthen its economy.

Our aid is helping Zimbabwe to stay on a sound economic footing. Our efforts are focused on the private sector, where an invaluable commodity import program has alleviated foreign exchange limitations that otherwise would have stalled industrial and commercial recovery. The private agricultural sector naturally suffered under the region's severe drought but, all things considered, coped fairly well and, with improved weather this year, has had major increases in production.

Mozambique continues to make major desirable changes in its orientation, and we have responded by developing diplomatic relationships and economic assistance programs intended to show our support for the change. I have already mentioned the Nkomati accord, a key move away from armed confrontation. Mozambique has, since then, moved toward greater participation in the Western economic system. It has joined the IMF and World Bank, adhered to the Lome convention, and signed an OPIC [Overseas Private Investment Corporation] agreement and a Paris Club rescheduling. Several American firms are initiating important investments in the country's agricultural, fishing, and minerals sectors. It was one of the most drought-affected countries in the region, and we responded with large-scale emergency food assistance. Our assistance programs demonstrate tangibly our support for the Machel regime and the reforms it has undertaken; however, congressional restrictions on our aid to Mozambique have caused significant reduction in this assistance. Our support is particularly timely, since the Mozambican Government's turn away from heavy reliance on the Soviet Union is being called into question by continued antigovernment violence committed by RENAMO [National Mozambican Resistance]—a movement initially created by Ian Smith's Rhodesia, nurtured prior to the Nkomati accord by the South African Government, and still supported by non-African elements such as the Portuguese.

Our assistance program within South Africa is one of the pillars of our policy toward that country. It is not government-to-government, and it demonstrates clearly that our policy is not

limited to a narrow range of issues nor to dialogue with the South African Government alone. It also encourages individuals and groups striving for peaceful change in South Africa.

The proposed U.S. aid program for South Africa in FY 1987 is $25 million, of which $15 million is budgeted in the southern Africa regional program (development assistance and ESF), and $10 million would come from a special ESF allocation for South Africa. Working directly with regional organizations, private voluntary organizations, local community groups, and individuals, our assistance program is aimed at improving community support structures, private enterprise, and educational and training opportunities for disadvantaged South Africans. Its basic goal is to assure that strong and responsible leadership is available to assume increasingly greater positions of responsibility and authority in both the public and private sectors. We have a major human rights program to assist in legal defense work and improving the responsiveness of legal institutions in South Africa.

Southern Africa is of substantial strategic and economic importance to the United States. We are engaged there in a continuing major diplomatic effort to bring about the independence of Namibia under UN Security Council Resolution 435, and a situation of peace among countries suffering from cycles of violence. We have seen progress toward these objectives and in our relationships with all the countries of the region, but we have still major efforts ahead of us.

The area has vast development potential, but this potential can never be achieved as long as the problems of war, economic disruption, racism, and foreign intervention persist. Our policy in the region is designed to address these problems through enhanced regional security, economic development, peaceful change, and a movement in South Africa away from apartheid and toward a system of governance based on the consent of all the governed. Our assistance programs are targeted at achieving these goals and allowing the area to resolve its difficulties and develop without outside interference, especially from Soviet-bloc nations.

Central Africa

The United States has a major policy stake in ensuring an independent Chad in the face of continuing Libyan aggression. Libya occupies the northern 40% of Chad and is currently supporting attacks by dissident forces. Our security assistance support for Chad is designed to complement the efforts of France, which has the primary role in assisting with Chad's security. Because of its shattered economic base, caused by the ravages of war and drought, Chad needs fast disbursing ESF to restore basic civilian services and development activity as well as MAP to strengthen its capabilities to resist continuing Libyan aggression and subversion.

Zaire, a country of crucial strategic importance in Africa, has been a firm friend and supporter of U.S. policies. It contributes substantially to stability in central Africa. For example, it helped the Chadian Government by sending troops to Chad to permit that country to defend itself against the Libyan invasion in 1983, and it provides training in Zaire to Chadian troops. In addition, Zaire has pursued constructive policies on issues outside Africa. Zaire has close ties with Israel, with which it reestablished diplomatic relations in 1982. A neighbor of conflict-ridden Angola, Zaire is equally a critical country in the search for peaceful resolution of southern African conflicts. Zaire's military has long been underfunded, and our MAP program is designed to get Zaire programs back on their feet, particularly in the key airlift area. The importance of this program was demonstrated in November 1984 when Zairian forces were airlifted in a U.S.-provided C-130 to recapture a town in eastern Zaire that had been seized by antigovernment rebels coming across the border. And lastly, as outlined earlier, Zaire has taken major steps to reform its economy which we need to continue to support.

Cameroon is a country where we want to build on success. Cameroon's policies, including emphasis on the private sector and active encouragement of foreign investment, have been conducive to sound development programs. With $21.89 million in assistance proposed in FY 1987, our economic aid emphasis is on increased production in food crops and market participation and income of small farmers. Our security assistance seeks to improve the mobility and efficiency of its modest defense forces.

East Africa

A number of countries, including Kenya, Sudan, Somalia, Mauritius, and Madagascar have undertaken tight, much-needed economic adjustment programs to establish a stronger basis for self-sustaining growth. Two countries, Somalia and Madagascar, are in the process of correcting earlier severe economic distortions. Early this year, for example, the IMF approved a standby agreement and additional funding to compensate for lost export earnings—critical financial assistance in support of major economic reforms undertaken by the Somali Government. Our aid programs focus in several cases on quick-disbursing ESF grants which enable importation of needed inputs to agriculture and commerce and provide the catalysts for financial assistance from other donors as well as assistance complementary to that from international organizations such as the IMF and World Bank.

Our economic assistance is vitally important to Sudan as its government undertakes a return to democracy for the first time in 17 years, seeks constructive solutions to the country's desperate economic problems, and maintains a liberal policy toward refugees.

The United States has, in the past, played a leading role in an extraordinary international effort which has mobilized resources to enable Sudan to meet recurring payments for imports essential to development and other obligations. Through quick disbursing commodity import program funds and, when necessary, cash grants, we have helped Sudan manage its economic resources within an international framework. These programs broke down under the growing political instability and civil strife in the final months of the Nimeiri regime. They will be rebuilt only painstakingly as the country works first to restore democracy through elections in April. We have reassured the Sudanese of our intent to support this process. We have also indicated our readiness to work with the newly elected government in addressing the most urgent economic problems. Meanwhile, there is ongoing need to restore infrastructure badly damaged during the drought and to help support economic activity in the agricultural sector through the election period. At the same time, we have begun quiet, informal consultations with other significant donors so that the donor community can move quickly and in a coordinated way to meet Sudan's

urgent needs. While many basic decisions must await elections, our economic assistance constitutes a principal base for Sudanese recovery.

I have noted earlier the importance of our continuing to have a military assistance relationship with Sudan. Sudan continues to be threatened by subversion at home and abroad. The security problem on two borders—Libya and Ethiopia—exacerbates the internal political tasks of Sudan. We have made clear that our military assistance is not for pursuit of a military solution to problems in the south. The interim government has, indeed, taken several initiatives to seek political reconciliation. We expect these initiatives to intensify after elections install a permanent government this April. However, Ethiopian support of the southern insurgency appears to be a serious obstacle to negotiations, as Ethiopia seeks to exploit this situation for its own ends. While strongly urging a negotiated settlement of the southern problem, we are not disposed to see Ethiopia use the situation to help spread Soviet influence in the region.

Our security assistance in 1986 is vital for Somalia to control its borders and manage its own destiny. Somalia is still engaged in a residual border conflict with Ethiopia. Ethiopian troops still occupy two Somali villages. Ethiopian-backed insurgents in the north periodically engage in border harassments. We and our allies continue, meanwhile, to encourage, through every diplomatic way possible, a lessening of tensions in the region and a process for overcoming border and other divisive issues. The careful balance of our assistance to Somalia over the past several years, giving Somalia defensive capability but not supporting actions against Ethiopian territory, contributed to the atmosphere in which Ethiopia's Mengistu and Somalia's Siad recently met for the first time to find a peaceful solution to their long-standing disputes.

Kenya is successfully coping with the economic conditions that brought so many other African countries down. Kenya has taken tough measures to limit its critical balance-of-payments and foreign exchange deficits through devaluation, import reductions, and budget cuts. Kenya moved quickly to get food into the country when the drought struck, and its performance stands in sharp contrast to that of Ethiopia. Assistance from the IBRD, the IMF, and the world donor community in support of Kenya's short- and long-term reform efforts has given Kenya the external help necessary to make its domestic adjustments. This is a success story that we must not abandon. Continued help will now focus on a major opening of the private sector in agriculture, exports, and social development so that Kenya can keep up with the pressing problems of population growth, unemployment, and poverty.

West Africa

While the American presence and aid levels in the 16 countries of West Africa generally are not large, they are, nonetheless, significant. In drought-affected countries, such as Niger and Mali, our emergency assistance has proven crucial. Dealing with acute food deficits is both a short-term humanitarian problem and a longer term developmental objective.

In Senegal, our programs are designed to bolster a friendly democratic government and one which is a leader in economic restructuring. In addition to providing Senegal the largest amount of U.S. development assistance in francophone Africa, we are using ESF to enable the Senegalese to continue to pursue more rapidly significant economic policy reforms, such as in agricultural marketing. Our assistance programs are being coordinated with France, Senegal's largest donor, and with the international financial institutions. We also seek to continue a modest but highly valued $4.5 million MAP program in FY 1987 to augment Senegal's capability to resist Libyan subversion; our highly successful IMET program trains about 30 officers of Senegal's apolitical, professional armed forces in the United States. We believe that this mix of programs in FY 1987 will assist this friend of the United States to sustain policy reforms and to preserve stability in this key area in Africa.

Liberia has a special historical relationship with the United States, and it is the site of several vital realities. There are some 5,000 Americans there. Since 1980, it has struggled with the transition from 100 years of one-party aristocratic rule to power and control by elements of the previously disenfranchised population. It has been a difficult period, marked by inexperience of the new rulers, human rights abuses, and deep economic problems.

In Liberia, our assistance levels were considerably reduced in FY 1986 from previous years. In making that decision, we took into account this year's budgetary constraints and the Administration's and congressional views about human rights. Our assistance programs in development assistance, ESF, and MAP in FY 1987 are carefully tailored to improve the quality of life of Liberians, particularly in rural areas, to encourage the Liberian Government to take key decisions regarding economic reform and its international debt that are essential to restore international financial confidence in that country and prevent economic collapse, and to continue, at a much reduced level, the supply of essentially nonlethal equipment and facilities and training to Liberia's Armed Forces, which help make them a more disciplined and less politicized force.

Liberia held national elections in October 1985 and returned to civilian constitutional rule on schedule in January 1986. But the process was marred by disputes over the election results and by a coup attempt and its aftermath a month later. Steps have been taken by government and some opposition leaders to promote national reconciliation within the framework of the new democratic constitution and institutions of elected government. Much more needs to be done. Our continued assistance program will, in our view, contribute to the prospects for national reconciliation, political stability, and human rights in Liberia. We have sent strong messages on all these matters this year and at the same time have applauded the recent release of prominent political detainees, the opening of trials to outside observers, and removal of some of the press restrictions from last year. We shall keep those matters very much in mind, as well as the Liberian Government's actions to address seriously its economic problems, as we disburse assistance funds throughout the year.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Nuclear and Space Arms Talks Open Round Five

PRESIDENT'S STATEMENT, MAY 7, 1986[1]

Tomorrow marks the opening of round five of the nuclear and space talks (NST) in Geneva. Our overriding priority in these negotiations is the achievement of deep, equitable, and verifiable reductions in the nuclear arsenals of the United States and U.S.S.R. and the strengthening of strategic stability. Through agreements on such reductions, we seek to achieve a safer world and to work toward our ultimate goal of eliminating all nuclear weapons.

The session that begins tomorrow is an important one. In Geneva last November, General Secretary Gorbachev and I agreed to accelerate the negotiations on nuclear and space arms, particularly where we had already identified areas of common ground. This includes the principle of 50% reductions in nuclear arms, appropriately applied, as well as the objective of an interim agreement limiting intermediate-range missile systems. Unfortunately, little progress was made during the most recent round of the negotiations, largely due to the failure of the Soviet Union to act on the commitments it undertook in the November 21 joint statement.

In January Mr. Gorbachev advanced publicly a "plan" calling for the elimination of all nuclear weapons by the end of the century. While we are pleased that the Soviet Union has embraced, in principle, our ultimate goal of elimination of all nuclear weapons, we believe this must be accomplished through a progression of practical measures. Our immediate focus should remain the prompt accomplishment of the necessary first steps in this progress—50% reduction in strategic nuclear arms and an interim INF [intermediate-range nuclear forces] agreement, as agreed last November in Geneva.

Toward this end, the United States has put forward fair and balanced proposals in all three areas of the NST negotiations. Our new strategic arms proposals adopt the concept of 50% reduction in the nuclear arsenals of the United States and U.S.S.R. and seek to enhance stability by reducing the capability to conduct a first-strike. These new proposals are designed as well to take into account concerns expressed by the Soviet Union and to build on areas of common ground in our respective positions.

In the defense and space forum, we want to initiate a dialogue with the Soviets on the vital relationship between strategic offense and defense. Furthermore, as a demonstration of our peaceful intentions, we are proposing an exchange of information on our respective strategic defense research programs and reciprocal visits by U.S. and Soviet experts to laboratories which are engaged in such research.

Unfortunately, neither in their January announcement nor in their statements at Geneva have the Soviets provided a constructive response to our proposals in either the strategic arms reduction talks (START) or defense and space area. We hope they will do so this round.

On the other hand, Mr. Gorbachev's announcement did seem to show a potential for progress in the INF area. Taking this into account, I, therefore, made another new U.S. offer: a concrete, phased plan for the global elimination of this entire category of U.S. and Soviet missiles by the end of this decade. This new proposal, developed in close consultation with our allies in Europe and Asia, builds upon areas of common ground—as called for in the summit joint statement. Our previous INF proposals also remain on the table.

In INF we also are proposing very concrete verification measures. After resisting for years U.S. proposals for verification, the Soviet Union recently has professed in its public statements that it now shares our interest in effective verification. We are seeking to put these Soviet pronouncements to the test at the negotiating table. In light of the unfortunate events of the past week, moreover, the need for effective verification measures has become clearer than ever.

In sum our key objectives in the Geneva negotiations are: deep cuts; no first-strike advantage; continuing defensive research because defense is safer than offense; and no cheating.

We are making a sincere and determined effort to see the promise of the November summit fulfilled, and the instructions I gave to Ambassadors Kampelman [defense and space arms negotiator], Glitman [intermediate-range nuclear arms negotiator], and Lehman [strategic nuclear arms negotiator] on their return to Geneva provide them with the flexibility they need to explore all promising approaches for agreement.

It is high time now for the Soviet Union to get down to business by addressing seriously with us in Geneva the practical implementation of the mutual commitments which Mr. Gorbachev and I made at the summit. If the Soviets truly join us in this vital effort, real progress in nuclear arms reductions is clearly within our reach.

I want to emphasize in closing that the way to make progress is at the bargaining table in Geneva in the confidential atmosphere provided by these negotiations. I, therefore, call on the Soviet Union to study these practical, yet far-reaching, U.S. proposals carefully and to respond in an equally concrete and constructive manner at the negotiating table. Only this will establish the kind of dialogue that can lead to progress.

[1]Text from Weekly Compilation of Presidential Documents of May 12, 1986. ■

MBFR Talks Resume in Vienna

WHITE HOUSE STATEMENT, MAY 15, 1986[1]

Today in Vienna, respresentatives of NATO and the Warsaw Pact resume their efforts to reach a verifiable agreement that would reduce and limit conventional forces in central Europe. These negotiations, known as the mutual and balanced force reduction (MBFR) talks, have the important goal of creating a more stable balance of forces at an equal and significantly lower level in central Europe, the area of greatest concentration of armed forces in the world.

The MBFR talks are at an important stage of their 13-year history. Last December 5, the President joined other allied leaders in making a new far-

reaching proposal aimed at finding out if the Soviet Union is seriously interested in moving toward an accord in these long-running negotiations.

The Warsaw Pact had asked for a time-limited, first-stage agreement calling for initial reductions by U.S. and Soviet ground forces, followed by a freeze on all forces of the two alliances remaining in the area. In its December proposal, the West agreed to this framework. The East also insisted that progress could be made only if the West dropped its demand that the sides agree on the number of forces each currently has in the area before reductions begin. We agreed to this also, despite the fact that this demand had been a crucial part of the NATO position for over a decade.

We hoped the East would reciprocate our concessions and agree to Western verification proposals, a central remaining prerequisite to forging a viable agreement. Unfortunately, the East was not forthcoming during the round of negotiations that ended in March. Despite General Secretary Gorbachev's public declarations endorsing realistic verification measures for conventional force reductions, the Soviets did not respond positively in Vienna. Indeed in response to NATO's concessions, the Soviets and their Warsaw Pact allies actually moved backward by rejecting the Western proposals and recycling old, shopworn verification ideas the East had made 2 or 3 years previously. The Soviet leadership has now had additional time to give full and careful consideration to the details of NATO's December 5, 1985, proposal. In East Berlin on April 18, General Secretary Gorbachev again asserted that his government is committed to achieving reductions in conventional forces and pledged that these reductions will be assured through dependable verification, including on-site inspections.

The President has instructed the U.S. negotiator, Ambassador Robert D. Blackwill, working with his NATO colleagues, to put these Soviet public claims on verification to the practical test at the negotiating table in Vienna.

[1]Text from Weekly Compilation of Presidential Documents of May 19, 1986. ■

Secretary's Visit to Korea and the Philippines

Secretary Shultz departed Tokyo May 7, 1986, to visit Seoul (May 7–8) and Manila (May 8–9), before returning to the United States on May 9.

Following are a toast, a news conference, and a statement he made during the trip.

Seoul,
Dinner Toast,
May 7, 1986[1]

Since its founding in 1948, the Republic of Korea has made remarkable progress in all fields. U.S.-Korean relations continue to grow deeper and broader, as the increasing frequency of our consultations shows. We now have regular talks on economic, scientific and technological, political, and cultural issues, as well as annual sessions of the military consultative meeting and the security consultative meeting.

During President Chun's visit to Washington in April last year, our Presidents agreed that the ties between our two countries warranted an intensification of foreign ministerial consultations. My visit here is a consequence of that decision. It is also an opportunity, of course, to discuss with you the results of the economic summit in Tokyo.

Over the past 30 years, our commitment to Korea's security has been the fundamental element in our bilateral relationship. This, of course, will not change. But the rapid emergence of Korea's economy brings new dimension to the relationship which can only strengthen the close ties we now enjoy.

Your success, following the destruction and devastation of the Korean war, underscores the determination and industriousness of the Korean people and your commitment to market principles. As you said, Mr. Minister, GNP per capita—which amounted to less than $100 in 1960 but now approaches $2,000—is only one indication of Korea's success. The real GNP growth rate forecast for 1986 is 8%. The contrast between these impressive measures and what North Korea turns in—per capita GNP half that in the South, with estimates of GNP growth this year at 1–3%—could hardly be greater.

An aid recipient as late as 1975, the Republic of Korea has become our seventh largest trading partner, as you noted, with total bilateral trade amounting to over $16 billion last year. Sophisticated Korean exports in the form of high quality automobiles and electronic goods are contributing to Americans' awareness of the enormous potential of Korea's manufacturing sector.

In recent months, the emergence of trade disputes has caused some concern, but I believe these differences are a natural outgrowth of our expanding economic relationship. U.S. firms are eager to participate in Korea's rapidly growing economy.

Korea stands to gain much from the technical skills which the American services and high-tech industries have to offer. As an agricultural producer, the United States is second to none. Open markets and liberalized trade will improve the efficiency and competitiveness of Korean industry, objectives very much in Korea's self-interest.

To maintain open markets, we must work together to resist protectionist pressures on both sides of the Pacific, a message which was repeated and repeated at the Tokyo economic summit—a message we all need to take in. I am heartened by President Chun's firm commitment to trade liberalization. The progress we have made toward narrowing our differences in the ongoing 301 cases demonstrates what can be done. We must not allow the momentum to die. Both Korea and the United States need to redouble our efforts to resolve outstanding trade issues.

Your country's phenomenal success and your persistent diplomatic efforts have brought North Korea back to the negotiating table. As you know, we welcome this because we share dialogue between the parties most directly concerned: North and South Korea. Thus, the simple fact that North Korea has entered into direct talks, after decades of impugning the sovereignty and legitimacy of the Republic of Korea, is in itself significant.

But the course of the South-North talks since they resumed in 1984 raises questions about North Korea's motivations and purposes. North Korea has

continued to stall on the very practical steps you have proposed, including trade measures. The North has also suspended the dialogue a second time, using as a pretext the annual U.S.-Republic of Korea military exercise, Team Spirit, which will continue.

If North Korea has serious purposes in the talks—if it truly desires to reduce tensions, improve the lives of its people, and foster its image abroad—it must return to the talks expeditiously and conduct itself in a sincere and responsible manner. You have our full support in your efforts to bring this point home to the North Korean leadership.

We all hope that the realization is glimmering in North Korea that it must open itself to the outside world—beginning with its brothers in the South—if it wishes to compete peacefully in this modern age. One needs only contrast the progress of much of East Asia, including the Republic of Korea, with the sterile and economically beleaguered societies of North Korea and Vietnam to understand why there is a worldwide movement toward more open societies and toward democracy. The evidence is clear: Open and democratic societies are the most stable and the most prosperous.

The Republic of Korea is preparing for a peaceful transfer of the presidency in March 1988, an important precedent in the political progress that is the goal of all Koreans. Just a few months after that, you will host the Olympics here in Seoul, which will symbolize for you and for the entire world the progress you have made in all fields.

These are times of tremendous opportunities and challenges for our countries. Through our alliance, our friendship, and our pursuit of common values, we are each better positioned to take advantage of our opportunities. Mr. Foreign Minister, permit me to salute you and the lasting friendship between our two countries. Please join me in a toast to Foreign Minister and Mrs. Lee and to that friendship and—let me say it this way—"team spirit" between our two countries.

Seoul,
News Conference,
May 8, 1986[3]

This is my fourth visit to Korea as Secretary of State. Of course, I've been here on other occasions. Again, I'm grateful for the hospitality and for the opportunity, even in the brief period, to have such an intense round of discussion with a range of Korean Government officials and also an opportunity to meet with members of the opposition and others in Korea at breakfast this morning.

During my discussions here, we covered a great deal of ground that I could basically group the subjects: First, under the heading of the importance of the U.S. support for firm security arrangements in Korea, particularly in view of the aggressive and military regime in the North. Second, my admiration—and we discussed the ins and outs of the brief progress in economic development that is evident here in Korea. Third, we discussed the progress in the evolution of democratic institutions and, particularly with President Chun, his determination to see a smooth transition and stable transition and nonviolent transition as power changes from his hands to someone else's hands in 1988. Beyond that we also had some discussion of the problem of terrorism, and we found a great parallelism of views with ours and a keen appreciation of the importance of the statement made at the Tokyo summit on the fight against terrorism.

Q. This is your first stop since the Tokyo summit, where a declaration on terrorism was adopted, one that the United States says will make waves beyond the seven, that other countries will isolate Qadhafi. Did you ask the President to cut back Libyan oil purchases or to bring some of the 20,000 Koreans home from Libya? And how are other countries supposed to get the message?

A. I think people have the message, and Koreans, of course, will speak for themselves. But I believe, on the basis of my conversations here and what I've seen of things being done elsewhere, that Qadhafi is being isolated more and more in all respects, and nobody has a good word to say for Qadhafi.

Q. In your airplane interview yesterday, you expressed considerable satisfaction with the pace and substance of whether the government moves in the political field and you condemned, I quote, "an opposition which seeks to incite violence." Do you have any evidence that the Korean opposition is seeking to incite violence, or even credible reports? And are you wanting to be seen as taking sides in this highly charged dispute?

A. I didn't characterize the opposition, that is, the leaders of the opposition that I met with this morning as fomenting violence. There are people opposed to the government and apparently opposed to what the government is trying to do who have fomented violence as in the activities at Inchon the other day. Those were the people I was referring to.

I'm not taking sides. It is not for the United States to take sides in the political internal debate of other countries. They have to work these problems out themselves. However, when it comes to general observations on the democratic process, I think it is fair to say that one of the great virtues of democracy, and one of the things that people have to take in as part of the process of democratization, is that the democratic process is the alternative to violence. Violence as a means of expressing protest is not part of the democratic tradition. You do that through argument and voting.

Q. You said frequently you talked about the economic miracle here in Korea and the military strength in the North. Had you met with the opposition leaders this morning, do you believe that there would be any change [inaudible] were they in power or President Chun were out of power, would that affect economic or military posture?

A. It was clear in the discussions this morning that everybody present was only too well aware of the threat from the North and the importance of the security arrangements that have been made by this country and the relationship of the United States that has been supporting that. So I didn't see any differences of view about that. I didn't see differences of view about the desirability of moving at a good pace in the direction of democracy. And, in general, everyone felt that good progress was being made.

There were differences of opinion expressed, particularly about the problem of constitutional reform. And, again, this is something for the Koreans themselves to work out. Bu.. we didn't have

an opportunity to talk about the economic situation very much at that meeting that I had with the opposition.

Q. If I may follow up, it seems that when you asked about [inaudible] human rights in South Korea. The answer seems to be first look [inaudible] at economic and look at [inaudible] your military support, and I'm wondering if there—how direct a parallel there is between democratization and some other important aspects?

A. Democratization obviously involves the rule of law, and we believe that that is the method by which one should proceed. And, when I raised that question, there is complete agreement with that. There can be problems. No one says the situation in human rights is perfect. Not here, not in the United States, not anywhere. But the way we make it better is by working at it and being willing to confront problems where they exist. I trust that that is the spirit that is moving forward here. On the handling of the most recent riots, of course, you have a situation where two policemen are killed, others wounded; and I think it's pretty clear from all the accounts I've heard that this was something really kind of incited by those who were conducting the demonstration. And certainly any government has to be responsible for law and order as well as for the security of the country.

Q. What is your assessment of the volatile political situation in South Korea?

A. It doesn't appear to me to be that volatile, that is, unless you say sort of the explosion of economic growth is volatility. But the security situation has great stability to it. The economic situation is progressing well. The institutions of democracy are taking shape. Most of the campuses are quiet. And there are some problems here and there. But I wouldn't describe the situation as volatile by any means.

Q. In your meeting today with the opposition leaders, what were their concerns? What concern did they express to you about the situation [inaudible]?

A. I had a meeting that went for an hour and a quarter, and it was conducted in consecutive translation. Quite a few of the people at the meeting were not able to speak because of the lack of time; but I think both leaders of the opposition spoke as long as they wished to. But even so, I'm sure they felt somewhat constrained. So, I would say that the principal thing that they emphasized, in particular the leader of the leading opposition party, was the question of constitutional reform and direct election of the President. That was the principal point that they made.

Q. What is your assessment of the pace of the changes after many of the members of the opposition say it's just not fast enough; the government hasn't gone far enough in its moments of compromise?

A. The pace of change is quite rapid in the economic sphere. The determination to provide for security is unchanged—strong. In the political sphere, the National Assembly is an elected body. There is freedom of assembly. There is no lack of ability for people to criticize. You hear a lot of that, as evidenced by this press conference. That's all that's discussed here. There will be a transition in power in early 1988 which is not very far away. As that happens, it will be the first time that it's been possible to do that in an orderly way in Korea in 40 years. It will be an achievement. And it's that kind of orderly, peaceful transition of power from one person to another in the context of democratic institutions that's the essence of managing this change successfully. I think that it deserves our support and gets it.

Q. During and after the Philippines, there have been high notions that Korea and the Philippines were parallel situations. What is the U.S. Government's judgment on the Korean situation, and what is the basis of your judgment?

A. Each country is different. I think you have to start with that proposition. However, in the range of similarities and differences, I can't imagine two countries more different than the Philippines and Korea. The security situation, the threat from the outside neighbor-aggressor here is different from the Philippines. At the same time, there is no really internal subversive element. The military here is highly professional, first-class, and works closely with the U.S. military as an important deterrent force.

In the Philippines, Mrs. Aquino has inherited an economy that's in a shambles and which she is trying to reform, and we hope we can help her to do that. There's no reason why the Philippines can't be a healthy economic system. But the contrast between that situation and the strong economy here and strong economic performance here is quite great.

Insofar as the political institutions are concerned, you see here a deliberate effort to nurture and develop institutions of democracy which haven't been present here before. And you see the incumbent President working to arrange a stable transition of power in which he leaves office and somebody else comes into power. I think that the contrasts are quite great, and the tendency to kind of snap at the conclusion that everywhere is parallel to the Philippines is just not warranted.

Q. Did you discuss with President Chun the need to move on human rights and political reforms in order to prevent the sort of violence that you obviously feel is being incited here in Korea?

A. Ah, these parallels!

Q. Parallel is apt, because that's the sort of urging that the United States did engage in in the Philippines.

A. I don't want to make the same speech all over again that I just made, but the idea that the economic malaise of the Philippines is present here is just totally wrong. The idea that you don't have a military capable of defending the security of the country here as contrasted with the Philippines is all wrong. The idea that somehow there isn't an effort to bring into play democratic institutions and have an orderly transition of power is wrong. It's right there for everyone to see.

In the handling of problems according to the rule of law, that's obviously something that we emphasize, and it needs to be emphasized. President Chun has expressed himself unequivocally, publicly, and many times that what he wants to see is an orderly transition of power. You don't have to ask him to say that. He says that.

As far as the constitution is concerned, that's a matter for the people of the Philippines to decide, and President Chun has said he's ready to listen to what people may want to say about that. Without taking sides on the issue, I think it is not particularly typical around the world that the leaders of democratic countries are put there by direct election. They aren't. The President of the United States isn't. The Prime Minister of the United Kingdom isn't; she was here recently. The Prime Minister of Japan, who has been quoted because of his chairmanship of the summit, isn't. And so just what the right ar-

rangements are constitutionally is not something that's given by saying the word democracy. Each country has to work out its own democratic destiny but somehow have it be such that the government is basically responsive to the will of the people. That's the name of the game.

Q. I'd just like to ask you some more on ideas of transition because some of us have been talking to South Koreans, [inaudible] none of them are in the room because they are afraid to ask you any questions about [inaudible]. You talked about the professionalism of the Korean military, but do you think it's wise for the Korean military to be as involved in the domestic politics of a country? After all, the President of this country wasn't elected to office; he took it. He says he's going to leave office in 1988. You're talking about this as a peaceful transition, but do you have any certainty that this would lead to a democratic election or just another President put in by the military?

A. The military have historically had a strong position here, and I must say if you are on the front lines, as South Korea is—and I'm sure you've been to the DMZ [demilitarized zone]—you can feel it. There is a front line, and it's not very far away from where you're sitting. So under those circumstances, if a country doesn't have a strong military, they would not be managing things very well. Insofar as movement toward democracy is concerned and civilian government, that is exactly the process that the present leadership of the Government of Korea, by all the evidence that I can see, is trying to manage. That is what it means to have a National Assembly that has increasingly a capacity for debate, criticism, opposition parties—and the President has announced, said, many times. I don't see any reason why, just because he said it, you should not believe it—that he doesn't mean that he wants to have a peaceful and orderly transition. I'm convinced that he does.

And institutions of democracy grow; they don't come instantly into being. So one has to nurture this. They have no experience here, for example, with a lame duck President. They're worried about what does that mean. I said, "Well, you know President Reagan is supposed to be a lame duck, but he doesn't act that way. But he doesn't have much longer in office than President Chun." So, that's a new experience.

And there are a lot of things of that kind that you have to get used to, and you have to have experience with them. And probably before people feel comfortable, there have to be two or three orderly transitions of government from one hand to another. It's a problem that you have to work at continuously. You can't solve it with a constitution or a snap of the fingers.

Q. Recent remarks by the leading Reagan Administration officials, including yours at Kansas University, seem to indicate that a new American theory has emerged linking the U.S. national interest to the democratization in its Third World allies. Based on this theory, how do you view the democratization problem in Taiwan? And will the United States apply the same logic to handling its ties with mainland China?

A. It's not a new idea. Democracy is an old idea, and as we view it in the United States, it's a good idea. It's a good idea for us. We think it can be productive for other people, and we see that it provides a setting which is less aggressive militarily than other forms of government. We favor it; we think it's in our interest. And so that being the case, the President has said that. It isn't as though it's something new. It's something old and honored and worthwhile. We encourage an evolution toward more open and free and democratic forms.

In that regard, in China, the shifts in gears as far as the way agricultural policy is run is a move in what we think is a good direction. Not that that makes China a democratic country, but it makes it more open. The same is true of the economic arrangements in Taiwan. From our standpoint, as we see it, freedom works. We like it, and we'd like to see other people have a chance to enjoy its benefits.

Manila,
Dinner Statement,
May 8, 1986[3]

Vice President Laurel and distinguished ladies and gentlemen, I'm very flattered at the turnout here and pleased to have a chance to talk with you informally and look forward to meeting a great many of you during the course of the day tomorrow.

Relations between our two countries have traditionally been characterized by unusually strong bonds of friendship based on a shared historical experience and democratic values. We have a shared past, including sacrifice in a bloody war. We also have a shared devotion to democratic institutions.

A short time ago, your devotion to democracy transformed your history. All Americans, myself included, were profoundly impressed with the courage and commitment to democracy displayed by the Filipino people in the peaceful political transition last February. Your actions were a stirring triumph of the democratic spirit. They have earned the Philippines the respect and admiration of freedom-loving peoples everywhere.

The Philippines has now entered a crucial period of transition. Your new government has inherited challenges in the economic and security areas that will tax your ingenuity and resolve in the months and years ahead. You are aware of the problems. You also know, as you knew in February, that only Filipinos can solve them. I might say—what I see of it—the problems that you have are soluble problems. Not that it doesn't take a lot of work, but you can see in the capabilities of your people, in the resources at hand, and in the tremendous good will you have all over the world, that with hard work and sensible activities it ought to be possible, and surely will be possible, to solve these problems. But as I say, they are basically yours to solve.

However, because of our close ties, you know as well that the United States stands ready to work with you to help find solutions to these critical problems—such as economic development, rebuilding of your armed forces—problems whose resolution are vital to the well-being of the Philippines and to stability throughout East Asia.

Mr. Vice President, we note that in addition to plans for economic and military reforms, your government has also decided to undertake a fundamental political renewal. The current timetable calls for the drafting of a new constitution to be submitted to the people for ratification and elections for local officials and members of the legislature. I know this because this is what you told me and the President in Bali. And as you informed President Reagan, you expect all this to be completed by November. This is an ambitious undertaking, but an important one. Adherence to your announced schedule will surely go a long way in returning the Philippines to the democratic tradition. All your friends in the United States anticipate and support an early return to fully functioning institutions as the key to the

long-term political stability and to the business confidence that renewed investment requires.

We are impressed with the skillful, enlightened leadership demonstrated by President Aquino. We applaud her appointment of a cabinet of experienced, respected professionals representing a broad political spectrum. We are encouraged by the statements of your new economic team outlining sound, market-oriented policies which we believe offer real promise for the revitalization of the Philippine economy. We also note that in recent weeks confidence in the financial community regarding Philippine economic policies and prospects has increased.

In response to this new and promising situation, President Reagan announced late last month that the United States plans to support the efforts of your government to meet its pressing financial needs. Your government wants—and we agree—a multilateral approach to your assistance needs. Our part will consist of bilateral programs, renewed trade and investment efforts, and support through the multilateral financial institutions.

We plan to increase our bilateral assistance in both quantitative and qualitative terms. A key component of our aid package is a request to Congress for $100 million of grant assistance in economic support funds. We also are seeking authority to accelerate the disbursement of funds already appropriated, and better terms under which funds are made available. (You discussed it with the President in Bali.) This funding, which totals about $500 million, will be on a grant basis, except for $50 million in food aid which will be provided on a highly concessionary loan basis. Thus, our assistance will provide economic support without adding appreciably to the large external debt burden inherited by the Aquino government.

With respect to trade and investment, the United States will undertake a variety of measures in support of your new government's economic program. These include looking for ways to expand and improve your government's use of the generalized system of preferences for exports to the United States, seeking to assure continuing reasonable growth of Philippine textiles to the U.S. market, and increasing Export-Import Bank funding for U.S. suppliers of key Philippine imports. We also will be discussing with your government the possibilities for Overseas Private Investment Corporation and Department of Commerce investment and trade missions to the Philippines this year.

Concerning multilateral aid, we have welcomed your government's interest in the "program for sustained growth," the initiative taken last fall by Secretary of the Treasury Baker to strengthen the international debt strategy and support sustained growth in middle-income debtor countries. The broad policy directions outlined by your economic spokesmen thus far have positioned you well to take advantage of the opportunities provided in the Baker plan to achieve sustained economic growth. We have also agreed to assist your government in arranging for an early meeting with multilateral, as well as bilateral, donors in order to mobilize their support for Philippine economic recovery.

Our two countries also have had a longstanding, close, and effective security relationship. Through our defense cooperation, the Philippines and the United States make an important contribution to the growth and stability of the East Asia region. We believe it is the will of most Filipinos and Americans that this relationship continue and be strengthened even further.

We welcome the plans of your government to restore professional capabilities to your military forces. A strong, competent, and apolitical military is essential to uphold a democratic system. As a concrete manifestation of our support for the rebuilding of the new Armed Forces of the Philippines, our President has also announced our intention to obtain an additional $50 million in military grant aid for the fiscal year. Also, we will seek to convert $29 million of prior unused military sales loans requested for next fiscal year to grants. All of this assistance will be targeted on basic requirements—logistics, communications, transportation, and troop support—and to help promote military reforms.

All these issues are Philippine issues that Filipinos will have to resolve. U.S. policy is based on our desire to assist you in all appropriate ways to meet these challenges. Our primary objective is to build on the strong foundations of our historical relationship to forge a close, productive partnership with the Philippine Government that will serve effectively the interests of our two countries and peoples.

Vice President Laurel and honored Filipino guests, permit me to salute your recent triumph and to wish President Aquino and her new government well in forging a new, democratic, prosperous, and stable Philippines. *Mabuhay.*

---

[1]Made at a dinner hosted by Foreign Minister Lee (press release 104 of May 8, 1986).

[2]Press release 109 of May 13.

[3]Made at a dinner hosted by U.S. Ambassador to the Philippines Stephen W. Bosworth (press release 106 of May 9.) ■

The U.S. and East Asia: Meeting the Challenge of Change

by Gaston J. Sigur, Jr.

Address before the Council on World Affairs in Cincinnati on April 18, 1986. Mr. Sigur is Assistant Secretary for East Asian and Pacific Affairs.

I'm delighted to be with you this evening at this annual conference on international affairs sponsored by the Council on World Affairs. I promised the president of this distinguished council—my old friend Bill Messner—some time ago that I would be here tonight. Neither he nor I knew that I would be here in my present capacity with the Department of State, but such are the vagaries of Washington careers. It gives me great pleasure to be able to offer you some perspectives from this vantage point.

I can tell you that, with the exception of Libya, no other single part of the world has claimed so much of the schedule of the President and the Secretary of State this past week as the East Asian and Pacific region. The Prime Ministers of two leading nations of the free world, Yasuhiro Nakasone and Robert Hawke, have made separate official visits to Washington this week. Japan and Australia are, of course, two of our closest allies; and we place the greatest importance on close and regular consultations with them on matters

across the board. Our series of discussions this week have affirmed our cooperation in a variety of important areas, and the United States is, indeed, fortunate to have such resolute and reliable partners in the region.

Increasingly, East Asia and the Pacific, as a whole, consumes a greater portion of our policy attention in Washington, fortunately for positive rather than negative reasons. These vibrant nations demonstrate time and time again their integral role in the global economy and in the stable evolution of a more secure and democratic environment for us all. There has been a revival and growth of broad popular interest within our country regarding Asia and the Pacific, and our ties to this vast neighborhood are undergirded by a clear and firm national consensus. Therefore, we are, indeed, prepared to meet whatever challenges change may bring, with confidence and clarity of purpose.

Coherent Objectives

The successful application of our policy over time requires that we have a clear-headed understanding of our fundamental objectives and interests in the area. Furthermore, we must pursue those goals with visible coherence, consistency, and a respect for our partners that breeds respect and cooperation in return. It simply will not do for regional governments, either friendly or adversarial, to misconstrue the nature or purpose of our role in political and economic developments. Nor, for that matter, can we afford to send the wrong signals to political opposition groups that may seek, accurately or not, to exploit the role of the United States in the area for their own purposes.

President Reagan has plotted a sure and steady policy course toward the region which, time and again, has benefited the constructive interests and objectives of both the United States and its regional partners. I believe we are on the right track and that the people of East Asia and the Pacific fully appreciate our policy role and support in the area. The challenges and opportunities ahead call for a patient nurturing of those policy directions already so well defined by this Administration.

Let there be no mistake about our fundamental commitment to the preservation of a stable environment in East Asia conducive to its continuing economic, political, and social progress. Of course, we support the evolution of political processes that bolster popular participation and representative government. Of course, we support the loosening of economic strictures that hamper the benefits of an open market. Of course, we support the right of individual states to register their concerns about nuclear proliferation and to participate fully in consultations over regional security measures. But we do not, and cannot, acquiesce in misguided notions of political anarchy, trade protectionism, or the disregard of important alliance commitments, which could jeopardize the prosperity and safety of all peoples in the area.

Our policy is to defend the expansion of individual and economic liberty just as we support respect for stable democratic institutions and processes. We will strive to nurture closer security cooperation and stronger alliances just as we encourage frequent consultations with our partners on matters of mutual interest and concern. We will protect and promote the activity of an open market system so necessary to the economic well-being of the free world. We believe these objectives to be thoughtful, responsible approaches to issues that affect not just our own interests but, indeed, the interlinking interests of all in the Asian-Pacific neighborhood. In pursuing these objectives, we must remain vigilant, for always there are those in the backwaters of progress who would readily intervene to exploit any discord among us.

Should there be any doubt about it here at home, our own national interests in Asia and the Pacific are tangible and significant. Our vital basing rights and port access are critical to maintaining overall strategic balance and peace in the region, by ensuring U.S. operational ability, manueverability, and accessibility in the event of crisis. Our alliance partners benefit significantly from the umbrella of our protection. Our investments and trading patterns in the area are important to us, just as they are critical to the growth and prosperity of the developing nations. The preservation of Asian freedom in face of totalitarian threats is vital to our global political posture, yet even more vital to the aspirations and great potential of the Asian people themselves.

Our Asian friends increasingly are shouldering the responsibilities of free world partnership in responding to global threats and deprivations. They provide important leverage to international sanctions against terrorism and aggression.

We certainly cannot pretend that these factors are unimportant to us as a nation any more so than our regional partners can honestly denigrate the importance to their own goals and interests. In a true partnership, all benefit equitably, and clearly that is the situation we enjoy with our Asian friends and allies.

Regional Trade

Trade is of central importance to our economic, political, and security interests in East Asia and the Pacific region. Our own trade expansion policies

Assistant Secretary for East Asian and Pacific Affairs

Gaston J. Sigur, Jr., was born in Franklin, Louisiana, on November 13, 1924. He received his Ph.D. degree in Asian history from the University of Michigan in 1957.

Dr. Sigur served as Representative of the Asia Foundation in Kabul, Afghanistan (1962–66); in Japan (1966–68); and in Washington, D.C. (1969–72). In 1972 he became Director of the Institute for Sino-Soviet Studies and is currently on leave as professor of international affairs at George Washington University. In June 1982, he was appointed as Special Assistant to the President for National Security Affairs and Senior Director of Asian Affairs.

Dr. Sigur has written numerous articles and monographs on international relations, including his most recent book, *Japanese and U.S. Policy in Asia* (1982). He serves on the editorial boards of several professional journals and is a member of the Association of Asian Studies, the International House of Japan, and the Japan-American Society of Washington.

Dr. Sigur was sworn in as Assistant Secretary for East Asian and Pacific Affairs on March 12, 1986. ■

with the area have remained remarkably consistent over the past 50 years and have benefited immensely both the United States and its trading partners. Between 1970 and 1985, our two-way exchanges with the region increased more than tenfold, and there is every reason to expect commerce of this magnitude to continue and to prosper in the years ahead.

The broad application of export-led growth in East Asia has resulted, in the 1970s and 1980s, in prosperity and stability that is the envy of most of the developing world. Over the past decade, this region has surpassed all others in terms of basic economic development, GNP [gross national product] growth, and overall increases in international trade. Not surprisingly, the dramatic success of the market economies of East Asia has helped to encourage some nonmarket economies, such as China, to enact economic reforms. And best of all, by achieving rapid economic growth and rising standards of living, the region largely has managed to avoid the unrest that plagues much of the developing world. Only where economic mismanagement has stifled economic growth—and here the Philippines becomes a case in point—has widespread domestic instability taken hold.

It is no accident that those nations which have enjoyed the greatest prosperity are close economic partners of ours. The United States has provided lucrative markets for both labor-intensive and high-technology products of the region, and the Asian commercial dynamism continues to rely heavily on healthy Western economies such as our own. Our investment there now exceeds $33 billion and is still growing.

At the same time, of course, we benefit in many ways from this bond of interdependence. The 14% of our total overseas investment which goes to this region produces over 23% of our total income from all direct investment abroad. East Asia and the Pacific has been our primary regional trading partner since 1980, accounting for almost one-third of our global trade; and 7 of our 20 largest export markets are in the area. Not at all coincidentally, those with which we share this large and beneficial trading relationship are the same societies with which we have a broad range of cultural, scientific, and other ties as well. Japan, Korea, Singapore, and Taiwan are examples of long standing.

Therefore, we understand well the critical role that open markets and free trade play in supporting the overall structure of our own interests, as well as those of our closest friends and allies. We are the world's largest trading nation, taking 17% of all imports the world over, and we recognize that our own prosperity is increasingly tied to the health of the world trading system. Free and fair trade is in our own best interest, while the specter of protectionism threatens our prosperity and that of our free world partners.

Shortsighted individuals with short memories may be tempted to believe that closing our markets in this sector or that one would relieve the burdens of our mounting trade deficits with Asia and the world in general. But we tried that remedy in the 1930s, and all suffered from the global depression that resulted. If we were to erect protectionist barriers now to Asian-origin exports, not only would the economic health of those nations be endangered but their fundamental stability would be undermined, thereby jeopardizing our own security and economic well-being also. Protectionist barriers would drastically reduce the growth upon which the notable success of the Asian economies has been built. Now that the economic growth of most Asian-Pacific nations is slowing from the surge of recent years, any exacerbation of that slowdown could pose serious political and security problems.

An open trading system is vital to us all, but the United States cannot carry this burden alone. We traditionally have been at the forefront of efforts to sustain free trade, but politically this role is difficult to sustain as a lone crusade. Our trading partners must do their share to lower trade barriers and eliminate subsidies and other market-restricting trade practices to help redress unrealistic advantages. We are not afraid to compete, but we want to compete on a "level playing field." Toward that end, Japan's new "Maekawa Report" outlines some very significant changes that country intends to make to align its economic future more harmoniously with the needs of the global economy.

I firmly believe that economic interdependence has bolstered traditionally close political and security ties with our Asian friends. When we sit down at the negotiating table to hammer out solutions to trade disputes, all parties understand the consequences of failure.

Truly, the fundamental basis of our relationship with East Asia and the Pacific has been and will continue to be the flowering of our economic, cultural, political, and security cooperation. These strong links of friendship and interdependence are grounded solidly in mutual interest and genuine common benefit.

Democratic Reform

Not infrequently, the United States finds itself in touch with situations where, superficially, there may seem to be a contradiction between our moral commitment to democracy and political modernization and our immediate security interests. In fact, however, there is a direct link between these interests of ours, for political stability and regional security are mutually supportive conditions. The one cannot function reliably without the presence of the other. And both rely as well on a healthy economic system to provide the confidence and the wherewithal to underwrite security and democracy.

The United States does support, as a matter of principle, peaceful democratic evolution and the rule of law throughout the world. We support this both on moral grounds and on the clear understanding that popularly supported political institutions and processes are the best guarantee of stability and peace. We obviously have no less an interest—in fact, quite the contrary—in seeing peaceful progress toward more responsive government and democratic reforms in friendly countries in Asia.

At the same time, Secretary of State George Shultz has pointed out that such transitions are "...often complex and delicate and...can only come about in a way consistent with a country's history, culture, and political realities." In order to succeed in working with our friends toward political maturity, we must also give credit for positive change when it does occur; and we must give appropriate cognizance to even greater threats to freedom which arise from external or internal forces of totalitarianism.

Equally significant is the observation by Secretary Shultz that "...our influence with friendly governments is a precious resource; we use it for constructive ends...[and] therefore, we stay engaged." This was the case in the Philippines, where our policy toward the Marcos government was to encourage its peaceful resolution of the serious political, economic, and security problems

facing the country by revitalizing democratic institutions and restoring a free market economy and military professionalism. Ultimately, dramatic political change did occur in a nonviolent, popular reaffirmation of democratic processes; and all credit for that transition belongs to the people of the Philippines. Yet, it demonstrated once again that it serves no purpose for the United States simply to turn its back on the critical internal problems of our friends.

In such situations, we remain engaged in a constructive way; and we support the concept of peaceful institutional and procedural reform by staying in contact with all democratic political forces, in the opposition as well as in government. This does not entail meddling in others' affairs. Given the time, these nations will work out solutions on their own, according to their own unique circumstances.

Alliance Responsibilities

Certainly, one of the more unfortunate incidents we've had to deal with recently has been the isolated challenge to the integrity of our alliance system. It has brought to the fore some of the most fundamental issues concerning the purposes and nature of modern alliances among democratic states. In the Asian-Pacific region, we have formal treaty alliances with Japan, South Korea, the Philippines, Thailand, Australia, and New Zealand, established by mutual consent to deter aggression and preserve peace, particularly against threats from the Soviet Union and its proxies. Over the past 2 years, New Zealand attached certain conditions to our access to its naval ports, in response to antinuclear sentiment among its electorate, which made impossible our practical alliance cooperation. Allies occasionally differ, of course, on political issues; but fundamental cooperation and preservation of mutual confidence require an appreciation for the concerns and risks involved for all when one ally decides to set its own arbitrary rules for others to follow.

Modern alliances among democracies differ from the alliances of antiquity in that they are agreements not just between rulers or governing officials but between peoples with shared values and perspectives. Bonds between people who share fundamental interests can—and must—survive periodic changes of leadership. Indeed, we and our democratic allies are united not only by long-range strategic interests but also by moral and philosophical bonds which run deep. Alliances of this nature present special problems and greater demands on all partners.

Perhaps paradoxically, but not surprisingly, a nation at peace today must be prepared for war if it is to deter war. This is an especially difficult responsibility for democracies to shoulder, yet shoulder it we must. Among democratic allies, it is a delusion to think that sacrifices can be safely deferred. For whenever partners do not reinforce one another, the safety and unity of the entire alliance is jeopardized. All democratic allies face similar domestic pressures. All would prefer to use their resources in other ways to serve more immediate social purposes. But if one partner is unwilling to bear the burdens of defense, why should other partners make sacrifices?

In fact, each ally must help maintain the strength of the alliance, according to its own capabilities and what it has to offer. Not all need to possess their own nuclear deterrent, of course; but if they undermine our ability to maintain any naval presence—by adopting practices that undercut our policy of neither confirming nor denying whether our naval vessels are nuclear armed or by banning ships that are nuclear propelled—then they weaken their own national security in the process.

Of course, the shared responsibilities in a democratic alliance go beyond just the deterrence of a military threat. Our partnership depends on deeper and broader bonds of mutual cooperation that span the entire range of our relations—political and economic, as well as security ties. Our overall unity, across the board, is essential to the success of East-West negotiations. And so our mutual support on the smaller issues is so very important to the larger picture. Fortunately for all concerned, our alliances are working; they are preserving the deterrent strength of unity and purpose upon which our security and our freedoms depend. Let there be no misconceptions about the false security of isolationism or unilateralism, which was discredited long ago. It is the responsibility of governments themselves to lead and educate their people, to prevent the erosion of the basic spirit and consensus underlying unity. Experience certainly shows that we can overcome our occasional differences if we make an effort to do so.

Looking Ahead: Challenges and Opportunities

East Asia and the Pacific is a dynamic region with vast potential, not just for its own developmental success but for the benefit of global stability and prosperity more generally. The nations of the region will remain active players in worldwide commerce, politics, and security in the decades ahead. They will provide an example for other developing nations in terms of economic and technological development, political reform and social progress, and in their earnest approach to preserving peace. And the Asian-Pacific nations will be increasingly intertwined with our own destiny, with America's own goals and interests. We are a Pacific nation, just as we are an Atlantic nation, and we are prepared to share the responsibilities ahead.

There will, of course, be many challenges down the road, both for the region as a whole and for U.S. interests and policy there. We want to be realistic about them—to anticipate and plan ahead in full consultation with our regional partners. To the extent that we overcome the pitfalls together, all of us will benefit.

Economic fortunes will ebb and flow, although there is every reason to believe this region's prosperity will match and surpass that of any other in the years ahead. Asian dynamism will continue to stimulate global prosperity but will depend on healthy Western economies in turn. While the U.S. trade deficit may shrink with the dollar's fall, protectionist pressures likely will persist. We must all guard against the temptation to seek simple, shortsighted solutions to complex trade problems.

Up to this point, political stability in East Asia and the Pacific has been based as much on traditional leadership continuity as on economic well-being. However, historical transitions are underway or imminent in several countries, and inevitable challenges regarding leadership succession lie ahead. Rapid socioeconomic modernization juxtaposed with these forthcoming occasions for political succession may fuel popular pressures for political reform from within. I anticipate increasing popular support for democratization at the expense of authoritarianism and potential instability wherever resistance to political pluralism and popular participation persists. Let us hope that benevolent leaders maintain channels of communication and cooperation with

those who call for orderly democratic reform and that those who challenge existing political systems maintain their democratic integrity and refrain from violence or unrealistic, destabilizing demands. The United States will never interfere in these domestic processes, but we will maintain our prerogative to work with both governing officials and reformers to preserve democratic institutions and processes.

Alliance stresses will test and repeatedly prove the resilience of our mutual treaty commitments. Sources of disagreement may be periodic and varied, but we are prepared to adopt an orderly approach to any problems that arise through regular consultations with our allies. It is incumbent on both us and our allies to remain cognizant of the threats to our common interests and of the potential ripple effects of any disputes that defy ready reconciliation. I believe all of us share a responsibility to discuss and reconcile our differences harmoniously and to continually nurture attitudes of resilience based upon common recognition of both threats and benefits.

Soviet political and military challenges to East Asia and the Pacific have grown, and Moscow most likely will continue to probe the vulnerabilities of the region. There is no reason for undue alarm in this regard—Soviet success to date has been negligible—but we and our allies must remain alert and resolute in resisting new incursions. Other challenges, of course, lurk on the horizon, and the United States always will try to stay ahead of events to protect peace and defend its interests and objectives.

Conclusion

Teamwork has been the hallmark of America's phenomenal achievements through history, and I believe it will spell success for our relations with the Asian-Pacific states as well. If we are able to work together—to consult, to cooperate, to combine our resources efficiently—there is no goal too high and no threat too powerful to blunt the aspirations of our peoples. This fundamental theme of regional partnership will propel our nations forward together into the 21st century.

The Asian-Pacific region is changing, and with change come new and different challenges for us all. The United States does not resist change; nor does it shrink from challenge. We propose to anticipate change and to help channel it where possible in constructive directions. But we also intend to protect and preserve those interests essential to security and stability. As Americans, we will stand by our allies and friends, assist where requested, advise as necessary, and accept advice and support in return. Surely our own interests, objectives, and values, and global stability in general will benefit by it. ■

Prospects for Continuing Democratization in Korea

by Gaston J. Sigur, Jr.

Statement before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee on April 16, 1986. Dr. Sigur is Assistant Secretary for East Asian and Pacific Affairs.[1]

I appreciate this opportunity to testify before the subcommittee in connection with the Administration's policy toward the Republic of Korea.

A natural focus of attention, both in Korea and abroad, is the drama of Korea's sometimes heated partisan politics. Accordingly, I will address current Korean domestic developments in some detail today, and I look forward to your questions. Current Korean developments need to be seen in a broader perspective to enable us to make balanced judgments about the meaning of partisan competition there and about the role the United States can or should play. Whether we look at South Korean politics historically or in comparison with North Korea, there are strong grounds for optimism.

Korea has been surrounded by larger and more powerful states through much of its history but successfully survived as a strong and culturally unique nation. A traditional agricultural society just a few decades ago and devastated by the Korean war, South Korea has progressed economically at a rate virtually unmatched in the world.

Politically, Korea was a monarchy for most of its history. In the 20th century, Korea was subjected to Japanese colonial rule from 1910 to 1945. The unsettled period after liberation was followed by the Korean war and the need for massive reconstruction in the 1950s. In the few years of relative stability since then, South Korea has clearly established itself as a member of the free world with an increasingly open and internationally oriented society and economy. The values of democracy and human rights which we hold dear are gradually asserting themselves in spite of the authoritarian elements in the neo-Confucianism that permeates all sectors of traditional Korean political culture.

In contrast, North Korea has chosen communism, isolation from the world, and xenophobia. The cult of personality is so intense that Kim Il-Song is presented to the people as virtually a god, and his son is apparently being groomed for the first dynastic succession in the communist world. Military expenditures eat up perhaps a fourth of its gross national product, while standard consumer goods are rare luxuries of the vast majority of North Korea's people. The North Korean economy is stagnant and beset with the shortages, dislocations, and inefficiencies that characterize command economies. The vast majority of North Koreans have no opportunity to exercise basic human rights nor participate in the decisions which shape their lives. The government takes such care to limit, control, and "purify" all information reaching its population that the people have no way to compare their situation to that in other countries.

South Korea's Basic Consensus

Given Korea's history and the quite different course taken by North Korea, how has the Republic of Korea been able to make such remarkable progress? Many reasons could be put forward, and any answer is necessarily complex. I believe that a major factor is that South Korea has enjoyed a remarkable consensus ever since the North Korean invasion of 1950—a fundamental consensus often obscured by soaring political rhetoric.

From the experience of the Korean war, the people of South Korea became—and remain—virtually unanimous in their concern over the threat

posed by the North. Thus, no major South Korean figure, either in the government or in the opposition, calls for the withdrawal of American forces or a reduction in U.S. foreign military sales credits or any attenuation of the steadfast American security commitment that has successfully deterred North Korea these past decades. Both government and opposition parties support dialogue with North Korea but are uncompromising in the belief that the South must remain part of the free world.

There is also fundamental agreement that the market economy plays a key role in economic progress. Korea's historical poverty and the economic deprivations and dislocations of the Korean war made the Korean people desperate for economic progress. Korea's economic successes, based on an outward-looking and market economy since that war, have transformed a fatalistic people into one of the world's most ambitious and optimistic.

Political Development

There is also a consensus in South Korea on the need for progress toward greater democracy—a goal espoused by virtually all political parties there since the Korean war. Yet the realization of this goal remains one of Korea's most vexing problems.

Political power in Korea has historically been concentrated in the ruling party. Government and opposition forces fought bitter factional disputes to wrest or maintain all the apparatus of state. Rarely was there the kind of dialogue and compromise Americans take for granted which nurtures mutual trust and transforms politics into something more than a zero-sum game. Surrounded by major powers. Korean factions became adept at seeking foreign allies to give them advantage in their domestic struggles.

Modern analogues of these traditional attitudes continue to create problems in South Korean politics and, incidentally, our efforts to encourage further democratization and greater respect for human rights. Nonetheless, we believe that South Korea is on the road to a more democratic system. In this regard, we have welcomed as a step of great importance President Chun Doo Hwan's pledge to step down at the end of a single 7-year term in March 1988. Virtually unprecedented in Korea, his voluntary action should set the stage for further progress toward democracy.

Constitutional Revision Campaign

There appears to be general agreement in Korea that President Chun will step down in 1988, and so the political focus has shifted to the mechanism by which the next president will be elected. The opposition is demanding constitutional revision so that the next presidential election will be determined by direct popular vote rather than through the current electoral college system. While the electoral college itself is popularly elected, the opposition maintains that the Korean Government can more easily manipulate the approximately 5,000 electors than an electorate of over 20 million. Opposition efforts in the National Assembly last year to persuade the ruling party to agree to the formation of a committee for constitutional revision resulted in a ruling party offer to set up a committee to "study" the constitution. This proposal was rejected by the opposition.

With a minority in the National Assembly, the main opposition party, the New Korea Democratic Party (NKDP), decided to take its case to the public through a nationwide petition campaign. President Chun and the ruling Democratic Justice Party (DJP) strongly opposed the petition campaign, declaring it illegal and arguing that it threatened the political stability necessary to stage a successful Olympic games in Seoul in 1988. In his state of the nation address in mid-January, President Chun said that South Korea had formerly tried both direct and indirect electoral systems, but neither system had been sufficient in itself to bring about the political progress all Koreans desired.

The NKDP, along with the Council for the Promotion of Democracy (CPD) led by Kim Young Sam and Kim Dae Jung, launched a nationwide petition campaign for direct elections on February 12. The Korean Government initially tried to prevent activities on behalf of the campaign. Government measures included police cordons around the NKDP and CPD offices, intermittent house arrests of political figures, and arrests of students demonstrating in favor of constitutional revision.

After about 2 weeks of confrontation, President Chun suddenly met with ruling and opposition party heads. He indicated that the measures taken by Korean police had been "excessive" and, henceforth, the government would be more tolerant of NKDP petition efforts. However, he reaffirmed his view that constitutional revision could be considered only after he left office and following the Olympics. He said a presidential commission would be established and that he would support the formation of a multipartisan National Assembly committee to study post-1988 constitutional revision. After the meeting, the NKDP repeated that constitutional reform must come before the next presidential election.

Following the meeting, the NKDP launched a series of rallies in major cities to support the petition campaign. The first rally, which took place in Seoul on March 11, attracted several thousand people. Among the speakers was opposition leader Kim Young Sam who, for the first time since 1980, delivered a major public address. His colleague Kim Dae Jung, however, was prevented by police from attending this and subsequent rallies on the grounds that such activity was *ipso facto* "political" and would, therefore, subject him to reimprisonment under the terms of his suspended sentence. The rally also featured a peaceful march through downtown Seoul. The police did not intervene and assisted with traffic control.

On succeeding weekends, similar rallies in Pusan and Kwangju drew crowds in the tens of thousands, while a rally in Taegu was somewhat smaller. The rallies themselves were peaceful, but groups of several hundred persons, mostly students, violently confronted police after the rallies had ended. Some of these demonstrators were detained by the police, who were given high marks by most observers for their restraint and professionalism. Several dozen demonstrators have been indicted, as have a number of students who engaged in petition activities on campus since the start of the spring semester.

Immediate Background to the Government-Opposition Debate

The current intensified government-opposition debate came after President Chun decided in late 1983 to pursue a more relaxed domestic policy. Virtually all prisoners in politically related cases were released. The ban was gradually lifted from Koreans who had been barred from political activity. Students were permitted to demonstrate on campus for the first time in years. Perhaps most significantly, last year's February National Assembly election was one of the most open in South Korea's history, and the newly created NKDP beat the less outspoken, former main opposition

party. The result was a generally more open political climate.

Not unexpectedly, greater opportunity to exercise freedom of expression resulted in increased public criticism of the government. In the National Assembly, the opposition raised such previously taboo issues as the 1980 Kwangju incident and personal criticism of President Chun and his family. On campus, student activists engaged in nonstop debate and increasingly attempted to take to the streets, despite the government's continued ban on street protests. Student tactics became more violent: Molotov cocktails were thrown at police attempting to block student demonstrations from leaving the campuses. There was increasingly vandalism by small groups of students against government offices, and some government offices were occupied as a means of protest.

Not all student occupations were aimed at government offices. On May 23, 1985, 73 Korean college students occupied the American Cultural Center Library in Seoul. They demanded, among other things, an apology for the alleged U.S. Government role in the 1980 Kwangju incident. For 3 long days, U.S. Embassy officials talked with the students, who were finally persuaded to leave the library peacefully.

As senior Embassy officials said at a press conference following the student's departure, we do not feel that these or most other students are anti-American or procommunist. They acted on the basis of a limited and often inaccurate understanding of U.S. policy in Korea. We continue our efforts to explain our role in Korea. We do not anticipate that anti-American sentiment among students or other Koreans will emerge as a significant issue.

In reaction to occasionally violent student protests and increasing criticism within the National Assembly, in June 1985 the Korean Government began again to arrest demonstration leaders. Legal action was taken against dissident and youth activist groups believed to support the students. During the fall semester of 1985, police began to prevent demonstrations on campus. With the beginning of the spring semester this year, the head of the Korean police declared that no politically motivated demonstrations would be permitted on Korean campuses.

Though we heard very few reports in the previous 2 years about the old problem in Korea of police abuse of prisoners, reports that prisoners had been tortured increased in the fall of 1985. In one case, we confirmed that a student activist was tortured; in another instance, three journalists were beaten by security personnel. We stated publicly at the time that we regard such charges with the utmost seriousness, and we continue to make our views known to the Korean Government.

Prospects for Human Rights and Political Progress

While there have been setbacks, we believe Korea is still a freer place than it was a few years ago. The government-opposition debate is vigorous, as shown by last year's National Assembly election campaign, subsequent National Assembly proceedings, and the opposition's recent series of rallies. President Chun has reassured the nation that he will step down in 1988, and he has offered some proposals about reform that could contribute to the dialogue. Although constrained by government guidelines, the Korean press does engage in some direct criticisms of the government, and it publishes considerably more indirect critical commentary.

The U.S. Role

In such a setting, what should be the American role? I believe we should continue to encourage both the government and the opposition to practice moderation, to engage in dialogue, and to be willing to compromise, as these are values inherent in our democratic societies. Similarly, we should condemn violations of human rights and restrictions on political participation. It is important, I believe, that our efforts be on behalf of basic principles and practices rather than support of particular individuals or specific partisan points of view, which are matters which should rightly be left to the Koreans themselves.

We must be aware that our influence on the Korean political situation, while greater than that of other foreign countries, is, nevertheless, limited. We have no right to interfere directly in domestic matters. We should also appreciate that many Koreans, perhaps for historical reasons, have an exaggerated notion of our ability to influence events in Korea and have partisan reasons for urging us to do so. Because of these considerations, we need to be cautious in our public pronouncements so as not to raise expectations that we may not be able to meet.

Finally, as I noted at the beginning of my testimony, Korea is a unique place, and we need to deal with it as such. There has been public speculation, both here and in Korea, about so-called parallels between Korea and the Philippines and prognostications about the implications of recent developments in the Philippines for our policies toward Korea.

We believe the differences between Korea and the Philippines are more significant. In Korea, President Chun has promised to step down in less than 2 years, and the economy is booming. Korea does not face a domestic communist insurgency but a real and immediate external threat, and the Korean military's professionalism is at a high level. We have, of course, encouraged continued democratization in Korea in the past, and we will continue to do so in the future. We believe that some success has been achieved. However, we should remember that ultimately it will be Korean efforts that nurture and achieve the open and more consensual political system that all Koreans desire.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Aid to the Philippines

WHITE HOUSE ANNOUNCEMENT, APR. 23, 1986[1]

The President announced today a major program of economic and military support for the Philippines. This program is based on an assessment of Philippine economic and military needs by a U.S. assistance team headed by Agency for International Development (AID) Administrator M. Peter McPherson and including senior Treasury, State, and Defense Department officials, which has recently concluded a visit to the Philippines.

During their stay in Manila, the delegation members met with President Aquino and conducted extensive discussions with senior economic and military officials of the Aquino government. The purpose of these discussions was to assess how the U.S. Government might be helpful in supporting the new govern-

ment in its efforts to address Philippine economic and military problems.

The Philippine economy faces a number of severe problems which, if they are to be resolved, will require a sustained effort by the Philippine people and Government and the support of the international financial community. This effort will involve both people-to-people programs designed to meet the immediate needs of the poorest segments of the population and policy changes that will lay the basis for lasting job creation and growth.

With respect to policy changes, the Philippine economic officials outlined the sound, market-oriented economic policies, both macroeconomic and structural, which the government intends to pursue in order to restore sustainable, job creating, and non-inflationary growth in the Philippine economy. The U.S. team welcomed these policy directions and noted that in recent weeks confidence in the financial community regarding Philippine economic policies and prospects had increased. The U.S. team shared that increased confidence.

In response to this new and promising economic situation, the U.S. Government intends to support the efforts of the Philippine Government to meet its pressing financial needs through bilateral assistance programs, trade and investment policies, and participation in the multilateral financial institutions.

Bilateral Economic Assistance

The United States plans to increase its bilateral economic assistance to the Philippines in both quantitative and qualitative terms. The elements of the foreign assistance package include a higher level of funding, acceleration in the disbursement of funds already appropriated, and better terms under which funds are made available:

- A request to Congress in FY 1986 for authorization and appropriation of an additional $100 million in economic support funds (ESF);
- Acceleration of disbursement, as feasible, of the currently authorized pipeline of about $200 million in ESF funds;
- Conversion of $100 million of development assistance funding from loan to grant, thus providing a total of $140 million of grant development assistance; and
- An expansion of food imports under PL 480, Title I, and the President's sugar compensation program, as authorized by Section 416 of the Agricultural Act of 1949 (as amended), from $35 to $50 million.

This funding, which totals about $500 million, will all be on a grant basis except the PL 480, Title I, which is on a highly concessionary loan basis. Thus our assistance will provide economic support without adding appreciably to the large external debt burden inherited by the Aquino government.

In addition the United States is developing, on an urgent basis, a substantial increase in people-to-people assistance, such as school and child feeding, food for work, and health programs to reduce infant and child mortality. These programs are generally administered by private voluntary and church organizations. We also expect to work closely with the Peace Corps program in the Philippines. One target for this expanded effort is the severely depressed sugar producing region on Negros Island. The increased funding for these programs will come from PL 480, Title II, and Section 416, and will approximately double the currently programmed level of $7.7 million.

Finally, the U.S. assistance program will seek, to the extent feasible, to give direct support to private sector development, utilizing various funding sources including new authorities for the PL 480 title program contained in Provision 1111 of the Food Security Act of 1985.

Trade and Investment

The United States will take the following measures in the area of trade and investment policy in support of the Aquino government's economic program.

GSP—$219 million of Philippine exports benefited from the U.S. generalized system of preferences in 1985, and the Philippines was the 12th largest user of the program. We will be working with the Philippine Government on ways to expand and improve their use of this program.

Textiles—Philippine textiles exports totaled $431 million in 1985 under the existing bilateral agreement that expired at the end of this year. We will approach the forthcoming negotiations for a new agreement with a view to assuring continuing reasonable growth of textile exports during the critical period of Philippine economic recovery ahead.

Eximbank—All Eximbank programs are available to support Philippine imports from U.S. suppliers. Short-term financing for recent shipments amounts to $90 million. Support for $230 million remains available, and this is expected to meet current Philippine needs.

OPIC—The Overseas Private Investment Corporation is prepared to expand its insurance and guarantee programs in the Philippines as new investment projects develop. It also has available direct lending resources, particularly for joint ventures engaged in by small- and medium-size companies. We will be discussing with the Philippine Government and the U.S. private sector the possibility of an OPIC investment mission before the end of the year.

DOC—The U.S. Department of Commerce is in touch with the Philippine Government regarding resumption on trade and investment missions to the Philippines and a series of Philippine trade/investment seminars to be held in the United States.

The Multilateral Economic Framework

The Philippine Government has expressed strong interest in exploring the possibilities of taking advantage of the program for sustained growth, the initiative taken last fall by Secretary of the Treasury Baker to strengthen the international debt strategy and support sustained growth in middle-income debtor countries.

The U.S. economic team welcomed the Philippine Government's interest in the Baker plan and expressed the view that the broad policy directions of the Philippine authorities should position it well to take advantage of the opportunities provided in the Baker plan to achieve sustained economic growth.

In this connection, the Philippine Government stated it was engaging in early discussions with the following in order to develop support for its macroeconomic policies and structural reforms: the International Monetary Fund (IMF), the World Bank (IBRD), the International Finance Corporation (IFC), the Asian Development Bank (ADB), and commercial banks.

The Philippine Government has also expressed its interest in an early meeting with other bilateral, as well as multilateral, donors in order to mobilize their support for Philippine economic recovery. The United States agrees to participate in such a meeting and will

work actively to assist the Government of the Philippines in arranging an early meeting.

Military Assistance

Additional military assistance is urgently needed for basic requirements—logistics, communications, transportation, and troop support—and to help promote military reforms. Our support package contains:

- A request to Congress in FY 1986 for authorization and appropriation of an additional $50 million in the military assistance program (MAP); and
- Conversion of approximately $24 million of prior year, unused foreign military sales (FMS) credits to MAP grants and replacement of $50 million FMS credits with MAP grants in the 1987 budget request.

The Aquino government has clearly demonstrated the intention to carry out needed economic and military reforms. President Aquino has also promised that a constitutional commission will draft a new constitution to be submitted to the people for ratification and that there will be elections for local officials and members of the legislature under the new constitution.

The economic and military assistance contained in their package will serve as an important manifestation of support from the American people to the Philippine people as they face the very difficult challenges ahead.

Budget Impact

The President's request includes provision for offsets for the additional $100 million in ESF and $50 million in MAP funds to remain within overall budget totals.

[1]Text from Weekly Compilation of Presidential Documents of Apr. 28, 1986.■

U.S. Assistance to the Philippines

by John C. Monjo

Statement before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee on May 15, 1986. Mr. Monjo is Deputy Assistant Secretary for East Asian and Pacific Affairs[1]

I welcome this opportunity to continue the long-established dialogue with the subcommittee on the situation in the Philippines and U.S. relations with that key allied nation.

The formulation and implemention of our Philippine policy objectives over the last several years has been the result of close consultations between the executive and legislative branches. We have worked hard to build a consensus on our Philippine policy. The effectiveness of our foreign policy is invariably enhanced when the U.S. Government speaks with one voice. We look forward to a sustained, productive dialogue with you and the members of your subcommittee regarding all aspects of our relations with the Philippines.

In my testimony today, I intend to look briefly at the accomplishments of the new Philippine Government and examine the challenges that remain to be faced and then turn to our policy objectives in the Philippines. I will describe the ways in which the United States is prepared to assist the Philippines to address longstanding economic and security problems. The President announced last month our proposal for additional assistance to the Philippines, which we believe strongly is required during the current fiscal year. Secretary Shultz has just returned from a visit to the Philippines where he discussed the thrust of our proposed assistance program with President Aquino and the senior members of her government. I will outline the nature of our proposed enhanced bilateral aid package and its justification.

The Accomplishments and Challenges

Political. President Aquino enjoys broad popular support. Filipinos perceive her government as honest and committed to justice for the common man. Nevertheless, her government faces new political challenges that stem from the unique nature of politics in the Philippines.

The first challenge facing President Aquino has been the creation of a new political order. President Aquino's earliest success in this regard was the appointment of a cabinet including experienced, respected professionals representing a broad political spectrum. The economic team in particular has demonstrated a pragmatic, free-enterprise orientation.

Her next step was to proclaim on March 25 a provisional constitution based on the 1973 "Marcos" constitution but without the legislative elements. She abolished the National Assembly and temporarily assumed broad legislative powers. She also assumed authority for 1 year to replace all local officials and government employees. The provisional constitution, significantly, protects civil rights and makes all presidential legislation subject to judicial review. In this regard, a new Supreme Court—composed of members that Filipinos consider to be of highest integrity—is in place.

At the same time, she announced her plan and, most importantly, a timetable to return the country to fully constitutional government. The first element is the selection by late May of an appointed commission to write a new constitution. The commission has 90 days to complete a draft, after which it will be submitted to the people in a plebiscite. Following ratification of the constitution, elections for local officials and a new legislature are to be held. Current speculation is that these elections will be held toward the end of the year.

President Aquino faces several formidable political tasks that will put her government to the test. These tasks include:

- Working effectively with the sometimes competing political forces within her government;
- Retaining the momentum she has developed to reform or replace existing political institutions;
- Dealing constructively with supporters of the former government in the positive spirit of reconciliation that marked her political victory; and
- Installing, where necessary, capable, reformist local government officials responsive to the needs of the local populace until local government elections take place.

All these issues are Philippine issues that Filipinos will resolve. However, virtually all observers in the United States and the Philippines—with the exception of the Communist Party of the Philippines (CPP) and its military and political front organizations—anticipate and support an early return through elections to fully functioning democratic institutions. Democratic institutions—including a new constitution ratified by plebiscite, a new elected legislature, and elected local governments—are the key to the long-term political stability of the country.

Economic. The economy presents perhaps the most complex problem but also one with great potential for a relatively quick turnaround. The Philippine economy has been contracting since 1983. The new government faces a heavy foreign debt burden, massive unemployment, extensive urban and rural poverty, and a severely depressed investment environment. The major sectors of the economy—agriculture, mining, manufacturing—have all been stifled by a statist approach, ill-conceived regulation, and the encouragement by the previous government of public and private monopolies.

Unwise policies and excessive government intervention, in addition to difficult world markets for the Philippines' key exports, left an economic structure deficient compared to other ASEAN [Association of South East Asian Nations] countries. Traditional plantation agriculture is in trouble. Labor-intensive and light industries are underdeveloped, and heavy industry is largely based on products for which the Philippines does not enjoy a comparative advantage.

The market-oriented economic team within the Aquino government is already seeking to promote deregulation and liberalization of the economy in order to spur positive growth in exports, imports, production, and investment. There is a new spirit and willingness by the government to consult with business, labor, and consumer groups on the choice of economic policies.

The new economic leadership has identified critical reforms which can go a long way toward restarting the engines of economic growth. These include:

- Allowing the peso to respond to foreign exchange market forces;
- Canceling decrees setting up monopolies in such sectors as sugar, coconuts, chemicals, etc.;
- Dismantling public sector financial entities and privatizing numerous public corporations;
- Liberalizing import restrictions, including removal of bureaucratic restraints on trade; and
- Eliminating price controls on certain agricultural products and establishing an efficient stabilization program for basic food commodities.

The basic objectives of these reforms are to restore free-market forces to the economy, increase the return to small agriculturalists, and bring about the growth of new and dynamic sectors of the economy. The Philippines has the trained labor force and the entrepreneurial talent to transform its economy. If the new government implements these reforms and is successful in restoring business and investor confidence—and early indications based on stock prices and the peso exchange rate are that it will be—the future looks promising. Of course, the United States and other donors will have a role to play, which I will address later.

Security. A serious, long-term threat facing the Philippines is the communist insurgency. The Communist Party of the Philippines—through its military arm, the New People's Army (NPA), and its overt front organization, the National Democratic Front (NDF)—is pursuing a classic military and political strategy intended to lead progressively, first to a military stalemate, then to a communist takeover of the central government. Their goals have not changed.

The NPA is a traditionally organized, rural-based communist insurgency. The leadership is generally well educated, disciplined, and determined. They should not be underestimated. Their strategy is to work politically among the rural population and dominate the countryside, gather strength militarily through attacks on government troops, while simultaneously attempting to penetrate the social, economic, and political systems of the country through united front activities.

The NPA has not ceased its activities since the accession of President Aquino. In fact, the number of victims of the NPA has jumped markedly in the past month. Over 600 people have been killed as a result of NPA activity since the end of February.

Nevertheless, the coming to power of the Aquino government constitutes a setback for the insurgency because:

- The new government, in contrast to the previous government, enjoys widespread popular support;
- The principal propaganda target of the communists, the Marcos regime, is gone; and
- The communist election boycott was repudiated by the majority of Filipino people by an even greater margin than during the 1984 National Assembly election.

The government is now considering a cease-fire and amnesty program in response to the insurgency. The CPP/NPA has, thus far, avoided discussion of a nationwide cease-fire and has stated that it will not surrender its arms as a precondition. Should there be a cease-fire followed by a reasonable amnesty program, nonideological NPA members will probably surrender. Some already have. But the hardcore elements will fight on. To believe otherwise is to underestimate the discipline and indoctrination of the communists.

The challenge for the government is clear. A comprehensive counterinsurgency strategy under joint civilian-military leadership, as well as an amnesty component, is needed. Most importantly, the strategy has to address the root causes of the insurgency: poverty, ineffective and unresponsive local government, and military abuses. Military reforms aimed at restoring discipline and respect for human rights must be part of the effort. Restoration of competent and dedicated leadership at the senior levels of the armed forces, as recently initiated by the new government, is also essential to a reinvigorated, professional military. The installation of reformist local governments with close ties to the local populace is another element.

Meanwhile, political groups and other entities will have to continue to be vigilant to CPP/NDF attempts to penetrate and dominate their institutions.

U.S. Policy Objective and Goals

U.S. policy is founded on our desire to help the Philippines in all appropriate ways to meet the challenges I have just outlined and to help resolve the myriad problems left by the Marcos regime.

Our primary objective is to promote a close, productive bilateral relationship with the Aquino government and support its efforts to restore fully functioning democratic institutions in the Philippines. Such a relationship will build on shared national interests,

historically close institutional and personal ties, and on mutual recognition of and respect for each nation's independent concerns.

In support of that objective we have set several policy goals:

First, to forge stronger links with the new generation of Filipino leaders;

Second, to assist as appropriate in Filipino efforts to restore economic prosperity to the country;

Third, to enhance the effectiveness and professionalism of the Philippine Armed Forces; and

Fourth, to maintain a continued, close defense relationship with the Philippines.

To accomplish the economic and security goals, which are priorities of both the Aquino government and the United States, we have proposed a program of enhanced economic and security assistance which I will describe below.

The strength of the Philippine-American relationship has always been in the close links forged between the Filipino and American peoples. These links were hardened in the fires of World War II. But the World War II generation is being replaced by another generation, and we need to renew our links. For this reason, we look forward to a much more active program of exchanges, both governmental and privately sponsored. We are working to create new linkages between U.S. and Philippine universities through student and faculty exchanges. The details remain to be worked out, but the goal is clear.

Our security interests are longstanding and well understood. The U.S. facilities in the Philippines serve vital security interests of both Washington and Manila. They contribute significantly to the security and stability of the region as a whole. This important role is recognized by the Philippines' ASEAN partners and other friends in the region. President Aquino's position with regard to the U.S. facilities at Subic and Clark is clear. She has pledged to respect the existing military bases agreement and to keep her options open.

We look forward to a strong, effective defense relationship with the Aquino government. The preservation of our important security interests in the Philippines and our vigorous support for democratic reforms in that country are mutually reinforcing elements of the same policy. We believe that our security relationship will be strongest with an independent, democratic, and stable Philippines.

Program of Enhanced Economic and Security Assistance

The President has sent to the Congress a proposal for a substantially increased economic and security assistance package for FY 1986 targeted to support President Aquino's program for economic recovery and reform in the Philippines. The support package for the Philippines, in addition to a request for a $150 million supplemental appropriation in the current fiscal year, contains several other significant provisions to accelerate fund disbursements and ease the terms of ongoing assistance programs. In total, about $500 million of economic assistance and over $100 million of military assistance would be available to the Philippine Government in FY 1986, more than 90% on a grant basis so as not to aggravate that country's already heavy external debt problem.

We are also taking measures in the trade and investment fields to help invigorate the Philippine private sector, in keeping with economic reform policies being implemented by the Philippine Government. These include new agreements with the Philippines on the generalized system of preferences and on textile quotas as well as expanded involvement by the U.S. Export-Import Bank and the Overseas Private Investment Corporation.

The United States is not alone in supporting the Philippine Government. We are one part of a multilateral effort, which includes the International Monetary Fund (IMF), the World Bank, the International Finance Corporation, the Asian Development Bank, and Japan and other donor countries. In late May, the United States will participate with other major bilateral and multilateral donors in a World Bank-sponsored consultative meeting to be held in Tokyo. The purpose will be to coordinate donor efforts and to discuss with Philippine Government representatives their country's economic problems and prospects for recovery. The private banking sector also has a very significant role to play. This multilateral approach is, in fact, fully in keeping with proposals made last year by [Treasury] Secretary Baker at the World Bank/IMF meetings in Seoul. Our proposed new aid program is based on an assessment of Philippine economic and military needs by a U.S. assistance team headed by AID Administrator M. Peter McPherson and including senior Treasury, State, and Defense Department officials, which visited the Philippines in mid-March. The delegation members met with President Aquino and conducted extensive discussions about the new government's needs and priorities with senior economic and military officials.

The Philippine Government has outlined sound, market-oriented economic policies, which it intends to pursue in order to restore sustainable, job-creating, and noninflationary growth in the Philippine economy. We applaud these policy directions and note that in recent weeks confidence in the financial community regarding Philippine economic policies and prospects has been increasing.

Additional military assistance is also urgently required for basic requirements—logistics, communications, transportation, and troop support—and to help promote military reforms. Philippine Government representatives made clear the need for increased military aid in discussions with the McPherson team and with [Defense] Secretary Weinberger earlier this month. The Aquino government has also clearly demonstrated the intention to carry out needed provements to restore professionalism and capabilities to the armed forces.

Conclusion

Let me conclude with two thoughts. First, the assistance we are proposing will serve as an important manifestation of support from the American people to the Philippine people as they face the very difficult challenges ahead. Given our long association with the Philippines and our continuing important interests there, we ought to do all that we can in the way of appropriate assistance at this critical juncture in their history.

Second, the challenges faced by the Philippines will not be resolved simply through the application of external financial resources. They will be resolved only as a result of the sustained efforts of the Filipino people working within a sound policy framework to rebuild their political and economic institutions and bringing to bear the energy, dedication, moral strength, and skills which they employed to resolve their political problems in February.

Secretary Shultz summed this up in Manila upon his departure on May 9 as follows:

> ...the keen recognition of the problems and the readiness to go to work on them mean that these problems, while severe, are basically problems that can be solved. And I feel certain that they're on the way to being solved.

The U.S. role, and that of the international financial and donor community, is to provide those resources and programs the Filipinos themselves identify as essential to support their efforts. We believe the assistance package we have developed is responsive to Philippine needs and priorities, and we solicit your support for it.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Japan's Prime Minister

Prime Minister Yasuhiro Nakasone of Japan made an official working visit to Washington, D.C., April 12–14, 1986, to meet with President Reagan and other government officials.

Following are remarks by the President and the Prime Minister after their meeting on April 14.[1]

(White House photo by Pete Souza)

President Reagan and Prime Minister Nakasone at Camp David on April 13.

President Reagan

Prime Minister Nakasone and I have just completed 2 days of discussions on bilateral and global issues. And I'm happy to report that the relationship between our two countries remains strong and vital. Our meeting has reaffirmed my conviction that the close relationship between us is of immense importance for our two peoples and for the rest of the world. The friendship between our two nations is mirrored in the personal respect and affection that the Prime Minister and I have for each other, an affection that is held also by the Japanese and American peoples.

Yesterday at Camp David and this morning here at the White House we had, as always, much to talk about. In discussing relations between the United States and the Soviet Union, including arms control, the Prime Minister expressed his support for efforts toward the convening of a summit meeting with the Soviet Union. We agreed on the need for the democratic nations to remain united. We also reviewed our defense relationship and reaffirmed that the U.S.-Japan treaty of mutual cooperation and security is the foundation of peace and stability in the Far East and the defense of Japan.

As you can imagine, the state of U.S.-Japan trade relations was a major topic during our meeting. But I told the Prime Minister that this issue is one of vital concern to all Americans, as reflected in the strong views of many in Congress. We agreed on the necessity to continue to intensify efforts to expand trade through better market access. The Prime Minister informed me that he is dedicated to fulfilling Japan's responsibility as the free world's second largest economic power to strengthen the international trading system. He and his government are committed to a national goal of reducing Japan's trade surpluses.

The Prime Minister also informed me of an important, recent report which outlines some very significant changes that Japan intends to make. He is determined to implement fundamental policy changes, and I applauded the Prime Minister's commitment to leading his nation toward an economic future more in harmony with the needs of global economy.

The Prime Minister and I agreed on the vital importance that this plan involve a significant increase in Japanese imports, particularly of manufactured and other high, value-added goods. In a similar spirit, I committed my Administration to launch a strengthened program to promote exports to Japan. The trade imbalance between the United States and Japan results from complex factors that will take time, vigorous efforts, and patience to correct. There are no quick or easy fixes, but we do know protectionism is not the answer. We've already made substantial progress and are convinced that working together, with urgency and commitment, we'll find ways to solve our problems through a trading relationship that is both balanced and extraordinary.

As part of this common effort, I've asked Secretaries Shultz and Baker, and the Prime Minister is instructing his relevant ministers, to pull together a broad group of high-level officials to discuss structural economic issues of mutual concern. We will continue work on better market access. We discussed the Tokyo summit. Its preparations are going well, and the Prime Minister and I are looking forward to continuing our discussion next month in Tokyo with the expectation that the summit will register a message of bright hope for the future. We discussed a number of other regional topics, focusing on Asia, and shared in particular our thoughts on the progress being made by the new government in the Philippines and on the importance of assisting that government in dealing with its national problems.

I note that Japan has become the second largest donor of economic assistance worldwide. Our governments will continue close consultations to increase the effectiveness of our individual contributions. The Prime Minister and I agree that we both have complex problems and immense opportunities before us. The key to realizing the full potential of this unique bilateral relationship is mutual understanding and close cooperation. Together, there is nothing we cannot accomplish, and I might add that that was the spirit of our discussion during these past 2 days.

Prime Minister Nakasone

President Reagan and I met in a relaxed atmosphere over the weekend. The President and I share the views that we should work together to send throughout the Tokyo summit a message of a bright prospect for and confidence in the future to the peoples of the world—the developed and developing alike.

We reaffirmed the importance of promoting world peace and disarmament, and of the U.S.-Soviet summit in this regard, and the necessity of promoting the new round of multilateral trade negotiations for the furtherance of the free trading system. The President and I had a frank exchange of views on economic issues between our two countries.

Upon hearing once again the President's strong determination to continue his resolute fight against protectionism, I expressed my firm support to him. I also discussed with him the role to be played by Japan to the same end. Japan upholds the principle of free trade. I talked with the President about these steps we have taken to improve Japan's market access in the past years and told him that Japan will continue its efforts to this end. The President and I share the recognition that a change which has taken place in the yen-dollar exchange rates will contribute to the adjustment of the trade relations between Japan and the United States.

I told the President that Japan is determined to work at its national policy goal toward steadily reducing the current account imbalance to one consistent with international harmony. To this end, I believe that Japan must tackle the epoch-making task of structural adjustment and transform its economic structure into one dependent on domestic demand, rather than exports leading to a significant increase in imports, particularly of manufactured products. Recently, my private advisory group produced a report containing many variable recommendations in this regard. In order to translate the recommendations into policies, the government will set up a promotion headquarters which will formulate a work schedule very shortly.

Structural adjustment is no easy task in any country. But Japan must effect an historic turn, and I am determined to accept that challenge. The President wholeheartedly welcomed this approach.

At the same time, I hope that other countries will also deal with their own difficult problems through structural adjustment. Better convergence on policies among the nations concerned will be a key to revitalization of the world economy. The President and I welcomed the agreement reached yesterday to hold the bilateral dialogue of higher shelves on structural problems.

I pay my respect to the President for his strong determination to work toward more stable East-West relations and substantial reduction of nuclear weapons and strongly hope that the momentum for U.S.-Soviet dialogue spurred by a summit meeting between the two leaders last November will move forward steadily. The President and I reaffirm the importance of maintaining close communication and coordination among the countries of the free world. In this connection, I told the President that I highly value his efforts toward the total elimination of INF [intermediate-range nuclear forces] on a global basis with adequate consideration to the Asian region.

In our discussions on regional issues, the President and I reaffirmed the need for Japan and the United States to further cooperate for the development and stability of the Philippines and their President Aquino and for us each to contribute to the stability of Central America and other countries, and to the improvement of economic situations and easing of the debt burden of the European countries.

I expressed to the President my appreciation for the fact that the defense relationship between Japan and the United States is now better than ever before and told him that Japan intends to proceed further with its efforts on its own initiative to improve its defense capabilities, together with further strengthening the credibility of the Japan-U.S. security arrangements.

I am very happy to have been able, at your kind invitation to come to meet you in spring green of Camp David, to reaffirm my unshakable friendship with you. Today the cooperative relationship between Japan and the United States is expanding its truly global dimensions and is ever growing in importance. I am convinced that we can overcome whatever obstacles may stand in our way and make great contributions to peace and prosperity of all the peoples of the world if our two peoples trust each other and make the best possible use of the vigor of each.

[1]Made in the White House Rose Garden (text from Weekly Compilation of Presidential Documents of Apr. 21, 1986. ■

FY 1987 Assistance Requests for East Asia and the Pacific

by John C. Monjo

Statement before the Subcommittee on Foreign Operations of the House Appropriations Committee on March 12, 1986. Mr. Monjo is Acting Assistant Secretary for East Asian and Pacific Affairs.[1]

I appreciate this opportunity to present our fiscal year 1987 foreign assistance proposal for East Asia and the Pacific.

U.S. interests are well served in the economic and military assistance we have given our allies and friends in Asia. By and large, the developing countries in Asia have healthier economies and are moving forward faster than in any other area of the world. While this is due in large part to their own efforts, our assistance has been an important catalyst. In the field of security, we have contributed importantly to the stability of the Korean Peninsula and to the ability of Thailand to resist Vietnamese incursions on its border with Cambodia. The Philippines faces a domestic communist insurgency, and I will be addressing this question.

Our foreign assistance programs are a key element in our policy in the region which today faces a new and active Soviet diplomatic offensive. Soviet Foreign Minister Shevardnadze's visit to Japan symbolizes this renewed activity which also witnessed a trip by a deputy premier to Southeast Asia and commercial offers in Southeast Asia and the Pacific. Moreover, the Soviet military buildup in the region is undiminished as are Moscow's ties to the aggressive Socialist Republic of Vietnam (S.R.V.) and the Democratic People's Republic of Korea (D.P.R.K.) regimes.

At the same time, the nations of the region are facing increasingly serious economic challenges. In addition to the economic problems of the Philippines with which we are all familiar, other nations in the region face major difficulties. Indonesia, which depends on oil for 80% of its export revenues and which relies on oil for 20% of its economic output, faces the same economic problems as other high-population, low-income oil-exporting nations. Given these problems, the government has adopted an austerity budget with average cuts of 22% for each department. Malaysia also

anticipates the worst downturn in its commodity-export based economy in over a decade. Thailand's friendly and helpful government is having trade problems, and its debt service burden is now very heavy. These economic difficulties offer new opportunities for the Soviet diplomatic offensive and underline the need for strong economic and security assistance programs to support our interests.

Overall our proposed assistance requests are in line with prior year programs and our 1986 request. The increases above 1986 appropriations represent an attempt to keep programs at the previously requested levels. In FY 1987 our total economic assistance request for the economic assistance program is $250 million and military assistance is $492 million.

Our assistance programs concentrate on the region's more threatened or vulnerable nations: the Philippines, the Republic of Korea, and Thailand.

The assistance program for the Philippines was prepared before the recent tumultuous events there, and we are carefully reviewing the elements of our future program. The fundamental objectives of seeking structural reforms needed to put its economy back on the path of growth and military assistance to help promote reform and development of a professional military capable of meeting the challenge posed by the communist insurgency will remain the same. We must also fulfill the President's "best-effort" commitment in the context of the last 5-year review of the military bases agreement.

In Korea tensions remain high despite the beginnings of a welcome dialogue between Pyongyang and Seoul. The threat of North Korean aggression remains serious and immediate. We and our South Korean ally must remain especially vigilant during the period leading up to the 1988 Seoul Olympics which Pyongyang bitterly opposes. As our Korean ally is already devoting a large portion of its GNP to defense, continued foreign military sales (FMS) credits are needed if Korea is to meet the key objectives of its force improvement plan.

Thailand needs our assistance to achieve its development goals so that it can maintain a healthy economy in the face of economic problems and effectively carry its share of our mutual security burden. Like Korea, Thailand is an ally allocating substantial resources to badly needed military modernization and the creation of a credible deterrent to Vietnamese aggression.

The Soviet challenge dramatizes again the importance of the ASEAN nations [Association of South East Asian Nations] which sit astride the vital sealanes joining Asia with the Middle East and Europe. The United States and the free world have a critical interest in this important part of the world. Our security assistance programs in Malaysia, Singapore, and Indonesia and our economic assistance program in Indonesia help ensure this stability. Just as our assistance to Thailand is part of our commitment to these ASEAN states, so is our backing of the noncommunist Cambodian resistance. We and the ASEAN nations are committed to assisting these noncommunist forces.

Finally, in the Pacific itself, we see the most active Soviet interest in an area of strategic importance to the United States. The regional fisheries agreement we are negotiating, as well as our continuing small assistance programs, are a small price to pay to protect our interests.

As you can see our programs in East Asia and the Pacific, which make up only a modest portion of our worldwide foreign assistance requests for FY 1987, are an important part of our policy in this key area of United States interest.

The Philippines

Our security assistance request for the Philippines is designed to address the critical needs of a key allied nation which has just undergone a historic and peaceful change in leadership and which continues to face a combination of political, economic, and security problems. In addition, the program is designed to support a vital defense relationship, including key support facilities for U.S. forces which are located in the Philippines.

The basic framework for our request is a Presidential "best-effort" commitment made in connection with the 5-year review of our Military Bases Agreement in 1983. By letter to the Philippine head of state, former President Marcos, the President indicated his intention to seek a total of $900 million in security assistance ($125 million MAP—military assistance program, $300 million FMS—foreign military sales, $475 million ESF—economic support funds) for the Philippines during the 5-year period FY 1985–1989. Continuation of our assistance under this commitment would now serve to underscore the importance which we attach to this commitment which was made to the legitimate government and people of the Philippines, not just to the Marcos regime.

Our security assistance thus relates closely to our ability to maintain unhampered use of Clark Air Base, Subic Naval Base, and related installations, facilities that are crucial to our capability to protect the sea- and airlanes of East Asia and much of the Pacific region and to provide logistical support for U.S. forces in the Indian Ocean and Persian Gulf. It also signals U.S. interest in helping the Philippines overcome its economic problems.

Developments since the Presidential commitment was made have rendered the need for assistance all the more acute. As you are aware, we have just witnessed one of the most stirring examples of the democratic process in modern history. In extending recognition to President Aquino's government, Secretary Shultz stated: "We honor the Filipino people and stand ready to assist the Philippines as the government of President Aquino engages the problems of economic development and national security."

The Philippines has been plunged into its most critical economic crisis since World War II, and the economic outlook remains bleak in the short-to-medium term. The country registered negative real GNP growth of around 5.5% in 1984 and a further drop of about 4% in 1985. Positive real GNP growth may not resume until 1987, and then only at a modest rate. The need to restrict government expenditures, curtail imports, and service a large external debt will weigh heavily on the Philippines for the remainder of this decade.

As it seeks to cope with economic crisis, the new Government of the Philippines also faces the challenge of a growing communist insurgency. The communist New People's Army (NPA) now numbers some 20,000 armed guerrillas, with about as many part-time guerrillas, a very dramatic increase over the numbers we reported to you last year at this hearing. The NPA has expanded its operations to the rural areas in almost all provinces in the country. Assassination squads, called Sparrow Units, and NPA cells are also active in Philippine cities. The root causes of the insurgency are political and socio-economic, and must, of course, be addressed as such.

We believe that the new government is well aware of this fact and will try to combine a program of overall economic growth for the country with

an amnesty/reconciliation/jobs-training program to provide an incentive for nonideologically committed guerrillas—which hopefully will be the majority—to reenter the mainstream and begin new lives.

However, there are communist guerrillas and party members who are committed Marxists and seek to establish a Marxist-style totalitarian state in the Philippines by both political and military means. This dimension of the insurgency poses a challenge in the Aquino government which requires an effective, coordinated civil/military response from the new Government and the Armed Forces of the Philippines.

Exchange shortages and budgetary restraints—Philippine defense expenditures have declined by more than 20% in real terms since 1978—have severely restricted resources available to the Armed Forces of the Philippines to play its role in a comprehensive approach to the insurgency. The current economic crisis, deepened by the extravagant election spending of the Marcos government, will make it even more difficult over the short- and medium-term for the armed forces to receive the resources necessary to implement the necessary reforms and effectively meet the military challenge presented by the communist guerrillas.

On the economic front, President Aquino has put together a highly qualified team to deal with the serious economic problems confronting the Philippines and the reforms necessary to deal with them. Initial discussions with members of the new government's team indicate that they want to pursue an economic program which emphasizes deregulation, breaking monopolistic practices, and greater reliance on the market to lead economic recovery. We hope the new government will commit itself to implement the economic reforms which many Filipino businesspeople, bankers, and academicians have been advocating for some time. We view these commitments as necessary to restore growth and vitality to the economy.

In the military area, we are encouraged by signs over the past few days that the new Philippine Government and the new leadership of the armed forces accept the necessity of far-reaching military reform and are taking steps to make the armed forces a nonpolitical, professional institution and to restore it to combat-effectiveness. One factor which previously inhibited a serious response to the issues of military reform and the insurgency was the politicization of the military by former President Marcos. The Marcos Administration and the senior ranks of the armed forces did not provide the requisite civilian/military leadership for a comprehensive civil/military program to counter the insurgency.

With the retirement of 23 overstaying generals, announced by President Aquino last week, and the appointment of competent, reform-minded officers to leadership positions, the Armed Forces of the Philippines is getting back on the right track. It is important that we support this process of reform which we have been encouraging for the past 2 years.

When Gen. Ramos was Acting Chief of Staff last year, although he was held in check by the Marcos/Ver loyalists, he was able to institute a modest program of military reforms. This program included: a new system to deal with military abuse cases; some reorganization to deal with insurgency; and a more realistic set of military procurement priorities.

Our military assistance proposal is made in the expectation that now that Gen. Ramos and other professional officers have a mandate from President Aquino to conduct overdue reforms, the positive trends already apparent will continue and strengthen and a new Armed Forces of the Philippines will emerge.

Our proposed assistance package for FY 1987 is designed both to ensure fulfillment of the Presidential "best-effort" commitment and to address the seriousness of the problems now facing the Philippines. The levels requested for FY 1987 still represent the Administration's request at this time. Including development assistance and PL 480, we have requested a total of $228.43 million in aid to the Philippines, $125.68 million of which is economic. The full amount is certainly required. The new government is still evaluating the country's economic condition and does not yet have a clear picture of what it may require in foreign assistance.

We are now consulting with the new government in an effort to assess needs and determine how we can be helpful. Ambassador Habib began the process during his most recent visit to Manila. We will also be examining with other countries and multilateral institutions the programs they plan in the Philippines.

Our request for a total of $100 million in military assistance ($50 million MAP/$50 million FMS) aims at making up some of the shortfall in military assistance resulting from the last 2 years' congressional action. In FY 1985, $45 million in proposed FMS was shifted to ESF. In FY 1986 approximately $24.63 million of our request for $100 million in FMS and MAP was shifted to ESF, and the overall request was pared down to $52.64 million.

The Presidential "best-effort" letter specifies that a total of $425 million in military assistance ($125 million MAP/$300 million FMS) will be sought during the 5-year period. With military assistance reduced to $40 million in FY 1985, and $52.64 million in FY 1986, we need to begin to increase military assistance over the base-line level of $85 million if we are to fulfill the President's commitment during the 5-year period.

Equally important in determining the level of military aid for FY 1987 is the Armed Forces of the Philippines' concrete need for such assistance if it is to mount an effective military response to the insurgency challenge. The reduced level of FY 1986 military assistance will be almost totally absorbed by operations and maintenance costs in support of existing inventory. Serious armed forces shortcomings in maintenance, logistics, transportation, communications, and training that can only be overcome through adequate levels of foreign assistance. Over the next few years military assistance levels at least equal to those embodied in the 5-year Presidential commitment are essential. Our international military education and training (IMET) request of $2.75 million, aimed at improving the leadership and performance, also addresses an important armed forces need.

Our proposal that military assistance consist of equal portions of MAP and concessional FMS credits flows from current and projected international payments calculations. In FY 1984 repayments of $50.5 million on previous market rate FMS credits exceeded new credits of $50 million. In the absence of Paris Club debt rescheduling, repayment obligations resulting from FMS credits would have again exceeded new inflows of military grants and credits in FY 1985, and projected repayments are expected to reach $48 million in FY 1986. This increased debt burden comes at an extremely difficult time for the Philippine economy, with its overall ratio of debt service to exports at around 50% prior to debt rescheduling.

The severity of the economic situation also makes it imperative that ESF be maintained at the base-line level of $95 million. Given the Philippines' economic prospects for the next few years, it is difficult to provide anything less in view of the urgent need to assist economic recovery. In programming ESF, we recognize that providing government services to address the economic and social conditions in rural areas which allow insurgencies to prosper is at least as important as military operations. ESF programming will continue to be linked with the overall development assistance strategy in the Philippines.

In addition to security assistance related to our bases arrangements, we propose that development assistance be set at $23 million. We have also requested $7.628 million in PL 480 Title II to continue feeding programs that have been rendered even more important by the deteriorated economic situation.

Our policy toward the Philippines rests on the premise that fundamental political, economic, and military reforms are needed if stability is to be preserved and economic health restored. The new government appears committed to putting together a program to address these reforms. A central objective of our assistance is to contribute to the new government's ability to address the critical problems facing the Philippines and to help the government carry out the needed reforms.

We are reviewing our aid program, in the context of other bilateral and multilateral donor plans, to see how it can be structured to respond to the needs and initiatives of the new Philippine Government. Agency for International Development (AID) Administrator McPherson is leading a joint State-AID-Treasury-Defense team that is now in Manila for that purpose. If our review shows that the aid requirements of President Aquino's government exceed the amounts we have requested, we shall have to consider our options. If it becomes necessary, after considering such options, to change the level of our FY 1987 request, or to make changes in FY 1986, that would be communicated to the Congress as quickly as possible through our established process. We will certainly need the support of the Congress as the new government engages the urgent economic and security problems it has inherited.

A lot has happened in the Philippines in recent years, and especially in recent weeks. A key allied nation, under new, popularly elected leadership, faces significant challenges on a variety of fronts. It is incumbent upon us to do what we can to help the new government and the Filipino people get through this crucial period and establish a foundation to lay the basis for future stability and prosperity.

Korea

Renewed hostilities on the Korean Peninsula would directly affect the security interests of the United States, the U.S.S.R., China, and Japan, and could have global as well as regional consequences. Deterrence of North Korean aggression against the Republic of Korea (R.O.K.) is, therefore, an essential component of peace in the region. For over 30 years, the U.S.-R.O.K. alliance has been successful in deterring a North Korean attack. Nonetheless, the cessation of hostilities brought about by the armistice agreement has been marred over the years by such incidents as the 1968 raid on the Blue House by North Korean commandoes, the seizure 2 days later of the U.S.S. *Pueblo*, and North Korean tunneling under the demilitarized zone (DMZ). In 1983 in an attempt to assassinate R.O.K. President Chun, 17 senior South Korean officials [visiting Rangoon] were killed by a bomb which a Burmese court determined was planted by North Korean commandoes. Yet war has been prevented, and this has allowed great economic and social progress in South Korea.

In spite of the Republic of Korea's impressive economic development, its need for continued U.S. security assistance is strong. In the past decade, North Korea, which spends over 20% of its GNP for military outlays, has carried out a major force buildup. The military balance continues to favor the North. North Korea has about 750,000 men under arms, compared with 620,000 in the South. However, even these numbers substantially understate North Korea's superiority, because nonmilitary units carry out extensive support functions for the offensively oriented North Korea ground forces.

North Korean forces are well equipped and have a substantial numerical advantage (at least 2-to-1) in several key categories of offensive weapons: tanks, long-range artillery, and armored personnel carriers. They also have more than twice as many combat aircraft as the South, although R.O.K.-U.S. forces have the qualitative edge. In 1985 the U.S.S.R. began to supply North Korea with MiG-23s. North Korean exercises have revealed impressive sophistication in joint and combined maneuvers.

In addition to the size and capabilities of North Korean forces, the challenge they pose is compounded by factors of time and distance. The bulk of North Korean forces are deployed well forward, along the DMZ, about 25 miles from Seoul, and North Korea has recently begun to construct additional underground fortifications near the DMZ. The North also has perhaps the world's second largest commando force (after the U.S.S.R.) designed for insertion behind the lines in the event of war. Thus, warning time for R.O.K. and U.S. forces is very limited, and a high state of readiness is a constant requirement.

To counter this threat, the R.O.K., which spends about 6% of its GNP on defense, is engaged in a major force improvement program designed to augment its effective firepower and enhance its air defense capability.

To assist the defense efforts of this front-line ally, with whose troops American soldiers would fight side-by-side in the event of North Korean aggression, we will provide $162.7 million in FMS credits in FY 1986 and are requesting $230 million in FY 1987. For the last 2 years, FMS credits have been provided to Korea on terms of 10 years' grace on repayment of principle and 20 years' repayment. This allows Korea to devote a larger proportion of each year's allocation to actual purchases, thereby permitting the force improvement program to proceed on schedule. In 1987 we are also requesting $2.2 million in IMET funds for professional and technical military training.

Our Korean ally is doing its utmost for its own security. In the past it has spent some 3 to 4 times the amount of its FMS credit level for military purchases in the United States. It is clearly in our interest to help Korea meet its force improvement goals and mutual security objectives. I believe that helping Korea maintain a strong defense with adequate FMS credits is very much in our own interest.

Thailand

Thailand is a close friend and ally to whose defense and security we are committed under the Manila pact. The important relationship we have developed over the years is based on a shared commitment to the values of freedom and independence. Since 1978 Thailand

has been the front-line ASEAN [Association of South East Asian Nations] state confronting Soviet-supported Vietnamese aggression against Cambodia. In addition to our bilateral responsibilities, our assistance is also viewed as a gauge of the reliability of our commitment to Thailand and our support for ASEAN generally. To maintain our interests in the region, we should help to sustain our friends.

On its eastern border, Thailand faces a strong, active military threat from a combat-hardened Vietnamese Army. Vietnamese attacks on the Cambodian resistance groups have escalated since Vietnam invaded Cambodia in 1978, and incursions into Thailand and clashes with Thai troops have increased in number and severity. This threat has prompted an overdue modernization of Thailand's military forces. We support this modernization program which, in conjunction with other efforts, aims to provide a deterrent to further Vietnamese aggression. It will enable Thailand to become more self-reliant in an emergency and able to shoulder effectively its portion of our shared security responsibilities.

Our assistance package is important to Thailand's economic management. Although the Thai economy grew strongly for two decades up to 1982, the international recession has hurt traditional exports and slowed growth. Foreign debt and the trade deficit have mounted. The Royal Thai Government has taken courageous steps to address these problems but faces a period of painful adjustments. Thailand traditionally has managed to balance its allocation of resources, giving social and economic development a high priority while also providing for necessary military expenditures. Our security assistance has helped the Royal Thai Government maintain this balance in the face of growing demands on limited resources. Our economic assistance, while not large in terms of total resources, has been directed to help Thailand address the problems of rural growth and employment and strengthening its ability to join the ranks of middle income countries.

Our development assistance request of $19 million shows a small decrease from last year. However, it represents an important contribution toward achieving Thailand's development goals in the face of increasing security requirements. Working closely with the Thai Government, we have shifted the emphasis of our program as the Thai economy has changed. Our program will now emphasize two new areas—the creation of jobs in rural areas through the promotion of small industrial enterprises and assistance in the field of science and technology.

Our request for $5 million in ESF, straight-lined from last fiscal year, is directed to the Thai need for assistance in helping the war-torn rural communities along the Cambodian border. The spill-over of fighting into their homes and their livelihoods make the people in these communities deserving of special help and compassion. The ESF funds also contribute directly to upholding Thailand's humane policy offering asylum to refugees and other displaced persons by assisting the Thai border villages affected by the refugee influx.

For FY 1987 we are requesting $103.5 million in FMS funding for Thailand. In the face of the strains on the Thai economy caused by limited trade prospects and the need to establish a credible deterrent to Vietnamese aggression, however, we recommend a significant concessional element in our assistance package. We have requested that $61 million in FMS be provided at concessional rates while the balance of $42.5 million would be extended on terms providing 10 years' grace and 20 years repayment of principle. These funds will help finance a long overdue upgrading of equipment by all the services as well as purchases of necessary expendable items which will enhance sustainability.

Our MAP request is again for $5 million and is intended to ease the cost to the Thai of necessary equipment purchases.

In 1987 we are requesting $2.5 million in IMET funds. These training funds have become all the more important as the Thai military absorbs more sophisticated systems with attendant challenges to technical competence and logistics support. The Thai consistently put this training to effective use to upgrade their capabilities in technical and command subjects.

Indonesia

Indonesia, the world's fifth most populous country, plays a key leadership role in both Southeast Asia and in the broader Pacific Basin. Its geostrategic importance and hence its importance to the United States cannot be overrated. Indonesia is also an important leader in the Nonaligned Movement and its role as a moderate in that forum is a valued one. Indonesia also ranks among the moderates in the Islamic movement and has played constructive roles in many international organizations. Development and security assistance to Indonesia are part of our strong support for the ASEAN which, in our view, represents the best hope for peace, stability, and economic and social development in Southeast Asia. A consistent development assistance program for Indonesia is necessary to increase manpower and management skills and to promote the private sector's role in economic development.

Uncertainties regarding oil and natural gas revenues, which account for more than 60% of the Indonesian budget, are expected to continue for several years, and the Indonesian Government is expected to be hard-pressed. At the same time, the Indonesian Government has responded to the recession and declining oil revenues in a most responsible way by undertaking self-imposed austerity and reform programs. In addition, the government undertook a sweeping reform of the financial sector by removing interest rates and lending controls, increasing tax revenues and broadening the tax base, and reviewing regulations inhibiting the growth of the private sector.

Development assistance of $55.4 million is being requested for FY 1987. Budgetary constraints have dictated a $15 million reduction in PL 480, Title I assistance to $15 million. PL 480 assistance to Indonesia continues to be a high priority because food stocks need to be maintained at acceptable levels in order to forestall hardship and public unrest, as well as provide for adequate emergency shipments of food to impoverished or disaster-struck areas. A PL 480, Title II request of $4 million supports voluntary agency programs and World Food Program operations.

Although Indonesia has wisely slowed the pace of its military force modernization in the face of recent and continuing economic problems, U.S. security assistance has helped to sustain a number of important programs, including aircraft maintenance and spare parts, ship overhaul and spare parts, improvements in air and sea defense systems, the purchase of war reserve munitions, and, most importantly, advanced and specialized training for commanders and management personnel in the Indonesian Army, Navy, and Air

Force. Added emphasis this year is expected to be given to "train-the-trainers" programs which would measurably improve indigenous training capabilities.

Indonesia's military forces remain critically short of qualified technicians and program managers. U.S. training primarily will be in technical fields and the level of IMET funding requested should permit approximately 250 military officers to attend our armed forces schools in FY 1987. IMET deserves the highest priority support because of the important role played by the professional military in the Indonesian society, the utility of the program in furthering our foreign relations objectives, and the desirability of improving mutually beneficial service-to-service contacts.

The requested FY 1987 security assistance program for Indonesia consists of $2.8 million in IMET funding, plus $35 million FMS direct loans at concessional interest rates. Concessional rates are considered necessary to assist Indonesia in recovering from the effects of the global recession in the early 1980s and to overcome serious budgetary shortfalls due to declining oil and non-oil export revenues.

Malaysia

Strategically located on the Malacca Strait, Malaysia's continued political stability and economic development are essential to U.S. interests in the ASEAN region. Confronted with the Vietnamese occupation of Cambodia and the consequent threat to regional peace and stability, Malaysia has been in the forefront of ASEAN's strategy to bring about a withdrawal of Vietnamese forces from Cambodia and a negotiated settlement ensuring the rights of the Khmer people. Beyond Southeast Asia, Malaysia is a responsible member of the Islamic Conference and Nonaligned Movement and has played a constructive role in international affairs generally.

U.S.-Malaysian relations, founded on mutual respect and common interests, are very good and were enhanced further by the visit to Washington in early 1984 by Prime Minister Mahathir bin Mohamad. There have been subsequent exchanges of high-level visitors, including Secretary of State Shultz in July of 1985. The Malaysians are interested in continued defense cooperation with the United States, taking into account Malaysia's nonaligned status, and U.S. security assistance is designed to augment their legitimate self-defense capabilities, thus contributing to the security of all of the ASEAN countries.

The $5 million FMS request level for Malaysia in FY 1987 is designed to provide continuity in the program as Malaysian military planners consider force restructuring away from counterinsurgency to a more conventional force posture which will create new equipment needs. Although Malaysia has not in the past made extensive use of FMS credits, additional purchases are likely as its economy improves. Possible purchases include surveillance equipment, antiship weapons, and Sidewinder and Maverick missiles.

The IMET request of $1.23 million is a slight increase from last year and is, to some extent, based on the increased cost of training. The IMET program provides an important means for the Malaysian Armed Forces to meet their training needs as they adjust to a more conventional force structure and acquire more sophisticated weapon systems. The Malaysian Government considers exposure to U.S. defense management, operational doctrine, and support concepts critically important to the modernization of its armed forces.

Singapore

Singapore plays an important role within ASEAN and occupies a pivotal strategic position in Southeast Asia by virtue of its location at the juncture of the Pacific and Indian Oceans. Singapore is a valuable port of call for U.S. ships transiting the Malacca Strait and offers important ship and aircraft support facilities. A nonaligned nation, Singapore plays a significant moderating role with the Nonaligned Movement and in the United Nations and other international fora. Singapore has stood up forthrightly in opposition to Soviet actions in South and Southeast Asia, and Singaporean leaders have publicly called for the United States to maintain a continuing regional security role as a deterrent to Soviet expansionism. Additionally, Singapore has strongly supported ASEAN's strategy for achieving a political settlement of the Cambodian problem and an end to Vietnamese occupation of that country.

In FY 1987, we are requesting a modest $75,000 for training under IMET for Singapore.

Cambodia

Last year the six ASEAN countries issued an appeal for the world community to "assist the Cambodian people in their political and military struggle" to free their country from Vietnamese occupation. Representative Stephen Solarz proposed a program of assistance to supplement the ongoing U.S. Government diplomatic effort to provide political and moral support for the noncommunist Cambodian resistance groups. The Administration welcomed this initiative as a concrete demonstration of the support of the American people for the Khmer resistance cause; and Congress authorized up to $5 million for the noncommunist resistance forces in either ESF or MAP for both FY 1986 and FY 1987. The FY 1986 appropriation placed a floor of $1.5 million on this account, and the Administration decided to allocate $3.5 million in ESF of the $5 million authorized (reduced to $3.35 million after Gramm-Rudman-Hollings sequestration). The Administration also decided that because other countries are supplying sufficient arms and ammunition to the noncommunist resistance, the U.S. Government should provide only nonlethal training and equipment under ESF, foregoing MAP.

This small grant of assistance is a key element in demonstrating our support for ASEAN's effort to persuade Vietnam to accept a negotiated settlement in Cambodia and to return that unfortunate country to the control of its own people. ASEAN's united approach in dealing with Vietnamese aggression has been a major factor in preserving the security of Thailand and political and economic stability in all of Southeast Asia. The Administration is planning to implement the program in cooperation with the Thai Government.

For FY 1987, we are requesting that the full $5 million authorized be funded in ESF. A modest increase over the FY 1986 level in this very small program would be a powerful signal of our continuing support for the ASEAN cause.

Burma

We are pleased with the continuing upward trend in our relations with Burma. The Burmese Government, while firmly committed to nonalignment, pursues a foreign policy that is not incompatible with our own strategic interests in South and Southeast Asia. Moreover, the Burmese leadership's gradual move-

ment away from strict isolationism has led to increased contacts between our governments and to expanded bilateral cooperation in areas of mutual concern, such as narcotics control.

The Burmese Government faces an array of domestic insurgent and warlord groups, including the Burma Communist Party, that control large areas of the hinterland and finance themselves through narcotics trafficking and other illegal activities. The effectiveness of the Burmese military is the key to Burma's efforts to control these groups and their narcotics activities and, over time, to achieve stability and economic progress in the country.

In December 1985 the government with our assistance launched a program for the aerial eradication of opium poppies. This is the first such program in Southeast Asia and gives the government the capability to destroy poppy cultivation in previously inaccessible areas.

Despite substantial natural resources, Burma ranks among the world's poorest countries. It has a per capita income of less than $190, estimated foreign currency reserves of less than $50 million, and a debt-service ratio that is approaching 45%.

The $10 million in development assistance proposed for FY 1987 will enable AID to continue its support of Burmese efforts to improve rural primary health care, to increase agricultural research, and to improve the production and processing of secondary food crops to reduce Burma's dependence on rice exports to earn badly needed foreign exchange. The AID projects, tightly focused on specific and achievable goals, have been well-received by the leadership and people of Burma and have contributed measurably to a strengthening of our bilateral relationship.

The $1 million MAP grant proposed for FY 1987 will enable the meagerly equipped Burmese military to strengthen its position against the insurgents and contribute to the effectiveness of our bilateral narcotics control efforts. The proposed $350,000 for IMET will assist the government to develop its own training capability while providing Burmese military officers direct exposure to American society and values. Because of the military's critical role in Burma, this could have a favorable long-term effect on our bilateral relations.

Pacific Islands

For the first time since World War II, we are faced with a hostile power attempting to expand its influence in the South Pacific. This threatens a primary goal of U.S. policy in the region, the strategic denial of the area to outside hostile forces, as it does the political environment in which we operate in the region.

This Administration has accepted, and I would like to think improved upon, the South Pacific policy followed by every Administration since the war. That policy recognizes that the United States has an undisputable national security interest in assisting and promoting the economic growth of the island governments of the South Pacific, a region remarkable in the developing world for its effective and vigorous democratic institutions. This policy has paid dividends by keeping the ports and airfields of the region open to U.S. warships and aircraft and in a consistent history of island support of the United States in international fora on matters of vital national security interest.

In FY 1987 we are seeking $4.5 million in development assistance to support our regional program in the South Pacific, aimed primarily at private sector growth, agriculture, health, and education in 10 of the region's 11 independent or self-governing nations.

CCOP/SOPAC. This is perhaps the single best example of how our assistance has prevented Soviet inroads into the region. The Committee for the Coordination of Offshore Prospecting, South Pacific (CCOP/SOPAC), a research project funded jointly by the United States, Australia, and New Zealand, was put together as a response to a 1980 Soviet offer of a similar program. The island states unanimously rejected the Soviet offer and accepted ours. The program has attracted favorable comment from island leaders, enhancing our position in the region. Private sector interest in potential seabed mining and drilling has also focused on the region as a result of this project. The requested level of funding ($1.5 million in ESF) is needed to meet our commitments to the other sponsors and the island states.

Regional Fisheries Development. The $1.5 million ESF regional fisheries development program is, like CCOP/SOPAC, a counter to Soviet moves in the region. Island states whose major or only resource is their fishery are under severe budgetary pressure to accept Soviet offers to pay for fishing rights. While the amount requested is approximately what the Soviet Union is paying annually for fishing rights in one country (Kiribati), our program is attractive to the island governments because it helps them develop their own resources rather than simply license them to others. We hope to involve the U.S. private sector in this initiative.

Fiji. Fiji has been one of our staunchest supporters in the region. When the United States has needed a friend, or when an especially egregious act by the Soviet Union demanded public condemnation, Fiji always has been ready to speak out. It has opened its ports to our warships at a time when powerful political forces in the region opposed such a move, and it has played a constructive and useful role in our ongoing negotiation of a regional fisheries agreement. Fiji continues to participate in the UN Interim Force in Lebanon (UNIFIL) and in the Sinai multinational force and observers (MFO). We hope to begin a bilateral program this year with $1.5 million in ESF and $400,000 in development assistance. Our small IMET program ($125,000) is intended to provide needed professional and technical training to the Royal Fiji Military Forces and thereby assist it in carrying out its peacekeeping duties in the Middle East. The MAP program ($300,000) is designed to standardize Royal Fiji Military Forces small arms on the M-16.

Papua New Guinea. Despite a democratic change of government at the beginning of this calendar year, the Government of Papua New Guinea continues to remain friendly to the United States and an outspoken supporter of a strong U.S. presence in the region. This largest and potentially richest of the South Pacific island nations has been especially supportive of our efforts to negotiate a regional fisheries agreement. The modest $85,000 IMET program proposed for FY 1987 is designed to provide the Papua New Guinea Defense Force with needed skills to assist it in managing its scarce resources.

Tonga. Tonga has never hesitated in its open, public support of a U.S. military presence in the region and has welcomed U.S. ship visits when no other island state seemed prepared to do so. Our FY 1987 IMET program for Tonga ($60,000) is intended to provide greater

technical skills to the Tongan Defense Force and strengthen the professionalism of its officer and petty officer corps.

Solomon Islands. The Solomon Islands exercises considerable influence in the region on fishery and nuclear issues. It has generally supported U.S. interests in international fora, and our relations in areas where we have differences are characterized by a political will to resolve problems and reach accommodations. The Solomon Islands Defense Force is small and in need of training. Our small $60,000 IMET program for FY 1987 is designed to provide basic management and technical skills to the officer and petty officer corps.

We believe in the current austere budget environment that our programs for East Asia and the Pacific represent a lean and realistic approach to meeting U.S. needs in this vital region.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Economic Policy Coordination Among Industrialized Nations

by James A. Baker III

Statement before the Subcommittee on International Trade of the Senate Finance Committee and the Subcommittee on International Financial and Monetary Policy of the Senate Banking Committee on May 13, 1986. Mr. Baker is Secretary of the Treasury.[1]

I welcome this opportunity to discuss the Administration's approach in dealing with large U.S. trade deficits, particularly as they reflect problems relating to the exchange rate system and the debt situation in the developing countries. Before I begin, let me offer my congratulations to the Finance Committee for successfully completing work on a major bill of fundamental tax reform.

The Administration recognizes and shares congressional concerns about the impact of exchange rate volatility and less developed countries (LDC) financial difficulties on the international competitive position of American industry, agriculture, and labor. We have been, and are, actively pursuing a comprehensive strategy to address this problem. I am pleased to be here today to describe our approach and to encourage your support for it.

Last September, the President presented a comprehensive trade policy action plan. Our approach includes four critical elements:

- Strengthening the functioning of the international monetary system through closer economic cooperation;
- Promoting stronger and more balanced growth among the major industrial nations;
- Improving growth in developing nations with a heavy debt burden; and
- Ensuring that trade is not only free but also fair and promoting open markets worldwide.

It is our belief that this is the preferred path to reducing the U.S. trade deficit and will have long-range positive effects on the U.S. economy and world stability.

Today, my remarks will focus on the progress we have made in implementing the President's trade strategy and restoring this country's competitive position. In this context, I will offer some perspective on the agreements reached at the Tokyo summit last week.

Progress and Opportunities

We are making significant progress in establishing the fundamental conditions necessary to achieve and maintain a sound and growing world economy, more balanced trade positions, and greater exchange rate stability.

- The Plaza agreement last September[2] has resulted in exchange rate relationships that better reflect underlying economic conditions. The Japanese yen and German mark have now appreciated more than 60% from their recent lows in February 1985. The dollar has more than fully offset its earlier appreciation against the yen; and it has reversed three-quarters of its appreciation against the mark.
- The Plaza agreement also contributed to movement toward stronger, more balanced growth among the major industrial countries, including policy commitments to that end. Efforts to fulfill those undertakings are ongoing. The favorable economic convergence which was the focus of the Plaza agreement is being realized, with consequent narrowing of the "growth gap" between the United States and its major trading partners.
- Inflation has been cut sharply and is expected to stay low, in part reflecting the effects of the sharp reduction in oil prices. This has facilitated a substantial reduction in interest rates and enhances prospects for further declines.
- We now expect the deterioration in our trade position to halt this year, and we look forward to substantial improvement next year. Exchange rate changes take time to work their way through our economic system, as businesses and consumers gradually adjust their plans. Next year, as the impact of these changes is more fully felt, with assistance from the decline in oil prices, our trade and current account deficits should drop below $100,000 million, or nearly one-third below our projections as recently as last autumn.
- The United States has launched a major initiative to strengthen the international debt strategy. Our proposals for growth-oriented reforms in the debtor countries have gained wide support and have begun to be implemented.
- Preparations are well advanced for launching the new round of multilateral trade negotiations, with a ministerial to be held this September. Our summit partners agreed in Tokyo to the U.S. proposal that the new round should include services and trade related aspects of intellectual property rights and foreign direct investment.

Still, problems remain. The scars of a decade of economic turmoil are deep, and they cannot be easily or quickly erased. The distortions to our economies from the oil shocks, rapid inflation, and the recessions of the 1970s and early 1980s have required us increasingly to address structural problems that demand time to correct. Unemployment remains high in many countries, and large domestic and external imbalances persist.

Uncertainties about the future behavior of exchange rates have also been prevalent, reflecting deficiencies in the

international monetary system that gradually intensified over the years. We know also that the debt problems of the developing world, accumulated over a decade or more, cannot be resolved in a few short months.

And we know protectionist pressures remain strong. We recognize the need to address related problems—in our monetary system, in our arrangements for international economic cooperation, in the developing countries—if we are to contain those pressures and work toward more open and fair markets.

The progress that has been achieved in the general economic environment, however, provides a golden opportunity to resolve these remaining problems. Success inspires confidence that we can go further. At the Tokyo summit, President Reagan and the heads of the other major free world democracies manifested the political will and leadership to confront the tasks that remain.

Strengthening International Economic Policy Coordination

The Plaza agreement and subsequent coordinated interest rate reductions evidenced the willingness and ability of the major industrial countries to cooperate more closely on their economic policies. At the same time, experience of the past year demonstrated that exchange rate changes alone could not be relied upon to achieve the full magnitude of adjustments required in external positions. It had become increasingly more apparent that closer coordination of economic policies will be required to achieve the stronger, more balanced growth and compatible policies necessary to reduce the large trade imbalances that remain and foster greater exchange rate stability. For this purpose, we went to Tokyo seeking to build upon the framework embodied in the Plaza agreement and to establish an improved process for achieving closer coordination of economic policies on an ongoing basis. I believe we succeeded.

The international monetary arrangements that have been in place since the early 1970s contain a number of positive elements, particularly a necessary flexibility to respond to economic shocks. However, this flexibility went too far, allowing problems to cumulate and countries to pursue policies without adequately considering the international dimensions of their decisions. The agreement reached at the Tokyo summit seeks to combine needed flexibility with a greater likelihood that remedial action will be taken to deal with problems before they reach disruptive proportions.

The arrangements that were adopted involve a significant strengthening of international economic policy coordination aimed at promoting noninflationary growth, adoption of market-oriented incentives for employment and investment, opening the trade and investment system, and fostering greater exchange rate stability. Details of the new procedures will, of course, have to be worked out in subsequent discussions. However, I see the enhanced surveillance process working as follows:

First, the measures for use in assessing country goals and performance will be agreed upon by the countries participating in the enhanced surveillance process. As stated in the Tokyo communique, a broad range of indicators would be utilized in order to achieve the comprehensive policy coverage necessary to insure that the underlying problems, not just the symptoms, are addressed. These indicators would include growth rates, inflation rates, unemployment rates, fiscal deficits, current account and trade balances, interest rates, monetary growth rates, reserves, and exchange rates.

Second, each country will set forth its economic forecasts and objectives taking into account these indicators.

Third, the group would review, with the managing director of the International Monetary Fund (IMF), each country's forecasts to assess consistency, both internally and among countries. In this connection, exchange rates and current account and trade balances would be particularly important in evaluating the mutual consistency of individual country forecasts. Modifications would be considered as necessary to promote consistency.

Fourth, in the event of significant deviations in economic performance from an intended course, the group will use best efforts to reach understandings on appropriate remedial measures, focusing first and foremost on underlying policy fundamentals. Intervention in exchange markets could also occur when to do so would be helpful.

As you know, countries have been developing individual economic forecasts for years. Moreover, the IMF consults with individual countries on a regular basis regarding their economic policies and performance. What is new in the arrangements adopted in Tokyo is that the major industrial countries have agreed that their economic forecasts and objectives will be specified taking into account a broad range of indicators, and their internal consistency and external compatibility will be assessed. Moreover, if there are inconsistencies, efforts will be made to achieve necessary adjustments so that the forecasts and objectives of the key currency countries will mesh. Finally, if economic performance falls short of the intended course, it is explicitly agreed that countries will use their best efforts to reach understandings regarding appropriate corrective action.

The procedures for coordination of economic policy were further strengthened at the summit. A new Group of Seven (G–7) finance ministers, including Canada and Italy, was formed in recognition of the importance of their economies. At the same time, the Group of Five has agreed to enhance its multilateral surveillance activities.

In sum, we have agreed on a more systematic approach to international economic policy coordination that incorporates a strengthened commitment to adjust economic policies. I am hopeful that the spirit of cooperation that made this agreement possible will carry over to its implementation. If so, we can look forward to greater exchange rate stability, enhanced prospects for growth, and more sustainable patterns of international trade.

Improving Growth in Debtor Nations

Successful economic policy coordination among the industrial nations complements our efforts to deal with LDC debt problems by strengthening the world economy, creating the conditions for lower interest rates, and helping to improve access to markets.

Recent improvements in the global economy are already making a significant contribution to developing nations' growth prospects and will substantially ease their debt service obligations. Stronger industrial country growth and lower inflation, for example, will add nearly $5,000 million to developing nations' non-oil exports and reduce their import costs by approximately $4,000 million this year. The sharp decline in interest rates since early 1985 will reduce their annual debt service payments by about $12,000 million. The decline in oil prices will also save oil-importing developing nations an additional $14,000 million annually.

At the same time, however, developing countries, particularly debtor nations, must position themselves to take advantage of these improvements by putting in place policies to assure stronger, sustained growth for their economies over the medium and longer term. As you know, the "program for sustained growth" for the major debtor nations proposed by the United States in Seoul was premised on credible, growth-oriented economic reform by the debtor nations, supported by increased external financing.

In Tokyo the summit leaders welcomed the progress made in developing the cooperative debt strategy, in particular building on the U.S. initiative. They emphasized that the role of the international financial institutions will continue to be central and welcomed moves for closer cooperation between the IMF and the World Bank, in particular. The debt initiative has also received strong support from the international financial institutions, national banking groups in all major countries, and the OECD [Organization for Economic Cooperation and Development] ministers, as well as the key IMF and World Bank committees representing both debtor and creditor countries.

The adoption of growth-oriented macroeconomic and structural policies by the debtor nations is at the heart of the strengthened debt strategy and crucial to sustained growth over the longer term. Special emphasis needs to be placed on measures to increase savings and investment, improve economic efficiency, and encourage a return of flight capital. A more favorable climate for direct foreign investment can be an important element of such an approach, helping to reverse recent declines in net direct investment flows. Such inflows are nondebt creating, provide greater protection against changes in the cost of borrowing, and can help improve technology and managerial expertise.

Similarly, a rationalization and liberalization of debtors' trade regimes can contribute to improved efficiency and productivity for the economy as a whole. Together with other growth-oriented measures to assure more market-related exchange rates and interest rates, to reduce fiscal deficits, to improve the efficiency of capital markets, and to rationalize the public sector, such measures can help improve growth prospects, restore confidence in debtor economies, and encourage the return of flight capital.

Such policy changes will take time to put in place and can't be expected to occur overnight. The process of implementing these reforms will also be much less public than the series of announcements to date supporting the debt initiative. Implementation will take place through individual debtors' negotiations with the IMF, the World Bank, and the commercial banks. We expect these negotiations to place greater emphasis on dealing with current debt problems through a medium-term, growth-oriented policy framework. This process is already underway. The IMF, for example, has existing or pending arrangements with 11 of the 15 major debtor nations, while the World Bank has structural or sector loan negotiations underway with 13 of these nations and has recently extended loans to Ecuador, Argentina, and Colombia to support adjustment efforts in some of their key sectors.

As the summit communique noted, sound adjustment programs will need to be supported by resumed commercial bank lending, flexibility in rescheduling debt, and appropriate access to export credits. Once debtor nations have designed economic reform programs to improve their growth prospects that have IMF and World Bank support, it will be critical for the commercial banks to fulfill their pledges of financial support for these programs. The industrial nations must also cooperate regarding resumption of export credit cover to countries implementing appropriate adjustment policies.

We believe prompt enactment of legislation enabling U.S. participation in the Multilateral Investment Guarantee Agency (MIGA) would also make an important contribution to international efforts to improve the LDC investment climate and to facilitate new flows of foreign direct investment.

In addition to the strong global support for our initiative with respect to the major debtors, we are also very pleased with the recent action of both the IMF and the World Bank on the trust fund initiative to assist low-income developing nations, including sub-Saharan Africa. This constitutes a major step forward in Fund/Bank cooperation and a positive context for current negotiations on IDA VIII. We look forward to its implementation so that a sound basis of growth can be established in these countries as well.

The program for sustained growth is important because it touches on a wide range of U.S. interests but paramount among these is its importance for U.S. trade. As you know, the debt crisis has had a direct impact on U.S. exports. U.S. exports to the 15 major debtor nations peaked at $40,000 million in 1981. However, this reflected an international economic environment which was clearly not sustainable. Our exports to these countries fell sharply to $23,000 million in 1983, as the debtor nations were unable to maintain previous import levels in the face of financial constraints and slower export growth.

The international debt strategy adopted in the wake of the debt crisis has helped to place the debtors' economies on a sounder footing and to permit a resumption of import growth at a more sustainable pace. U.S. exports to the major debtor nations have increased by 18%, or $4,000 million, during the past 2 years and can be expected to improve further in response to both recent exchange rate changes and stronger growth in the debtor economies. The adoption of growth-oriented economic reforms, supported by increased financing from the international community, as envisaged by the debt initiative, will help to enhance both growth prospects and imports.

It will also be important, however, for the United States and other industrial nations to maintain open markets for LDC exports to permit them to earn the foreign exchange necessary to increase imports. The process of increasing growth and trade is an interactive one. We cannot expect to reap the benefits of stronger growth and increased trade abroad if we close our markets at home.

Promoting More Fair and Free Trade

Open makets are essential to our overall international strategy of economic adjustment and policy coordination. At the Tokyo summit last week, the leaders of the free world's major industrialized nations recommitted themselves to maintaining an open multilateral trading system, recognizing that:

- Open markets promote economic growth worldwide. We have only to review the Depression years to see the effects of closed markets;
- They provide debtor nations with markets for their exports that are essential if they are to service their debt and, in turn, serve as markets for U.S. goods and products; and
- Open markets facilitate our efforts to adjust large, unsustainable external imbalances among the industrial nations.

The Administration is committed to maintaining an open U.S. market and ensuring a free but fair international trading system. To implement our trade policy, we are supporting the new GATT [General Agreement on Tariffs and Trade] round of trade negotiations to reduce barriers abroad. As mentioned, in the new round we will notably be seeking new GATT rules covering services, intellectual property protection, and international investment.

President Reagan and the others at the Tokyo economic summit pledged to work at the September GATT ministerial meeting in Geneva to make decisive progress in launching the new round. We are also starting negotiations to remove barriers to trade and investment between the United States and Canada.

We are pursuing an aggressive program against unfair trade practices. President Reagan is the first president to self-initiate action under his retaliatory authority against such practices, including cases involving Japan, Brazil, Korea, and Taiwan. The President has also announced that, unless we are able to resolve our dispute with the European Communities (EC) over its new restrictions affecting our farm exports to Spain and Portugal, we will respond in kind.

Our aggressive policy against unfair trading practices has already met with considerable success. We have settled disputes involving the EC's subsidies for canned fruit, Japan's footwear and leather import quotas, Taiwan's import monopoly for liquor and tobacco, and Korea's restrictions on foreign motion pictures.

In sum, I strongly believe that our policy of free but fair trade is working and is in our overall economic interest.

Legislation

At this point, I would like to address the question of proposed international finance and trade legislation, such as S. 1860. I can well understand your frustration over our trade deficit. And I can sympathize with a desire to respond to constituent requests for action by passing legislation. However, certain modifications in our trade law will not eliminate the trade deficit and may actually make it worse.

The answer to our trading problems is a comprehensive international economic policy strategy that addresses international trade, monetary, and debt issues in a coordinated fashion and involves the cooperation of other nations. We have developed such a strategy, as I have discussed here today, and we are implementing it.

The exchange rate and policy coordination sections of S. 1860 raise the right issues and point in the right direction, but they are now out of date in light of the agreement reached at the Tokyo summit.

We are, of course, prepared to engage in thorough and meaningful discussion with the Congress on all pending legislation. And, as previously indicated, the Administration already supports legislation to:

- Provide additional protection to the intellectual property rights of U.S. firms and individuals;
- Alter our antitrust laws to help both our export and import sensitive industries; and
- Provide a war chest to improve U.S. export opportunities by negotiating an end to tied aid credit abuses.

Legislation of this nature is not as glamorous as some of the bills that have been introduced, but it will provide needed support for our policies without undermining them.

We must avoid passage of protectionist trade legislation that would alienate our trading partners, encourage them to enact similar protectionist policies, and undermine the Administration's international economic policy. Closed markets and an atmosphere of confrontation would doom our efforts to solve our international economic problems in a responsible and constructive manner. The greatest threat today to economic well-being worldwide is the danger of protectionism and a trade war. We need your help to avoid these dangers. I urge you to give the Administration's policies a chance to work.

Conclusion

In conclusion, I believe we have a viable strategy to address the trade and financial problems that confront us. We are working to implement it and have made significant progress, most recently at the Tokyo summit. But we need your help to avoid measures that would undercut our efforts.

[1]The complete transcript of the hearings will be published by the committees and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

[2]Agreement reached among the finance ministers and central bankers from the U.S., U.K., West Germany, France, and Japan to promote more balanced growth and exchange rates that more fully reflect economic fundamentals. For the final announcement on this agreement, see BULLETIN of Nov. 1985. ■

The Tokyo Economic Summit

by W. Allen Wallis

Address before the Conference Board in San Francisco on April 10, 1986. Mr. Wallis is Under Secretary for Economic Affairs.

During the past year, the international economy has seen important changes. Many of the changes are welcome—for example, the depreciation of the dollar and the decline of oil prices. Other changes, however, are unwelcome—for example, the size of the U.S. trade deficit, friction in international trade, unemployment in Europe and Canada, and the debt problems of some underdeveloped countries.

In just a few weeks, on May 4, President Reagan will sit down at a small round table, specially built for the occasion, in the ornate Akasaka detached palace, Tokyo's version of Versailles. Joining him will be Prime Ministers Craxi of Italy, Mulroney of Canada, Nakasone of Japan, and Thatcher of the United Kingdom; Chancellor Kohl of the Federal Republic of Germany; and President Mitterrand of France. In addition, the leaders of the European Communities (EC) will be there—Prime Minister Lubbers of the Netherlands [President of the Council of Ministers of the EC] and President Delors of the Commission of the EC.

Some of the time, those nine will abandon their small, cozy table for a large table, where each will be flanked by his Secretary of State and his Secretary of Treasury. At both the small meetings of heads alone and the large plenary sessions, each head will have his personal representative, who will communicate continuously with a small staff in another building, using electronic transmission of handwriting, facsimile

equipment for documents, and a telephone. These leaders of the seven largest industrial democracies will consider ways to reinforce the welcome developments of the past year and to alleviate the unwelcome developments.

Preparing for the Summit

Preparations for the Tokyo economic summit meeting began last September in Kyoto under the direction of the personal representatives, of whom I am one. We had two more meetings, in Honolulu in early February and near London in mid-March, and 10 days from now, we will have our final preparatory meeting near Paris. The final task of the personal representatives—usually called "sherpas"—will be at an all-night session on May 5–6 drafting the final communique and, perhaps, other statements to be issued by the heads of government as they adjourn and attend a banquet given by the Emperor of Japan.

In the preparatory meetings for the Tokyo economic summit, I have been struck by the degree of agreement among us. That is not the way it has always been. In fact, the Versailles summit of 1982 ended in public quarrels, contradictions, and recriminations. Beginning with the Williamsburg summit of 1983, however, there has been a trend toward consensus that is impressive and gratifying. Not that there are no differences; indeed, if there were none, it would scarcely be worth meeting. The consensus is about fundamentals, the disagreements about applications of the fundamentals.

All agree on the fundamental role of freedom in our societies, both economic freedom and political freedom. During the 1980s, all the major democracies have moved toward greater reliance on markets—as, indeed, has much of the rest of the world.

Another heartening trend among the summit governments is a growing willingness and ability to cooperate. Recent economic summits have sponsored a wide range of objectives. Some of these have been relatively concrete and specialized—for example, the projects in high technology which began after the 1982 Versailles summit and the Working Group of Experts on Famine in Africa which was convened by last year's summit at Bonn. Others deal with broader goals—for example, improving the international trade and monetary systems.

International cooperation depends, first and foremost, on sound domestic policies. Just as a healthy nation is one which maximizes pursuit of individual interests within a rule of law, so, too, a healthy world economy is one which facilitates the pursuit of national interests within a framework of treaties, agreements, understandings, and institutions.

Two corollaries are implicit in that statement. First, a requirement for effective international cooperation is agreement on an international legal and institutional framework. An effective framework for international cooperation is, in many ways, more complex than a framework for an individual country. It must be flexible enough to accommodate the different practices, laws, and institutions that inevitably arise among nations, and it lacks the enforcement authority of a sovereign government.

The second corollary is that international cooperation will succeed only to the degree that countries share certain purposes and goals. There will be a large measure of such sharing of purposes and goals among countries with a large measure of freedom in political, personal, and economic life. Even with the closest cooperation, however, some objectives are unattainable, and others are inherently inconsistent. Cooperative efforts must be translated by individual nations into concrete actions which are judged by those nations to be in their own interests.

As our own government prepares for the Tokyo economic summit—or, for that matter, for any other international conference—we view international cooperation from that perspective, namely, that realistic cooperation must take account of the interests of each of the countries involved. We are working in appropriate organizations to find realistic ways to strengthen joint efforts, not only in economics but also in combating international terrorism and narcotics trafficking and in enhancing the prospects for world peace.

Four economic goals that will be shared by all the summit countries at Tokyo are:

First, to strengthen and sustain economic growth in the summit countries;

Second, to spread growth more broadly to the rest of the world, including heavily indebted developing countries;

Third, to strengthen and extend freedom of international trade; and

Fourth, to improve the functioning of the international monetary system.

Economic Growth in the Summit Countries

The summit countries have already achieved a great deal in their efforts to strengthen their own economies. They are controlling monetary growth and, thereby, subduing inflation. Some have begun to reduce the size and intrusiveness of government, reducing unnecessary expenditures and regulations. Many are trying to improve their tax systems to reduce disincentives to work, save, and invest. Those efforts are paying off: the summit countries as a group are now in the fourth consecutive year of economic expansion without rekindling inflation. Consumer prices rose at an average rate below 4% in the summit countries during 1985—too high, but the best performance since the 1960s.

There is still a lot of unfinished business. During the first 3 years of the current upturn, the U.S. unemployment rate has fallen dramatically, despite a large increase in the work force, and employment has risen even more dramatically, with over 9 million new jobs. Our inflation rate has been 4% or less each year of the expansion, and interest rates, both short term and long term, have declined substantially. Our economic growth has made a major contribution to growth in the rest of the world.

Nevertheless, we have made too little progress in some areas. Controlling government expenditures is one. President Reagan has made a commitment to reduce tax and regulatory disincentives and to keep inflation under control.

We have become increasingly concerned about the weak economic performance of other summit countries. The most serious structural barriers to vigorous economic growth are in Europe. The clearest sign of this is in the disparity between recent growth and employment in Europe and in the other major industrial countries. Japan and Canada both grew at rates averaging over 4% per year during the past 3 years, and they expanded employment.

In contrast, growth in the four European summit countries has averaged only about 2%. Unemployment rates in Europe, historically much lower than ours, have continued rising and are well into double digits. Little or no improvement is in sight.

Unemployment, thus, has become a major social issue in Europe. The number of jobs in Europe has grown scarcely at all and is about the same now as 15 years ago, a period during which the

United States has added 30 million jobs. This long-term stagnation of employment in Europe is a cause for concern not only to Europeans but to their friends, allies, and trading partners.

The essential problem in Europe is deeply rooted resistance to change. Structural barriers are especially troublesome in the labor market, where they distort both the supply of, and the demand for, workers. Labor market rigidities include high minimum wages, limitations on rights to hire and fire, and subsidized housing programs. In some countries, excessive unemployment and welfare benefits reduce economic incentives to work.

These labor market rigidities not only have depressed the rate of economic growth but also have distorted its pattern. A study by the European Community Commission in 1984 found that high labor costs had led to a significant shift toward investments that save labor rather than create employment.

Our summit partners also face other structural problems—for example, taxes that discourage initiative and investment, controls on financial markets, nationalized industries run on uneconomic terms, subsidies, and restrictions on imports that protect uneconomic industries and agriculture.

While these rigidities are most serious in Europe, Japan, too, is saddled with barriers to more rapid growth. One of the major reasons Japan has such a large trade surplus is that there are so few good opportunities for investment in Japan (aside from a few export sectors) that much of Japan's domestic savings—which are large—are invested in other countries, especially the United States. While we have benefited from the inflow of Japanese capital, it would be healthier if Japan's economy were more efficient. Then more of Japan's capital would be invested at home, its trade surplus with us would be less, and trade between Japan and the United States would benefit both countries more.

The recent decline in oil prices will boost real growth in the major industrial countries, perhaps by as much as a full percentage point in 1986, and it may reduce inflation by as much as two percentage points (unless it is offset by monetary policy). We are urging our summit partners to take advantage of this unique opportunity to accelerate the pace of structural change and pave the way for higher, sustained noninflationary growth in future years. Permitting the benefits of low oil prices to pass fully to consumers will increase output and investment and, thereby, strengthen growth and employment. Displaced workers will be better able to find alternative employment, and that will reduce resistance to change.

Strengthening Growth Prospects in the Rest of the World

The most important contribution the summit countries can make to growth in nonsummit countries is to improve their own economic performance. The seven summit countries account for roughly half of world GNP [gross national product] and half of world trade; so when the summit countries sneeze, the rest of the world catches pneumonia.

The summit countries have, in fact, made major contributions to growth in the rest of the world during the past 3 years. The smaller industrial countries and the developing nations, which must export if they are to meet their debt payments and to grow, have benefited from increased exports, especially to the United States.

The second major contribution the summit countries can make to growth elsewhere is to keep their markets open; without that, their growth does not benefit others, and its benefit to themselves is vitiated.

Fundamentally, however, sound domestic policies are the *sine qua non* of prosperity for any nation, including the underdeveloped countries.

The strategy for dealing with international debt problems, originally adopted at the Williamsburg economic summit in 1983, is to encourage sounder economic policies in debtor countries and to provide financing to support orderly adjustment. Although that strategy has been generally successful in overcoming balance-of-payments crises, the sad fact is that few of the affected countries have made much improvement in their economic policies. Not only have their rates of inflation and fiscal deficits remained high but, even more discouraging, their economies remain hamstrung by government interference, regulations, price controls—and, too often, corruption.

To tackle this problem, [Treasury] Secretary Baker advanced a proposal for a Program for Sustained Growth last October at the annual meeting of the IMF [International Monetary Fund] and the World Bank in Seoul. This U.S. initiative is designed to improve growth for heavily indebted, middle-income debtor countries through economic reforms, supported both by more effective lending by the multilateral development banks and by additional lending from commercial banks.

The initiative envisions that the World Bank, in close coordination with the IMF, will make more structural and sectoral loans, rather than project loans, to help debtor nations adopt market-oriented policies.

The IMF, however, is still central to our strategy. While we expect programs supported by the two institutions to be consistent and mutually supportive, each has a distinctive role and technical expertness. The Fund is a monetary institution, not a development bank, so its lending is limited to programs of relatively short duration. The World Bank, on the other hand, lends at long maturities directly in support of economic development. Its particular challenge will be to ensure that its programs and policies help to promote the structural reforms without which the money will be mostly wasted.

While the U.S. initiative envisions an important increase in lending by both the World Bank and commercial banks, that lending will be provided only in support of strong economic adjustment programs. Without such reforms as the development of more efficient capital and equity markets, rationalization and privatization of public enterprises, liberalization of foreign trade and investment policy, and reduction of subsidies, price controls, and corruption, no amount of external financing can sustain growth. The clearest example of why this is so is the phenomenon of capital flight.

From 1982 to 1985, capital expatriated by the citizens of the major LDC [less developed country] debtors is estimated to equal the inflow of new private and official financing. These countries' citizens send their money abroad for a variety of reasons: fear of exchange controls, low real returns, fear of expropriation (legal or illegal), or tax evasion. Most of the motives for capital flight can be eliminated only by providing better incentives and safeguards for domestic savers and investors; and those are the very changes needed to attract foreign capital. Without such changes, external financing is simply siphoned into foreign accounts and has no effect on a country's economic prospects.

Preserving the Open Trading System

International trade and investment are essential to global prosperity, but events of recent years threaten the international trading system. It has become increasingly difficult for the United States—for half a century the leading champion of free trade—to keep its own markets open in the face of a growing trade deficit and a perception that others are taking advantage of our openness but not reciprocating.

Last September, President Reagan announced a comprehensive U.S. strategy for strengthening the open trading system. That strategy has five elements:

First, vigorous pursuit of U.S. rights and interests in international commerce under U.S. law and in the General Agreement on Tariffs and Trade (GATT)—for the first time, the government itself has initiated unfair trade proceedings, instead of leaving that up to private parties;

Second, a new round of multilateral trade negotiations in the GATT;

Third, bilateral negotiations to increase market access for competitive U.S. exports;

Fourth, cooperative international efforts to promote stronger and more balanced growth in the major economies and to strengthen the exchange value of other currencies; and

Fifth, support for funds to combat foreign export subsidies and for stronger protection of intellectual property (copyrights, patents, trademarks, etc.).

We have made progress in each part of that program. The Administration-initiated unfair trade cases have sent an important message to our trading partners; indeed, some cases we were planning were not filed because the mere prospect prompted other nations to remedy unfair trading practices. Under Prime Minister Nakasone's leadership, Japan is making an unprecedented effort to open its trade and financial markets—an effort which has yielded significant new opportunities for U.S. firms. The so-called MOSS talks (market-oriented, sector-selective), despite frequent assertions to the contrary, have achieved significant successes in opening Japan's market for telecommunications, pharmaceuticals, medical equipment, and forest products. The depreciation of the dollar during the last 13 months has been dramatic.

Discussions of trade at the Tokyo summit will focus on a new GATT round of multilateral negotiations. That is the most promising way to achieve fairer trade, to increase access for exports, to provide more effective resolution of disputes, and to strengthen the fabric of the international trading system. All trading countries have an important stake in developing a comprehensive agenda to reform the GATT, to make it relevant to today's trade, and to enhance its capacity to deal with new problems as they arise.

The United States has six major objectives in the new round:

First, strengthening the GATT's procedures for settling disputes;

Second, improving discipline over so-called safeguards, the emergency actions taken by governments to protect domestic industries from surges in imports;

Third, ending the chaos in trade in agriculture—both we and the rest of the world would benefit greatly by putting agriculture on a more market-oriented basis, by eliminating export subsidies, and by reducing barriers to imports;

Fourth, improving discipline over nontariff barriers to trade, including issues in government procurement, aircraft trade, and subsidies;

Fifth, improving market access in traditional areas of trade in merchandise, through lower tariffs and less restrictive quotas; and

Sixth, extending the GATT to new areas, especially services, investment, and intellectual property.

Negotiations this comprehensive will create many individual winners and losers within each country. This will create difficulties, for the screaming of a few losers will drown out the purring of many winners. Comprehensiveness, however, is also the greatest strength of the proposed new round. It means that what a country loses in one area can be more than made up for by the aggregate of its gains in other areas.

We hope and expect that the negotiations will begin in September.

The International Monetary System

President Reagan, in his State of the Union address in early February, called for greater coordination of economic policies among the major industrial countries to improve exchange rate stability. For this purpose, he asked Secretary Baker to determine if the nations of the world should convene to discuss the role and relationship of our currencies. The President's statement has excited a great deal of speculation and has given a new sense of urgency to discussions in the International Monetary Fund and other institutions.

Exchange rates are the principal links between economies, and the exchange rate of a country's currency is perhaps the most important price in its entire economy. As we consider international action to improve the stability of exchange rates, we must be clear about the functions of changes in rates and what cooperation can and cannot do.

The international monetary system consists of a framework of national laws and international agreements which govern economic and financial transactions among nations in a way that permits each nation to pursue its own economic objectives with due respect for the rights of others. At the center of the system is the International Monetary Fund.

The IMF was conceived at the Bretton Woods conference in 1944 and came into existence the following year. Through it, nations which had just suffered through a devastating war sought to avoid a recurrence of the Great Depression of the 1930s, which had been deepened and prolonged by widespread competitive devaluations and restrictions on trade and finance. The IMF's member nations pledged to promote exchange-rate stability and the free convertibility of currencies, to avoid competitive devaluations, and to limit government interference with financial transactions related to trade.

Originally, the "Bretton Woods system," which was established in 1945, relied on fixed exchange rates. In time, however, expanding trade flows and sophisticated financial markets made fixed exchange rates untenable. World economic events and diverging economic policies among the major trading nations required that exchange rates respond to market forces. Thus, the system of flexible exchange rates evolved in the early 1970s. It has permitted the continuation of orderly international trade and financial transactions, even though world economic conditions of en have been chaotic. In that way, flexible exchange rates have served us very well. Many observers are worried, however, about their levels and their effects on trade.

There is little serious disagreement about the reasons for changes in exchange rates during the past decade. No matter what institutional arrangements governments contrive, the fact is that markets will determine exchange rates on the basis of assessments of underlying economic conditions and prospects.

Most observers welcome the exchange rate movements which have taken place over the past 13 months, as well as the spirit of cooperation among monetary authorities that was reflected in the so-called Plaza agreement of last September. These developments, however, would not have been possible without the growing convergence of underlying economic performance in the summit countries that has been achieved through several years of intensive consultations and cooperation.

We need to explore whether this tendency can be strengthened through changes in institutional arrangements. If so, it would be beneficial, but we must not lose sight of the fact that, in the final analysis, better exchange market performance can come only from better economic performance and more consistent policies among the major economies.

Conclusion

We expect the Tokyo summit to continue the recent trend toward closer and more effective cooperation on a wide range of economic and political issues. Indeed, this trend has not been limited to the summit countries. Both democracy and free markets are spreading throughout the world. Both developed and developing nations share our desire to find solutions to problems of growth and trade, of peace and security. Free nations, pursuing sound economic policies, have accomplished a great deal already. The United States can be proud of its contribution—indeed, its leadership—in these accomplishments. At the summit, President Reagan will make it clear that we stand ready to help lead the world to a still better future. ■

U.S.-Japan Economic Relations: The Tokyo Summit and Beyond

by W. Allen Wallis

Address before the U.S.-Japan Economic Agenda Meeting on April 23, 1986. Mr. Wallis is Under Secretary for Economic Affairs.

Our Bilateral Trade Deficit

Many of you may know that I spent the early part of my career as a statistician. Statistics can aid in our understanding of a problem and help us make wise decisions. But they also can cause mischief when they are misused or when people think that they explain more than they do. Disraeli said that there are three kinds of lies: lies, damn lies, and statistics. Too many people use statistics the way a drunk uses a lamppost: for support rather than for light. Unless statistics are handled with care and objectivity, they may seem to prove things which are not at all true.

Probably the most cited statistic in U.S.-Japan economic relations is the size of our bilateral trade deficit: $49.7 billion in 1985. To many people, that statistic—the size of our trade deficit with Japan—says a lot. When it increases, anger with Japan increases—and also emotional charges that the Administration's trade policy has failed.

What the Trade Deficit Does Not Tell Us

But, because it is a statistic, we need to remember just what it is and what it explains, and what it is not and what it does not explain. That number—the size of our trade deficit with Japan—simply represents the difference between how much merchandise we sold to Japan, and how much we bought from them—nothing more and nothing less.

- It does *not* show how open the Japanese market is. The deficit rose by $13 billion in 1985, but Japan did not erect $13 billion worth of new barriers against our products.
- It does *not* show how successful we have been in opening Japanese markets. Indeed, we had a number of successes last year in gaining greater access to Japan, especially through the so-called MOSS (market-oriented, sector-selective) process, even while the deficit rose.
- It is *not* an indicator of how competitive American and Japanese industries are against each other. The United States—not Japan—is still the world's largest exporting nation and the world's technological leader.
- It is *not* a way of measuring how well Japan is assuming its international responsibilities. In fact, Japan is pursuing an increasingly active international role, in partnership with the United States. It is now the world's second largest aid donor and a leader with us in pursuing a new international trade round.
- Finally, it does *not* explain why there is a deficit or why it changes. It says nothing about the influence of foreign exchange rates, economic growth, business cycles, and different economic structures.

The Totality of Our Economic Relationship

Our trade balance with Japan reflects only one part of our economic relationship with Japan—a relationship which in size and importance is exceeded only by our economic links to Canada. In deciding whether his patient is healthy or sick, a doctor does not just take the patient's temperature; he examines the whole body. Singling out our merchandise trade balance means that we are not looking at the whole "body" of our economic relationship with Japan.

To many people, the size of our trade deficit with Japan says a lot about the state of our economic relations with Japan. What impresses me is what it does *not* tell us.

- It does *not* tell us that we sell more American products to Japan than to any other country in the world except Canada or that about 625,000 Americans owe their jobs to those exports.
- It does *not* tell us that we sold as much to Japan last year as we sold to France, West Germany, and Italy combined.
- It does *not* tell us that Japan is the best market in the world for American farmers or that only Canada buys more manufactured products from us than Japan does.
- It does *not* tell us that Japan has become one of the leading investors in the United States or that Japanese manufacture in 40 states and employ about 80,000 workers.
- It does *not* tell us that last year Japanese net flows of capital to the United States were about $75 billion and that this money increased the pool of capital available in our financial markets, made U.S. interest rates lower than they otherwise would have been,

helped make our companies more productive, and helped finance our Federal Government deficit.

- It does *not* tell us how many services we sold to Japan, how much money we made from selling airplane tickets, licensing American products, and showing American films.
- It does *not* tell us how much money American banks and corporations made in Japan and sent back to the United States.
- It does *not* tell us that over 1.5 million Japanese tourists visit our nation every year, spending $1.4 billion and supporting 35,000 jobs.
- It does *not* tell us how Japanese imports are enriching our lives and supplying critical parts and components that help make our companies more competitive.

We must remember that U.S.-Japan trade does not take place in an economic vacuum. A bilateral trade deficit is not like the final score in a baseball game, because economic activity never ends. One of the basic principles of economics is that both sides gain from an exchange. When we buy from Japan, America's consumers, operating in a free market, get what they want—Japanese cars, cameras, computers, and so on. But the Japanese are not giving these things away. They take our dollars, but they do not hide them under their mattresses. They use them—to buy products and services from us and also from other countries, which in return then have dollars to buy products and services from us. The Japanese use those dollars also to provide capital to us and to other countries, to help promote economic growth in our countries and make our economies more productive. Every dollar that we spend on Japanese products will be used to buy American goods, services, or assets—though perhaps not by Japanese but by third countries who have sold things to Japan.

Past and Future U.S. Trade Policies

A number of years ago, I wrote in a textbook that "Statistics is a body of methods for making wise decisions. . . ." For this, a statistic must be understood properly. If we base our trade policy toward Japan—and, indeed, our attitude toward that country and its people—on one number, we will have bad policy and provoke results that are not in our interest.

The focus of U.S. trade policy toward Japan for two decades has always been on market access. By resisting calls for protection in the United States while working for open markets in Japan, our policy has been consistent, promoting free trade at home and abroad. Our concern has not been with the bilateral deficit per se, because there is nothing inherently good or bad about a bilateral trade surplus or deficit.

But during the 1960s and 1970s, we were able to "kill two birds with one stone." Pursuing market access did deal de facto with the bilateral imbalance. This was because from 1965 to 1975, our trade deficit with Japan averaged only $1.5 billion annually, and Japanese restrictions on our access to their market probably did account for all of that amount. It may have been logical, therefore, to conclude then that our trade deficit with Japan did, in fact, indicate how open the Japanese market was and the degree to which Japan was assuming its international responsibility to maintain the international trading system.

But restrictions on Japan's market today account for only part of our bilateral deficit. Guesstimates vary from $5 to $15 billion. But no matter which figure is chosen, they all agree that market access is the smaller part of the problem. We also need to remember that even if all Japanese market restrictions were removed, our global trade deficit will not change as long as total investment in the United States exceeds our domestic savings. In that case, opening access in Japan will simply redistribute our global trade deficit among other countries and other products.

Nevertheless, to many Americans the continued growth of the deficit is seen as further "proof" of Japanese market restrictions and an indication that U.S. trade policy has failed. Even though fair-minded people know that the deficit is the result in large part of broader macroeconomic and structural factors, there is a clamor for more action and increased calls to "get tough" with Japan. We then search out and publicize more and more Japanese market restrictions. We probably have more trade specialists in the U.S. Government, and more lobbyists and lawyers, focusing on Japan than on any other country. As a result, we probably know more about Japanese market barriers than those of any other country. Even the most technical issues are raised to a political level and put in the public spotlight. Meanwhile, the trade restrictions of other countries, many of which are far more egregious, receive less public attention.

By focusing public attention on that part of Japan's market which is still closed to American goods, we reinforce the perception, left over from the 1960s and 1970s, that Japan's doors are slammed shut to U.S. products and services. We contribute to the mistaken belief that Japan's market restrictions are the primary cause of the bilateral trade deficit. And when Japan does take steps to ease these restrictions, they are seen as unlikely to make much of a dent in the trade deficit. That is something that we knew when we started, but, nevertheless, there is frustration all around—in the Congress, in the Administration, and in Japan.

In my present position, I know as well as anyone the restrictions that Japan imposes on our ability to sell American goods and services. Those restrictions are, indeed, multifarious and exasperating, and they are harmful—to Japan, in fact, as much as to us. We hear from many American companies that face obstacles to doing business in Japan, and we are committed to helping them remove those barriers. But Washington is a place that people come to when they have a problem. We do not hear very often from those companies that do well in Japan and that have made Japan the second largest export market in the world for our farmers and businessmen.

Trends in the Japanese Economy

It would be both costly and dangerous for us to base our current and future trade policies with Japan on our memories of the past 25 years of Japanese policies and practices. What we should be looking at are current Japanese policies and practices, how they are changing, and what influence we can expect to have on them.

- We would like to see broad-gauged changes in Japan that remove the policies, practices, and attitudes that discriminate against foreign companies, products, and services.
- We would like to see Japan become an importing superpower, not just an exporting superpower.
- We would like to see greater internationalization, deregulation, freedom, and openness throughout the Japanese economy.

• We would like to see Japan remove those inefficiencies that characterize much of its economy and which contribute to the trade imbalance.

The fact is, there are more and more Japanese who agree with us, from Prime Minister Nakasone on down. There are internal pressures and trends already at work in Japan, pointing its economy in these new directions. Our policy should be to encourage Japan further in these directions, to help reinforce and accelerate trends that already are underway. All of those changes would be beneficial to Japan, even more than to us.

You all are familiar with *shoji*, sliding Japanese doors. Rather than having to pound on doors to open Japan's markets, we now have allies on the other side helping us slide Japan's doors open. Japanese banks and securities firms were just as interested in capital market liberalization and yen internationalization as we were. Japanese shipping companies also wanted to see restrictions eased on the movement of trucks carrying containers of high capacity. Japanese electronics firms outside the NTT [Nippon Telephone and Telegraph] "family" of suppliers also wanted to see deregulation of the telecommunications industry, as well as greater openness in NTT procurement. Japanese as well as American pharmaceutical companies wanted regulations eased. In contrast to years past, today when we work to open Japanese markets, we have many friends in Japan who work with us, because they know that greater market freedom is in their interest.

Changing Course in Japan

After he met with President Reagan at the White House on April 14, Prime Minister Nakasone said that Japan must transform its economy to rely more on domestic demand and imports, especially manufactured products.

One week before he met the President, the Prime Minister accepted the report of an advisory group he established on economic structural adjustment, the Maekawa commission. Nakasone said that Japan now is at a historic turning point in its relations with the international economic community. He said that Japan must change its traditional way of thinking and establish a "national goal" to reduce its current account imbalance to a level "consistent with international harmony."

The Maekawa commission was a private group, but its report is a watershed in Japan's postwar economic history. Some of its major recommendations are:

First, to expand domestic demand by:

• Promoting housing construction by easing building restrictions and expanding tax deductions;

• Stimulating private consumption by boosting wages, cutting taxes, and reducing working hours; and

• Increasing the role of local governments in funding public works.

Second, to transform Japan's industrial structure by:

• Encouraging investment in manufacturing abroad;

• Rationalizing Japan's many depressed industries; and

• Erasing restrictions on agricultural imports.

Third, to continue to improve market access by:

• Implementing last summer's trade action plan, which said that Japan's market should be free in principle, with restrictions only as exceptions; and

• Promoting greater imports of manufactures and streamlining Japan's distribution system.

Fourth, to further liberalize Japan's capital and financial markets.

Fifth, to expand Japan's international economic cooperation by:

• Expanding imports from the less developed countries;

• Increasing its overseas economic development assistance; and

• Promoting a new GATT [General Agreement on Tariffs and Trade] round.

And finally, to strengthen the management of its fiscal and monetary policies, including the abolition of the tax-free interest break on small savers' accounts.

Prime Minister Nakasone and the Maekawa commission are not the only people calling for change in Japan. The Keidanren, Japan's most prestigious business organization, recently issued its own policy proposals, stating that transition to a totally free trade system must become a Japanese national goal. It said that Japan should remove all import restrictions, abolish all tariffs on manufactured goods, undertake thorough deregulation of its economy, and achieve openness in its administrative systems and operations. The Ministry of International Trade and Industry, in its report on the future of Japanese industry, said that Japan must open up its market further to foreign products and "positively increase" imports of manufactured goods by promoting a horizontal division of labor, so that imported manufactured goods will be woven into Japan's production and consumption structures. Finally, a national commission in Japan is now considering what changes need to be made in Japan's tax structure. Japan's present tax structure provides a number of incentives to save and disincentives to consume and invest which increase the imbalance between savings and investment, so we will be interested in the report of this commission as well.

A Comprehensive U.S. Trade Policy for Japan

I said earlier that if we base our policy on the statistical measurement of just one part of a broad and diverse economic relationship, we will have bad policy. Likewise, if we base our trade policy on the memories of past Japanese policies and practices and our own outdated perceptions, the results will be costly and dangerous.

U.S. trade policy toward Japan must keep its eye on the future, and it must be comprehensive in its scope. Our policy does that. We do not seek market access to Japan because we have a trade deficit. Free trade and open markets are goals in themselves, because they are in the interest of both countries. Even if we had a trade surplus, it would be important to reduce barriers and open markets.

• We will continue to seek the removal of individual trade barriers which affect a wide variety of American goods and services.

• We will continue to seek open and liberalized markets for entire industrial sectors through the so-called MOSS process.

• We will continue to deal with the financial issues that lie behind our trade balance, by encouraging further liberalization of Japan's domestic capital markets and by cooperating in the International Monetary Fund and related organizations.

• As necessary, we will take unilateral action under our own trade laws to remove unfair trade practices.

• We will continue to cooperate with Japan at the international level to strengthen the world trading system and promote the success of a new GATT round.

• And finally, as a result of the President's meeting last week with Prime Minister Nakasone, we have agreed to discuss structural economic issues in both our countries. Our goal is structural change in both countries which will affect the trade balance and remove the strains in our relationship.

Conclusion

During their meeting last week, the Prime Minister told the President that the kind of fundamental policy change Japan is now poised to make occurs only once in a century. A hundred years ago in Japan, an intellectual debate raged between the free traders and the protectionists. The leading spokesman for the free traders was a man named Taguchi, who had read deeply in Adam Smith and English commercial history. He argued against state protection of industry because it would give favorable treatment to the samurai class and encourage them in their traditional lazy habits. But Taguchi and his supporters lost the argument. The samurai class had a lot of political "clout" during the Meiji Restoration, and they were encouraged in their views by advocates and practitioners of protection in the United States and Europe.

Today, Japan has another chance. I believe that by the end of this century, Japan will have the freest trade in the world, after the United States, because that is where Japan's interests lie. It must be our task to encourage Japan in this direction and to help it make the right decision. To be sure, the principal beneficiaries will be the people of Japan, but we and the rest of the world will benefit, too. ■

Soviet Nuclear Reactor Accident at Chernobyl

WHITE HOUSE STATEMENT, APR. 30, 1986[1]

The President yesterday, aboard Air Force One, ordered the establishment of an interagency task force within the U.S. Government that would coordinate the government's response to the nuclear reactor accident at Chernobyl. The task force is under the direction of Lee Thomas, who is the Administrator of the Environmental Protection Agency (EPA), with representatives from EPA, the Department of Energy, the Department of the Air Force, National Oceanic and Atmospheric Administration (NOAA), the Federal Aviation Administration (FAA), the Food and Drug Administration (FDA), the Nuclear Regulatory Commission (NRC), the Department of State, and the Central Intelligence Agency (CIA).

The group met yesterday, last evening, in Washington and will be meeting on a regular basis for the foreseeable future. The group is charged with providing continuous monitoring of any health and environmental implications resulting from the accident. EPA will provide daily press briefings based on information gathered by this task force in order to keep the public informed.

Based on the latest data that has been gathered since we learned of the accident, it appears that the radioactive air mass from the Chernobyl nuclear reactor accident in the Soviet Union is currently moving over the Soviet Union. During the next few days, it is expected that the air mass will be dispersed by normal atmospheric activity. It is too early to determine whether any portion of the radioactive air mass will reach the continental United States. However, from the latest information we now have, should any radiation reach the United States, it is highly unlikely that it would be a level that would pose any threat to public health. This is because of the dispersion which would take place in the atmosphere.

The Environmental Protection Agency, which maintains the nation's radiation monitoring network, has increased its sampling frequency to a daily basis for airborne radioactivity.

Information available to us indicates that the Soviet reactor accident occurred in the fourth and newest reactor at the Chernobyl power station. This reactor is a graphite-moderated, pressure-tube reactor of a type called RBMK by the Soviets. The reactor suffered a major accident which included a fire at the graphite core. Given the amount and extent of the radiation released, the fire has destroyed most of the reactor's core. The reactor core contains approximately 200 tons of uranium interspersed with 1,700 tons of graphite. If the fire is not extinguished, it would probably continue to burn for days or weeks. The fire will continue to spread radiation from the core as long as it burns, although the Soviets have indicated that the rate of release is decreasing. Fighting the fire will be very difficult due to the extremely high levels of radiation near the reactor. The Soviets have asked some West European countries for assistance in fighting the graphite fire, although no one in the world has experience in dealing with a situation like this. The British had a graphite fire in their reactor in the 1950s, but the radioactive contamination was much less.

On the diplomatic front, this morning Assistant Secretary of State for European and Canadian Affairs [Rozanne L. Ridgway] met the Soviet Charge, [Oleg M.] Sokolov—that took place yesterday, Eastern time. She expressed, on behalf of the President, the U.S. deep regret over the accident. We hope that the casualties and material damage will be minimal. The United States is prepared to make available to the Soviet Union humanitarian and technical assistance dealing with this accident. We are seeking additional information on the accident and request the closest possible coordinated effort among all concerned countries. To minimize the danger, we hope the Soviet Union will fulfill its international obligations to provide information on the accident in a timely manner. In order to state publicly the U.S. position and understanding of the situation, a briefing will be held in Washington on Wednesday at 11 a.m. at the State Department. Those briefers will include the Environmental Protection Agency, State Department, and Energy Department, as well as the Nuclear Regulatory Commission.

(White House photo by Bill Fitz-Patrick)

While in Bali, President Reagan receives a briefing on the Chernobyl nuclear accident from his national security adviser Adm. Poindexter. Chief of Staff Regan is left and Secretary Shultz is on the right.

The State Department has told us that we do not have a count of all Americans in the Kiev area, since tourists are not under an obligation to inform the Department or the U.S. Embassy of their whereabouts. Embassy officers in the U.S.S.R. are in contact with Intourist and other Soviet authorities, but in order to trace an individual they need the Intourist group number or name or location and phone number, if possible, of the hotel in which the American citizen is thought to be staying.

Embassy Moscow has no reports of Americans affected by the accident. There have been no requests for medical assistance, evacuation, or other assistance by Americans.

We have been informed that there are several American students who are traveling in the Soviet Union and are now in Kiev. The Soviet Government, of course, is responsible for ensuring that they are safely evacuated should it be required. Unfortunately, the Soviet Union has not told us what precautions that they are offering to protect our citizens that may be in the Soviet Union.

SECRETARY SHULTZ'S INTERVIEW ON "THE TODAY SHOW," APR. 30, 1986[2]

Q. We have had the news of the Soviets' refusal of our assistance. How are you interpreting that refusal this morning?

A. I wouldn't call it a refusal. They gave us some information. They expressed appreciation for our offer and they said that they felt that they had the material and expertise to deal with the problem, so they wouldn't need our help.

Q. Are you inclined at this time to accept what information they are giving you as fact?

A. We are gathering information ourselves, as is everybody, and pooling it. We get information from pictures, we get information from things that we hear from the region, and it seems to us very clearly to be a much larger event than their reports would suggest.

Q. At this point, how do you explain that discrepancy between what our information is telling us and what they are telling you?

A. It is possible to suppress news, I guess, in the Soviet Union, but when it comes to radioactivity, you can't suppress it and you can't avoid having pictures taken. So we are getting information independently of what they say.

Q. Have we officially, in any manner, expressed our displeasure at their failure to be more forthcoming?

A. We feel that any country where something happens that affects things across their borders—other countries, in other words—has basically, an obligation to keep people informed. And, we feel that they should be providing more information and more promptly. And we've said that. We've let them know that.

Q. At this point, do you view their behavior as irresponsible?

A. I think that's a little hard to say. They have a major calamity on their hands and, no doubt, they're struggling with it, and one doesn't know immediately what has happened and what its implications are. So I'm inclined to give the benefit of the doubt on the early hours, but it seems to me that by now they could be providing a lot more information than they are.

Q. If this accident is as serious as this preliminary information you're getting would seem to suggest it is, can you at this time ascertain what the long-term consequences might be on Soviet policies and priorities?

A. They have to examine their own way of constructing and developing nuclear power, if they can have a disaster of this scope obviously. From our standpoint, we have been operating nuclear power plants on submarines and on ships, we've never had an accident. We have had a huge amount of time in nuclear power plants—civilian nuclear power plants in the United States. We've never had a person killed. So our safety record is a very strong one, but of course, we constantly examine the processes of managing these plants.

I think perhaps there's another implication here. People worry about nuclear matters, particularly they worry about nuclear weapons. There's always this transposition in people's minds, and this is a time when we want to emphasize the importance of cutting drastically down on nuclear stockpiles. The President has proposed eliminating entirely intermediate-range nuclear weapons, and he and Mr. Gorbachev have agreed that there should be radical reductions in the strategic nuclear arsenals of each side. We'd like to see progress on that in Geneva, and we have been working at that. We haven't had a response from the Soviet Union to our longstanding START proposals, but we hope when the new round starts in the middle of May that it will be active and we can satisfy ourselves and the rest of the world in getting nuclear weapons down.

Q. Might this accident force the Soviets into some difficult guns versus butter decisions?

A. I don't want to speculate about that. They have a major problem on their hands. They obviously will have a sharp reduction in the electric power available to industry, particularly in the Kiev sector. But since they have a grid like we do, it affects their whole energy industry.

Q. How concerned are you that this accident might spark a new round of antinuclear protests which would directly affect NATO missiles in Europe?

A. The protesters are always there. I think it's very important, as far as nuclear power is concerned, to keep pointing to the extraordinary safety record in the United States and in other countries and our continued vigilance on that matter.

As far as nuclear weapons are concerned, we think that they should be reduced—that's been the President's program all along—and eliminated. The point is how do you do that? How do you come down on an equitable basis so that you have stability as you are reducing? That's what the negotiations should be about and are about, and that's what the President keeps emphasizing, so we'll call for little help on that score. But we don't want to have the United States reduce without the Soviet Union reducing. That's the point.

WHITE HOUSE STATEMENT, MAY 1, 1986[1]

Soviet authorities are continuing to maintain a close hold on information on the nuclear accident and its consequences. We know that a major accident resulted in explosion and major damage to unit four of the Chernobyl nuclear facility. A fire occurred, and we have indications of a continuing fire at that facility. We cannot confirm press reports of a second nuclear reactor meltdown. Some diplomatic and counselor establishments are advising their citizens to leave the area of Kiev. We have no firm official information on casualties, on evacuation of population.

On Tuesday afternoon, Washington time, Minister Counselor Isakov of the Soviet Union conveyed a message to the U.S. Government regarding the Chernobyl nuclear accident. The Minister Counselor characterized the message as being from General Secretary Gorbachev to the President. This is in addition to the meeting which Secretary Ridgway had with Mr. Sokolov earlier in the day in which she presented our offer. This message was not characterized by the Soviets as a direct response to our earlier request for information, nor have we received a response to our offer of assistance. We have reiterated to the Soviets that our offer of assistance still stands. We also repeated hope for more detailed information on the scale and nature of the accident.

The Soviets have confirmed to us that an accident occurred on April 25th—you will note that is Friday—in one of the power block rooms at Chernobyl, an atomic power station near Kiev. They say that a leak of radioactive material has required the partial evacuation of the populations in regions immediately adjacent to the accident. They indicate that the radiation situation has been stabilized, and, finally, they note that the dissemination of radioactive contamination in the western, northern, and southern sections has been detected. The message further states that these levels of contamination are somewhat above permissible norms but are not in the extent which would require special measures to protect the population.

The latest available information from the President's interagency special task force on the Soviet reactor incident indicates very little change from yesterday. We do not have any different assessments of casualties from the Soviet Union. You have seen their public announcements. The movement of the radioactive substance in the atmosphere is still unsettled. Releases immediately following the incident moved toward the northwest, toward the Scandinavian countries, then shifted to the south, and the latest day or so have moved to the east. There have been reportings of radioactive fallout in a number of European countries, most specifically and recently the Austrians. The coverage of the cloud is quite large. Estimates from the National Oceanic and Atmospheric Administration lead us to think that it is covering a good part of eastern and northern Europe, possibly the northwestern part of the Soviet Union, and may well be extending into the Arctic Basin.

As far as the background levels found in Sweden, we have only limited information at this point. But it would appear that the background level has been exceeded by only about 1 millirem over the last several days, and they're continuing to take measurements. To put it in context, the average background level due to all sources on a continuing basis, natural and otherwise, is about 90 to 100 millirem per year, and they have received 1 millirem over the last several days.

We still do not know if the plume might reach the United States. But based on data that we do have at this time, we do not expect any significant health effects if, indeed, it does reach the United States.

In the meantime, we're waiting and assessing the situation. The EPA's national environmental radiation monitoring system is in its usual monitoring mode and, in the case of any detection of increased levels, will speed up the rate at which we take measurements of all types: air, ground, and water.

We're continuing to ask for more information from the Soviets so that we can learn exactly what happened. It is still impossible to learn if there was actually a meltdown at the fourth Chernobyl reactor, but there are indications of it.

There was obviously a fire of graphite material surrounding the fuel rods, and there's been a release of various radioactive elements. So far as we know the fire is still burning. There has been some speculation in public circles regarding a similar incident or fire at the third Chernobyl reactor, but we have no evidence to confirm that. We know from Landsat satellite photos that there is a second heat source; but that can indicate several things, such as buildings or other things burning in the area, but not necessarily the problem with another reactor.

Yesterday we said there were two graphite reactors in the United States. One is the N reactor at Hanford, Washington; the other is a private, electrical power generating, commercial reactor at Fort St. Vrain, Colorado. It is graphite-based, gas-cooled, and like all commercial U.S. reactors, has a containment system around the reactor. The Hanford N is graphite-moderated, liquid-cooled. That is the only similarity with the Chernobyl reactors.

At Hanford, if there were a loss of coolant, we would have a separate cooling system to keep it from overheating. That reactor has been operating for 23 years. It produces power and plutonium for weapons programs. It does not have a containment dome, but does have a filtered confinement system. The confinement system would filter out 99.9% of all particulate emissions. The reactor is also in a heavily reinforced concrete building, whereas the Soviet reactor was in a less secure industrial building.

Yesterday we were asked about the Department of Energy reactors that do not have containment facilities. There are four such reactors at Savannah River, South Carolina, which is south of Aiken. They are all production facilities, heavy-water moderated and cooled. Like

the Hanford facility, they are confined with filtration systems. Heavy-water facilities use an isotope of the standard H_2O molecule that results from the presence of deuterium oxide, an isotope of hydrogen with an extra neutron in the nucleus. It tends to moderate the actual fission process created by the U-235 fuel activation. That moderating loop is closed and separate from the cooling loop. It is also worth pointing out that, unlike conventional, commercial light-water reactors, these heavy-water reactors operate at only 5 pounds per square inch over normal atmospheric pressure and at temperatures only slightly above 212° F. Commercial reactors operate at very high temperatures and normally in excess of 2,000 pounds per square inch.

WHITE HOUSE STATEMENT, MAY 3, 1986[3]

The United States continues its effort in dealing with the Soviet nuclear accident, both on the diplomatic and domestic fronts. The Vice President in Washington assembled a special situation group on Friday and has since reported to the President his findings. Attending that meeting, besides the Vice President, were Don Fortier of the National Security Council; Secretary Weinberger of the Defense Department; D. Lowell Jensen, the Deputy Attorney General; John C. Whitehead, the Deputy Secretary of State; John Herrington, the Cabinet Secretary at the Energy Department; William Casey, the Director of Central Intelligence; Gen. John Wickham, the Chairman of the Joint Chiefs of Staff; and Nunzio J. Palladino, Nuclear Regulatory Commission—Nunzio Palladino and Harold Denton; and Environmental Protection Agency, Lee Thomas. There were additional staff members from each of these agencies present, but those are the major ones who attended.

The President has received the report of the Vice President in written format as a result of the meeting. The President and Vice President both expressed serious concern with the lack of information that the Soviet Government is providing to the public and to the world and to its own citizens. Environmental accidents whose fallout ignores national boundaries are concerns for all. We will continue to press for full and accurate information.

While it's true that the Soviets are reporting that they have smothered the fire at the four Chernobyl reactor, we cannot confirm that. We have every reason to think that the fire has diminished, but there is evidence that the reactor or associated equipment with the reactor continues to smolder. We do know that the second hotspot, as reported from the Landsat photos, was not a reactor.

Weather patterns are shifting from day to day, but airborne radioactivity now covers much of Europe and a large part of the Soviet Union. In the last 48 hours there has been movement of radioactivity to the south, and there's apparently elevated levels detected as far south as Italy.

Air containing radioactivity by aircraft was measured at 5,000 feet about 400 miles west of northern Norway and is believed to have turned south and southeastward. It is beginning, perhaps, to return over Europe. While there's been speculation about the movement of the plume eastward across the Soviet Union, we cannot at this moment confirm any movement across the Soviet Union.

There has been no detection of any elevated levels of radiation above the normal background either in the United States or Canada. EPA's radiation monitoring network is now sampling all media on a daily basis, but there is no reason to expect any risk to human health in the United States.

With the limited data on hand, the Departments of State and Health and Human Services have issued an advisory against travel to Kiev and adjacent areas. Due to reports from the Polish Government of increased levels of radiation in certain lake districts, we're recommending that women of childbearing age and children should not travel to Poland until after this situation is clarified. Milk and other dairy products in Eastern Europe also should be avoided.

Other actions taken by the task force include: radiation monitoring teams have now been sent from the United States and are in place in several European countries; EPA medical teams have been sent to our Embassy personnel in Warsaw and Moscow. An EPA technician and State Department medical expert will leave today for Warsaw, Krakow, Moscow, and Leningrad to help determine the radiological status of our missions there. An expert in bone marrow transplants, Dr. [Robert] Peter Gale, has gone to the Soviet Union to offer his expertise and assistance.

WHITE HOUSE STATEMENT, MAY 4, 1986[3]

The President's task force on the Soviet nuclear accident is continuing to monitor the situation and to report on the effects of the accident to the President on a regular basis. No increases of radioactivity above normal background levels have been reported by the radiation monitoring networks in the United States or Canada. The airmass containing the radioactivity continues in its present location over much of Europe and a large part of the Soviet Union. The airmass containing radioactivity is not expected to enter any part of the United States for several days and is not expected to pose any threat to human health or environment of the country.

The cause of the accident leading to the explosion at the Chernobyl site is still unknown. The Soviets have claimed that they've used helicopters to drop sand, lead shot, and boron on the fire in unit four in order to reduce the activity level. Apparent damage to the building and detective radioactivity levels in nearby countries suggest that massive core damage must have occurred. We are unable to confirm the Soviet claim that the fire in unit four has been extinguished. There is still no evidence that unit three was involved in the accident.

The Soviets have reported that they evacuated the three towns closest to the Chernobyl reactors. This and other reports of evacuation up to 30 kilometers from the site are consistent with an accident of this magnitude. The Nuclear Regulatory Commission has notified its licensed facilities in the United States to provide monitoring data to the task force to augment EPA's nationwide radiation monitoring system, which is gathering data on an accelerated basis. The U.S. Government is also making efforts to gather data from several countries surrounding the Soviet Union that could prove essential to evaluating the accident in the absence of information from the Soviet Government.

In addition, we have sent a team of U.S. technicians to Moscow. They arrived in Moscow to begin evaluating health and environment at our missions in the Soviet Union. First results from our monitoring in Warsaw indicates background radiation levels of roughly twice the normal background levels. This is not to be judged particularly serious. For example, normal levels in Denver are about three times back-

ground due primarily to rock and soil makeup.

There is a report on the wires that a Cabinet-level meeting is taking place—Japanese Government in Tokyo regarding increased radiation levels over central Japan from rainfall. We do not have any specific information. We've been in touch with the Japanese Government to confirm these reports and have not yet received any information that we can go on. We do not have any specific monitoring information either.

WHITE HOUSE STATEMENT, MAY 14, 1986[4]

We are comforted by Mr. Gorbachev's assurances that "the worst is behind us" in dealing with the Chernobyl reactor tragedy. Our immediate concern, from the time we learned of the accident, was primarily for the well-being of the people in the area. This is why we offered our assistance. Our offer stands.

We have noted Mr. Gorbachev's suggestions regarding further international efforts to enhance the safety of nuclear power plants. We believe that they deserve the most serious consideration. We strongly support additional international efforts to ensure nuclear plant safety and prompt reporting on accidents.

We are distressed, however, that Mr. Gorbachev used the occasion of his otherwise reassuring presentation to make unfounded charges against the United States and other Western governments. On this score, he has obviously been misinformed. There has been no effort by this government, or its partners at the Tokyo economic summit, to make political capital out of the Chernobyl tragedy.

The U.S. Government at no point encouraged inaccurate reporting on the accident. If some reports carried in the mass media were, in fact, inaccurate, this was an inevitable result of the extreme secrecy with which the Soviet authorities dealt with the accident in the days immediately following it. Citizens of foreign countries and their governments had a legitimate interest in knowing the facts, since their own health could be affected. In the absence of detailed, official information, the media reported what they could learn on their own. Any attempt to attribute legitimate foreign interest in a major castastrophe to devious political motives is as deplorable as it is without basis. Unfounded accusations against others must not be used in an attempt to exonerate national officials from their obligation to inform the public promptly of accidents which may affect their health.

Mr. Gorbachev also seems to be misinformed regarding the position of the United States and its allies on nuclear arms reduction. As the leaders who met at the Tokyo economic summit states, "each of us supports balanced, substantial, and verifiable reductions in the level of arms" and in regard to the U.S.-Soviet agreement to accelerate work at Geneva, "we appreciate the United States' negotiating efforts and call on the Soviet Union also to negotiate positively." The United States is eager to speed up negotiations to achieve a 50% reduction of strategic nuclear weapons as soon as possible. The United States has made concrete proposals and is waiting for a constructive Soviet reply.

Regarding a meeting between the President and General Secretary Gorbachev, the President has invited Mr. Gorbachev to visit the United States in late June to discuss the entire range of issues between the two countries. Mr. Gorbachev has not yet responded to this invitation. Nevertheless it is clear that a meeting between the two leaders is possible this year if Mr. Gorbachev desires.

So far as the question of nuclear testing is concerned, the United States has proposed that U.S. and Soviet experts meet to initiate a dialogue. We have as yet no Soviet response to this suggestion. It is difficult to understand the rationale for a meeting of our leaders confined to the nuclear testing issue, when the Soviet Union has up to now been unwilling to authorize a discussion at the expert level.

SECRETARY'S STATEMENT, MAY 22, 1986[5]

I was pleased to visit with Dr. Hammer and Dr. Gale and their colleagues Dr. Terasaki and Dr. Champlin and to hear their impressions of the situation in the Soviet Union following the Chernobyl accident.[6]

I was impressed and inspired by Dr. Gale's descriptions of the courage and sacrifice with which his Soviet colleagues, and the Soviet people as a whole, have sought to cope with the effects of the accident. As the President

President Meets With Shcharanskiy

(White House photo by Bill Fitz-Patrick)

WHITE HOUSE STATEMENT, MAY 13, 1986[1]

The President met privately with Natan (Anatoliy) Shcharanskiy for 30 minutes today in the Oval Office. Vice President Bush, Secretary Shultz, Donald Regan, and John Poindexter were also present.

Mr. Shcharanskiy thanked the President for his unflagging support for human rights in the Soviet Union and his role in securing his release from a Soviet prison camp. He gave the President his assessment of the situation of Soviet Jewry, particularly the plight of 400,000 Soviet Jews who have expressed a desire to emigrate from the Soviet Union. He urged the President to continue his efforts on their behalf.

The President expressed his admiration for Mr. Shcharanskiy's courage and fortitude and reaffirmed his determination to do everything possible to help those who have been denied the right to emigrate, practice their religion, or maintain their Jewish identity. The American people and the world will not forget them.

[1]Text from Weekly Compilation of Presidential Documents of May 19, 1986. ■

conveyed to Mr. Gorbachev the day after learning of the accident, the United States stands ready to lend a hand in any way we can in helping the Soviet Union recover from this tragedy.

General Secretary Gorbachev has proposed some specific steps which could be taken to prevent a recurrence of what happened at Chernobyl. We are already discussing the specifics of such cooperation in the IAEA following up on the idea developed at the Tokyo summit. We would welcome the opportunity to join with the Soviet Union in cooperative activity to this end.

[1]Text from Weekly Compilation of Presidential Documents of May 5, 1986.
[2]Press release 95.
[3]Text from Weekly Compilation of Presidential Documents of May 12.
[4]Text from Weekly Compilation of Presidential Documents of May 19.
[5]Press release 115.
[6]Dr. Armand Hammer, chairman of Occidental Petroleum and long-time friend of Soviet leaders, offered to organize and finance a mission to assist victims of radioactive fallout. His offer was accepted by the Soviet Government. Dr. Robert Gale, an authority on bone-marrow transplants and President of the International Bone Marrow Transplant Registry, led the team, which included two of his UCLA associates, Drs. Paul Terasaki and Richard Champlin. ■

FY 1987 Assistance Requests for the Middle East and North Africa

by Richard W. Murphy

Statement before the Subcommittee on Foreign Operations of the House Appropriations Committee on April 16, 1986. Ambassador Murphy is Assistant Secretary for Near Eastern and South Asian Affairs.[1]

I welcome this opportunity to testify in support of the Administration's proposals for FY 1987 economic and security assistance for the Middle East and North Africa.

This year, more than any year since I have served as Assistant Secretary, the Congress and Administration feel the budget squeeze. Like you, we in the Near East and South Asia Bureau understand that when we add money to one account, it must come out of another. Cuts are painful. Reductions have costs, whether they come from agriculture, education, health, or the foreign assistance budget. I am not here today to plead that security assistance must be regarded as a higher priority than farmers or the elderly—or to push for large increases during this tough period. Instead, I would like to review the benefits we as a nation do receive from security assistance.

The primary goal of our foreign assistance program is the support of friendly states with common interests in promoting economic and political stability. Compared to international trade and other financial flows, our programs are not large, but they provide critical reinforcement to policies and institutions that we are committed to support in principle as a global power exerting influence to protect legitimate interests and not merely reacting to events. The reciprocal benefit to us and our friends is the basis of our foreign assistance proposals.

The request for the Middle East and North Africa is $5.823 billion, or 36% of the Administration's global request for FY 1987.

Much of our assistance is proposed for Israel. Our commitment to Israel's security and economic requirements is rock solid.

We support the security needs of Egypt, Israel, and Jordan which have taken risks for peace and for stability in that strategic region.

We are protecting the free world's access to oil resources in the strategic gulf region in cooperation with friendly Arab states in the gulf. Our assistance to Oman contributes to this effort.

Our programs parallel our interest in maintaining military access in Morocco and the security of long-time friends in North Africa—Morocco and Tunisia.

The recent instability in South Yemen, exacerbated by Soviet interference, makes our assistance to the Yemen Arab Republic particularly significant at this time.

Our FY 1987 request will fund seven major programs in the Middle East and North Africa:

- $3.295 billion in foreign military sales (FMS) credit, including $3.1 billion for Israel and Egypt;
- $105 million in grant military assistance programs (MAP);
- $10.4 million in international military education and training (IMET);
- $2.015 billion in economic support funds (ESF) for Israel and Egypt;
- $104 million in ESF for six other Middle Eastern countries and the West Bank and Gaza territories;
- $48.3 million in development assistance; and
- $254.9 million in PL 480 food aid.

Middle East Peace

The security of Israel remains the cornerstone of our Middle East policy. Our assistance assures Israel's defensive capabilities—its qualitative edge in the region. In addition, efforts to nurture the spirit of accommodation between Israel and its Arab neighbors will succeed more readily if Arab states feel confident they can provide for their own defense *vis-a-vis* increased instability caused by the Iran-Iraq war, Libyan aggression, and Soviet expansion. Our friends need help as they work to manage economic and social issues. Defensive capabilities and economic development are keys to stability and improved relations among our friends in the Middle East.

We are seeking a total of $5.3 billion in military and economic assistance for Israel and Egypt. Meeting their legitimate defensive requirements is critically important to maintaining our security role throughout the region and to preserving our role as mediator in the search for peace.

Since the President's Middle East peace initiative of September 1, 1982, foreign assistance, in concert with an active diplomacy, has played an essential role in sustaining the peace process. A resolution of the Arab-Israeli conflict requires both a commitment to the security and economic well-being of Israel as well as continued close ties with those Arab states which have traditionally been friendly to the United States. Resolution of these problems, aspects of which are deep seated and complex, will never be easy. Notwithstanding the risks and the costs, this Administration will continue to seek opportunities through all of our friends in the region to move forward with a policy that is in the national interest of the United States and its partners.

Progress initiated at Camp David and the Egyptian-Israeli Peace Treaty are the foundation of our Middle East peace policy. In our foreign assistance proposal, Egypt and Israel together would receive about 34% of worldwide

funding in FY 1987. These levels reflect the importance we give to the economic and security prerequisites of accepting the risks and taking the necessary steps toward a lasting peace.

Our long-term assistance commitments in Jordan, Lebanon, the West Bank and Gaza, though modest in comparison to the assistance levels for Israel and Egypt, are essential to sustaining our overall Middle East peace efforts. Our assistance to Jordan is tangible evidence of our concern for the economy and security of this small country which has worked hard to find a formula for direct talks with Israel. In Lebanon our request will assist moderate elements in reconstruction efforts in war-ravaged parts of the country. Part of our Middle East regional program addresses the quality of Palestinian life in the occupied West Bank and Gaza. Our humanitarian concern for these people is reflected in development projects carried out by private voluntary organizations.

We are deeply concerned about economic deterioration in the Middle East and the adverse effect this could have on regional stability and the prospects for peace. Many of our friends in the region are facing serious economic dislocations. Reduced worker remittance flows, lower revenues from oil exports, and declining tourism income as a result of terrorist threats are all taking their toll. In view of the present constraints on the foreign assistance budget, as well as the existing development needs of the region, we are encouraging increased bilateral assistance to the Middle East by other donors in addition to new multilateral approaches. We are engaged in ongoing discussions with our friends and allies to find ways together to shore up the ailing economies of the Middle East.

I would like to turn now to specific countries and the way in which our foreign assistance programs are working favorably to manage our interests. I will begin with Israel.

Israel

Our assistance programs in Israel will provide generous support for Israel's military preparedness and economic stability. The $1.8 billion FMS request for FY 1987 will enable Israel to finance priority security requirements. This includes high performance aircraft, helicopters, artillery missiles, and ammunition. Israel's military preparedness is such that it can defend itself against any possible combination of adversaries in the region. The all-grant terms of the FMS program for Israel lessens the economic impact of defense expenditures by facilitating Israel's efforts to reduce its balance-of-payments deficit, control its foreign debt, and correct economic imbalances.

Our request for $1.2 billion in ESF directly addresses Israel's economic problems through cash transfers to meet short-term balance-of-payments requirements, maintain budgeted foreign exchange expenditures, and import the goods and services it needs without massive borrowing at market rates. The ESF program makes us partners with Israel in encouraging economic reform to assure long-term growth of the Israeli economy. We have established a dialogue with the Israeli Government through the Joint Economic Development Group (JEDG) that meets regularly so that together we can assess how to provide maximum support for Israel's stabilization and growth agenda.

Prime Minister Peres announced on July 1 a comprehensive set of measures to deal with the twin problems of inflation and balance-of-payments deficits. The basic elements include sharp cuts in government spending on subsidies on consumer goods and services, reductions in real wages, a 19% devaluation of the shekel, and a price freeze. The government is making a concerted effort to implement this program, and considerable progress has been made. The budget deficit is down, and there has been a sharp decline in inflation.

The program's impact on the balance of payments has also been impressive. Israel's foreign debt also stabilized. Moreover, the Israeli program has achieved these objectives without a sharp escalation in unemployment, which appears to have peaked during the third quarter of 1985 at 7.8% and has since dropped to 6.8% or lower.

Notwithstanding the considerable progress made so far, the stabilization program remains fragile. The government will have to continue to maintain control over spending and work out a new agreement with labor Histradut on income policy while resisting political pressures to reflate. The political pressure for pump priming has increased in view of the recent successes of the stabilization program and the impact of the recession on the financial viability of key firms and sectors. Growth is now a top priority of the Peres government—to provide what the Prime Minister called a "ray of hope" for the Israeli public in a more prosperous future.

With these developments in mind, the focus of the U.S.-Israeli dialogue in the JEDG has shifted increasingly to finding ways to promote growth and development while not endangering the stabilization program. In this forum, we have discussed Israeli tax reform and revitalization of private capital markets. We also looked closely at Israel's investment regime. Domestic investment in Israel has been declining as a percentage of GNP while foreign investment remains small. Israel must reverse these trends if it is to maintain its competitive edge in such areas as the high technology sector and earn its way without continued dependence on U.S. economic assistance.

We have, over the past 6 months, increased our coordination with Operation Independence, a group of highly dedicated U.S. and Israeli businessmen under the leadership of Max Fisher whose objective is to expand bilateral trade and investment ties between our two countries. Operation Independence has already achieved concrete results in that regard, and we believe it holds great promise of expanding Israel's private sector and generating more economic growth.

Egypt

A strong and stable Egypt is crucial to virtually all of our interests in the Middle East and North Africa. In addition to being a Camp David partner, Egypt is a counterweight to Libyan meddling in the Sudan, Chad, and Tunisia. Our security assistance to Egypt promotes readiness and military self-sufficiency necessary for defense against Soviet-armed states in the region.

The request for $1.3 billion in forgiven FMS credits for FY 1987 is part of an ongoing effort to modernize the Egyptian military and replace obsolete Soviet equipment. Our FMS program addresses the regional balance of forces and helps our friends counter the arms build-up in Soviet supplied states. For FY 1987, in addition to progress payments for previous purchases of U.S. equipment, we propose upgrades for Egypt's air defense systems and equipment maintenance.

Our security interests go hand-in-hand with Egypt's economic health and stability. ESF of $815 million will finance economic development projects as well as provide valuable balance-of-payments support.

Although Egypt's economic growth rate was 4–5% last year, the economy is beset by severe structural problems. The overall balance of payments moved into deficit in 1985, signalling the need for increased borrowing. In recent months, events largely beyond Egypt's control have compounded these problems, and no improvement is foreseen in the near term. Egypt's petroleum revenues are down sharply with the precipitous fall in oil prices, and tourism has been crippled by terrorist incidents and the February disturbances. Remittances from overseas workers—another key source of foreign exchange—have fallen with the slowdown in the gulf economies.

Our economic assistance is part of a dialogue that we have established with Egypt to support its economic reform program. One target for reform is a lower budget deficit. However, Egypt's deficit is about 20% of GDP, and politically sensitive food subsidies account for almost one-third of the deficit.

Over the past year, Egypt has taken some important steps to reform its economy:

- Food subsidies have been reduced; for example, wheat prices now approach U.S. levels;
- Energy subsidies have been cut by such measures as a 37% increase in electricity rates and a 25% increase in gasoline prices; and
- Foreign currency expenditures of the government have been reduced.

More recently, despite the February disturbances, President Mubarak affirmed his government's commitment to accelerate economic reform. New measures—including tax increases, customs reform, and reduction of government operating expenses—are being implemented. These initiatives represent a solid beginning to the comprehensive reform program that is necessary to address Egypt's immediate problems and achieve stable, long-term economic growth. Priority areas for further action include boosting foreign exchange earnings, reducing the government budget deficit, improving the management of foreign debt, and expanding the role of the private sector.

Egypt imports about 6 million tons of wheat and wheat flour each year, around 20% of which is part of our PL 480 food aid program. With per capita GNP at about $650 and political stability heavily dependent on the price of bread, Egypt must spend much of its foreign exchange earnings on imported grain. With foreign exchange earnings in decline, our PL 480 program becomes an important means of minimizing the outflow of foreign exchange while the Egyptian Government tackles the immediate problem of managing its economic reform measures and its debt repayments.

Jordan

Jordan is important to us as a moderate, pro-western state that plays a key role in the search for a negotiated settlement to the Arab-Israeli conflict. King Hussein has publicly recognized Israel's right to exist and has sought scrupulously to maintain the security of Jordan's border with Israel. By reestablishing full diplomatic relations with Egypt in November 1984—the first Arab state to do so—and by trying to find credible Palestinians to seek a negotiated peace with Israel, Jordan has repeatedly demonstrated its willingness to undertake courageous initiatives toward a negotiated resolution. Jordan's ability to sustain its record as an active participant in the peace process is contingent on our willingness to assist in meeting its legitimate defense needs. A chorus of rejectionist voices in the region now advise Jordan to cease its reliance on U.S. assistance and abandon its role in the peace process. Most assuredly, King Hussein has not abandoned his commitment to peace.

For our part, we intend to continue our assistance to countries such as Jordan, where our security and economic assistance provides both a tangible as well as psychological buffer against rejectionism. We must prevent Jordan from being distracted while it confronts the difficult political choices ahead. The Jordanian Government is grateful for the $250 million economic supplemental package which Congress passed for Jordan last summer to assist in preserving Jordan's economic stability.

Foreign worker remittances from the gulf states and exports to the gulf are declining with the soft market in oil; Arab assistance is also likely to decline. The Iran-Iraq war contributes to the continued economic slowdown and unemployment in Jordan that began in 1981. Soviet arms transfers to neighboring Syria represent a direct potential threat to Jordan.

Despite these difficulties, Jordan continues to pursue responsible regional policies. In a September 1985 address to the UN General Assembly, King Hussein reaffirmed Jordan's commitment to a negotiated peace with Israel—a commitment that Jordan and its leaders have affirmed yet again more recently with the King's February 1986 speech to the Jordanian people.

Jordan has had a military supply relationship with the United States for 30 years. The proposed military assistance program for FY 1987 consists of $115 million in FMS credits and $2 million for IMET. To provide a degree of relief for Jordan's balance-of-payments problems, our FMS program will include $65 million in concessional FMS credits and $50 million in Treasury rate FMS. The proposed military assistance will sustain Jordan's ability to purchase spare parts and follow-on support for U.S. equipment already in Jordan's inventory. The FMS program will support Jordan's defense needs to the fullest extent possible. The military training programs under IMET will provide Jordanian officers with a U.S. orientation and enhance Jordanian understanding of U.S. goals and operations in the Middle East.

Jordan is poor in natural resources; the lack of water limits the amount of arable land. The FY 1987 ESF request for $18 million will fund highlands agriculture projects and water resources development in addition to ongoing projects in the areas of water, sewerage services, agricultural productivity, health, and technical training.

Middle East Regional Program

The Middle East regional program request for FY 1987 consists of $25 million in ESF, $4 million in development assistance, and $1.8 million in PL 480 (Title II) grant food aid. The regional program includes projects designed to further U.S. objectives of peace, economic development, and social progress in the West Bank and Gaza, Israel, Egypt, and the region. This grant will finance three major activities.

- $18 million in ESF will fund development projects in the West Bank and Gaza. Our involvement reflects commitment to the welfare of Palestinians living in the occupied territories. Mandated by Congress in 1975, these development projects are carried out by private voluntary organizations and designed to meet local needs in health, sanitation, agricultural development, water supply, vocational training, and education. The projects support develop-

ment of an indigenous economic structure and other aspects of the Secretary's quality-of-life effort, which is tangible evidence of our long-term commitment. Our PL 480 food aid program in these territories supports the same goals. We are fully aware that these programs are no substitute for a negotiated settlement that can ensure Israel's security while giving expression to the legitimate rights of the Palestinians in these territories—nor are they intended to do so. We are prepared to address the political dimension of the Palestinian issue whenever the parties themselves are ready. In the meantime, we are actively addressing the human dimension. These programs have the full support of the highest levels of the U.S. Government and, as circumstances and budget realities allow, we are prepared to do even more.

- $5.8 million in ESF will fund the regional cooperation program, which consists of scientific and technical projects in which Israeli, Egyptian, and American universities participate, along with their respective governments and other institutions. Mandated by Congress in 1979 after the signing of the Egypt-Israel Peace Treaty, these counterpart projects in Egypt and Israel promote cooperation between professionals in technical and scientific fields. The program comprises projects in arid lands agriculture, agricultural technology exchange, marine sciences, and infectious disease research. We note that for FY 1986, the 50% reduction in funding for this program will not translate into a comparable reduction in ongoing projects. Rather it means that no funds will be available this year for new projects and only minor reductions in ongoing activities.
- The remaining $1.2 million in ESF will fund regional population programs, legal training projects, and project design and evaluation.

Persian Gulf/Southwest Asia/ North Africa

The major oil reserves in the Persian Gulf continue to be essential to U.S. energy security, and we cannot allow our vigilance to lapse no matter what level oil prices reach. Approximately 35% of the oil entering world trade originates in the Persian Gulf. This area continues to be threatened by the Iran-Iraq war, now in its sixth year. The recent coup in South Yemen has left that country with an even more radical regime and under continued heavy Soviet influence. Soviet aggression in Afghanistan has not diminished, and this situation, too, threatens to encroach on the Persian gulf region. Our assistance programs to countries in this part of the world support essential access to military facilities and transit into the region should they ever be required by U.S. forces in times of crisis.

Oman

Our FY 1987 request for Oman includes $40 million in FMS credits, $18.8 million in ESF, and $205,000 in IMET.

Our 1980 access agreement with Oman is key to U.S. strategy for the protection of the Persian Gulf. This agreement allows U.S. military access to certain facilities under agreed conditions. In connection with the facilities agreement, the United States and Oman added an economic dimension to the expanded relationship by creating a Joint Commission on Economic and Technical Cooperation and several development projects to be supported by ESF. Because of the relationship between ESF and the access agreement, the Omani Government is concerned by the reduction in our FY 1986 program which resulted from this particularly difficult budget year. We believe it is especially important to return this program to the past level. Our economic programs, aimed at accelerating the pace of Omani diversification away from oil-related industries, have become more critical for Oman as oil prices decline. Oman does not have the ability to replace our assistance from its own sources. Oman remains a moderate, pro-Western force in the gulf and one of the few states in the region that has been consistently supportive of Egypt and particularly remains so from the time Egypt signed the Camp David accords.

Our ESF programs focus on critical requirements for development: water projects, education, technology, and economic diversification. These activities are programmed by the Agency for International Development (AID) and the Omani-American Joint Commission based in Muscat. The United Kingdom is Oman's main military supplier though Oman has shown interest in using FMS financing in FY 1987 to purchase C-130 aircraft, air defense items, and antitank weaponry. Omani defense must guard against threats from Iran as well as South Yemen—the latter possibility underscored by the recent coup which brought hard line ideologues to power. Continued modernization of Oman's defense thus remains a high priority. FMS will also support previously purchased U.S. equipment. The modest IMET program will provide advanced training for the Sultan's armed forces, improved military management, and better understanding of our security relationship on an operational level.

North Yemen (Yemen Arab Republic)

North Yemen occupies a strategic area between the Marxist Peoples Democratic Republic of Yemen (P.D.R.Y.) and Saudi Arabia. North Yemen has been threatened by both direct attacks from and insurgency supported by South Yemen in the past. The recent coup in South Yemen raises anew the specter of such threats because it brought to power particularly doctrinaire communists who have frequently advocated insurgency. Supporting a stable government in North Yemen, which can resist outside threats and meet the needs of its people for economic development, is in our interest and directly supports regional stability and peace in this corner of the Arabian Peninsula. Yemen remains a desperately poor country. Its per capita GNP is only about $550. Life expectancy is about 45 years; adult literacy is 5%; the infant mortality rate is 173 per 1,000; and only 14% of Yemen's 6 million people have access to safe water. A drought in recent years has severely reduced grain production and increased the need for agricultural imports. Declines in worker remittances and Arab aid, both related to the decline in the world market, have placed serious, further strains on the Yemeni economy. Although an American company discovered oil in commercial quantities in Yemen, the country will receive no oil income until at least late 1988.

For North Yemen, our FY 1987 request consists of $26 million in development assistance, $5 million in PL 480, $3 million in concessional rate FMS, $5 million in MAP, and $1.55 million in IMET.

Economic assistance programs are in agriculture, education, and health. Some funds continue to be used for earthquake reconstruction in the aftermath of the 1982 disaster that left up to 400,000 Yemenis homeless. Yemen will use MAP funds to maintain U.S.-origin equipment and to support training for its armed forces. Because worldwide MAP funds are not sufficient to meet all support and training needs for U.S.-origin equipment, we are also offering

concessional FMS to Yemen for the first time in FY 1987. We believe Treasury Rate FMS would place an unacceptable debt burden on the Y.A.R. The IMET program finances training in the United States and an effective English-language program in Yemen. Overall our security assistance program fosters closer cooperation between our two military establishments, creates the skills needed for operation and maintenance of U.S. equipment, and maintains an alternative to total dependence on Soviet military equipment.

Morocco

U.S. relations with Morocco are based on a long record of cooperation and mutual respect. We value our strategic relationship with Morocco, which remains critical and has not been diminished by the Treaty of Union between Morocco and Libya. Despite our opposition to this union, the economic, political, and military rationales for U.S. assistance programs have not changed. Cooperation between the United States and Morocco continues to be of mutual benefit. In fact U.S. forces held more joint maneuvers with Morocco in 1985 than with any other nonallied state. These military cooperation arrangements are of key importance for U.S. forces in Europe and the Mediterranean and provide logistical support for central command contingencies, including access to the Persian Gulf and Africa. Our total FY 1987 request for Morocco is $154 million. If duplicate facilities were available elsewhere and with similar strategic importance, the cost would be far in excess of our assistance program.

Our request for military assistance consists of $10 million in concessional FMS, $60 million in MAP, and $1.85 million in IMET. This funding level will not allow for any new systems and is less than that required for support of U.S.-origin equipment already purchased.

Morocco faces particularly severe economic problems because of declines in the world price of phosphate, its major export, and reductions in worker remittances. Though it is dependent on imported energy, lower oil prices will probably have a net negative effect for that country as remittances and Arab aid are likely to decline with the price of oil. Chronic unemployment and underemployment, along with rapid population growth, further burden the economy.

Our assistance to Morocco is coordinated with a major IBRD/IMF [International Bank for Reconstruction and Development/International Monetary Fund] restructuring program to increase free market incentives in the economy. Our FY 1987 request for economic assistance includes $18 million in development assistance, $44.2 million in PL 480 food aid, and $20 million in ESF. Development assistance will fund ongoing projects in agriculture, population, energy, and technical training—all of critical importance to Morocco as it undertakes economic adjustments under IMF guidance. In response to Morocco's balance-of-payments problems, ESF will finance private sector development and export population programs to boost critical foreign exchange reserves that now allow for less than 1 month of imports.

Algeria

Algeria is a recognized leader in Arab and Third World affairs. Algeria's military capacity to counterbalance Libya works in our interest. We have an important commercial relationship with Algeria where U.S. firms have built modern gas liquefication facilities to exploit the world's fourth largest natural gas reserves.

Our only assistance to Algeria is IMET, for which we are requesting $150,000 in FY 1987. This program promotes contact between U.S. and Algerian military officers and clarifies our legitimate interests in North Africa to key members of the Algerian military. Through IMET we can more readily identify common goals in the region. As an outgrowth of its struggle for independence, the military remains an important institution of the Algerian Republic.

Tunisia

Tunisia remains a long-time friend and an Arab moderate that looks to the United States both for security assistance in meeting Libyan threats to its security and for continued support for Tunisian economic development. Since the 1980 Libyan-backed insurrection at the Gafsa military garrison in Tunisia, we have engaged in a program to help modernize the Tunisian military capabilities to provide limited deterrent to potential Libyan aggression. Libyan threats in September 1985 and most recently March 1986 to use military force against Tunisia indicate that Tunisia's security needs have not diminished.

Tunisia has requested new and replacement military equipment in the face of Libyan threats. Our FY 1987 request includes $27 million in concessional rate FMS, $40 million in MAP, and $1.8 million in IMET. FMS and MAP will fund equipment purchases as well as maintenance and support for existing inventories in air defense and other contingencies. The IMET program provides training in the use of U.S. equipment.

The expulsion of over 30,000 Tunisian workers from Libya last year, drought, lower prices for Tunisian petroleum, and lower demand for phosphates and other Tunisian exports create economic imbalances felt by all Tunisians. Presistently high unemployment rates show no indication of decline in the next several years.

On the economic side, we are requesting $20 million in ESF and $5 million in PL 480. This assistance will fund programs for private sector development, agriculture, and population. We are making special attempts to foster higher productivity in agriculture through technology transfer as Tunisia this year may be forced to import up to $100 million of additional food because of crop losses due to severe drought. Our PL 480 program will alleviate this difficult situation by providing food with minimal adverse effect on Tunisia's balance of payments.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

FY 1987 Assistance Requests for South Asia

by Robert A. Peck

Statement before the Subcommittee on Foreign Operations of the House Appropriations Committee on March 12, 1986. Mr. Peck is Deputy Assistant Secretary for Near Eastern and South Asian Affairs.[1]

I appreciate this opportunity to testify before the subcommittee on the Administration's proposed foreign assistance program for South Asia in FY 1987. I will do my best to address your concerns and to answer any questions you may have. I propose to begin my statement by presenting the levels that we are requesting, then to explain how the amounts, mix, and design of our proposed programs serve U.S. interests and objectives in South Asia.

Program Levels

The table [p. 83] details the Administration's FY 1987 appropriations request for South Asia. The levels of the previous 2 years are included for purposes of comparison. Let me attempt to put these figures in perspective. The request of $1.045 billion for the nations of South Asia represents about 6.4% of the Administration's total worldwide FY 1987 budget request, down slightly from the South Asia region's 6.7% share in FY 1986 postsequester totals.

Taking account of all countries except Pakistan, which I will discuss separately below, we are proposing a total budget allocation of $379.3 million, or a 4.1% decrease from the FY 1986 levels. This decrease reflects worldwide cuts in our economic assistance; the bulk of this moderate decrease is in PL 480 food and commodity aid and/or development assistance for Bangladesh, Sri Lanka, and India. Of the projected South Asia total, again excluding Pakistan, $181.4 million is earmarked for development assistance, $181.8 million for PL 480 food and commodity aid, and $1.14 million for international military education and training (IMET). An additional $15 million of economic support fund (ESF) assistance is earmarked for humanitarian assistance to war-impacted Afghans.

The Pakistan program involves certain special considerations which I will cover in some detail later in this testimony. For Pakistan we are requesting $340 million in FMS credits and $325 million in a mix of economic assistance programs. These totals, which reflect a 6.5% increase over the FY 1986 estimates, are in accordance with the multiyear Pakistan assistance program agreed to with the Pakistan Government in 1981 and involving, as you will recall, close consultation with Congress. We are also requesting $1.4 million in IMET assistance, compared to $885,000 in FY 1986.

It is relevant to ask what impact our proposed economic assistance will have on the debt service burden of the recipient nations. This burden remains at manageable levels throughout South Asia, although the trend is rising in the case of several countries, notably Bangladesh where the debt service ratio is estimated at 21.5%. Debt service, as a percent of goods and services plus remittances from expatriate workers, is under 20% in all of the other countries. Recognizing this concern, our economic aid throughout South Asia contains a large grant element; in the two poorest countries of the region—Bangladesh and Nepal—our assistance is entirely on a grant basis. Thus, in those two countries, and more generally, our aid provides an important boost to the development process without adding dangerously to future repayment difficulties.

U.S. Interests and Objectives

Our interests in South Asia reflect the importance of the region both because of its size, military, economic, technological, and diplomatic strength and because of its location.

Together its countries account for about 1 billion people, or more than 20% of the global total. Military forces there include India's as the 4th and Pakistan's as the 12th largest in the world. South Asia has the largest pool of scientific and technological manpower outside North America, Western Europe, and the Soviet Union and has been a source of such manpower for other nations of neighboring countries, notably the gulf. Its nations are consistent leaders in multilateral organizations, and it has been long a seedbed and a success story for the modern tools and techniques of economic and social development. South Asia has some of the world's poorest nations as well as some of the most remarkably developing.

The area, moreover, is strategically located close to the energy resources of Southwest Asia and the gulf and immediately south of both China and the Soviet Union. It is the dominant geographic feature in the Indian Ocean region and, in India, has the largest naval force in the Indian Ocean/Arabian Sea area. Our objectives in this region include:

- Deterring Soviet expansionism;
- Supporting economic growth and development;
- Preventing nuclear proliferation;
- Supporting the development and strengthening of democratic institutions;
- Reducing production, transit, and export of narcotics;
- Encouraging independence and noninterference while promoting peaceful resolution of regional differences and expansion of regional cooperation; and
- Expanding mutually beneficial economic and commercial ties.

Pursuit of these goals requires that we seek relations of trust and confidence with all nations of the region. Our interests are best served by stable and independent South Asian nations, growing stronger in a peaceful environment and capable of deterring interference from outside the region. Our role is to support South Asia's own security and developmental efforts. We seek ***no*** military bases in the region. We do not want to expand relations with one of the nations in the region at the expense of others. We have no desire to upset the security balances now existing among states in the region.

How Programs Serve U.S. Interests and Objectives

Our South Asia assistance programs reflect the differing economic and strategic conditions in the region. Programs are designed to meet the unique circumstance and opportunity in each country within ever tightening budget constraints. While emphases vary, each, we

believe, fulfills key U.S. objectives in the region and on a bilateral basis. Security forms the main thrust of the Pakistan program, for example, in light of the Soviet threat in neighboring Afghanistan.

The program in India has evolved over the years into a joint effort which builds on an impressive institutional and technological infrastructure. In every South Asian country with a U.S. program, development assistance forms a sizeable if not decisive portion of our aid. Particularly in Bangladesh, Sri Lanka, and Nepal, U.S. assistance is aimed at ensuring an adequate food supply and furthering basic humanitarian and developmental objectives.

In all of the larger countries, IMET programs help to construct durable ties between the U.S. armed services and their South Asian counterparts while our IMET program in the Maldives provides a tangible and mutually beneficial linkage between our two nations. It has been our experience over more than 30 years of involvement in South Asian development that U.S. assistance programs are an important element of our bilateral relationships, serving key U.S. regional interests while fulfilling important economic and security needs of South Asian nations.

Before I begin my country-by-country review of our programs, I would like to make special note of an important regional development since I last appeared before this committee. This is the formal establishment last December of the South Asian Association of Regional Cooperation (SAARC). We see this new organization as a natural outgrowth of the traditionally interwoven ties of the nations of this region as well as a reflection of the shared interests of the governments and peoples of South Asia in peace, stability, and cooperation for economic and social development. The United States seeks to be a constructive partner in promoting these interests and stands ready to support, as appropriate, the activities of this new organization.

Let me now begin a brief country-by-country review of U.S. assistance programs in light of our basic interests and objectives.

Pakistan

As I noted earlier, the Pakistan program involves a number of special considerations. Let me now review those considerations in some detail.

Our goal of a securely independent and prosperous Pakistan serves both our own interests and the interests of all South Asia. This is even more the case now that Pakistan has restored constitutional government. Well before this welcome development, we had concluded that Pakistan faced unique circumstances which had significant implications for U.S. regional and global interests; in 1981 the Administration, with the advice and counsel of the Congress, committed itself to seeking a $3.2 billion 6-year economic and 5-year military assistance program, split evenly between economic and military assistance. That program, which will enter its final year in FY 1987, has been notably successful in meeting its multiyear objectives. With the support of the Congress, we have carried out our current economic and security assistance program at near full funding, except for cuts mandated by Gramm-Rudman-Hollings in FY 1986. We hope to continue this achievement in FY 1987. We are now discussing a follow-on multiyear program with the Pakistani Government.

The pressures facing Pakistan in 1981 which warranted the initiation of a major U.S. assistance program have not abated. In fact during 1985, these pressures increased perceptibly. Soviet efforts at intimidation were stepped up; cross-border subversion and attacks from Afghanistan into Pakistan left several hundred civilians inside Pakistan dead or wounded. Harsh Soviet threats aimed at undermining Pakistan's sense of security continued throughout the year as well. Confident of our support, Pakistan has remained steadfast despite these threats, refusing to recognize the Soviet-controlled regime in Kabul or to acquiesce in the continuing Soviet efforts to subjugate the Afghan people.

Soviet pressure on Pakistan has increased as a consequence of Soviet frustration over its continued inability to secure the conquest of Afghanistan. Despite heightened Soviet efforts, the situation at the end of 1985 finds the Soviets no closer to defeating the Afghan resistance than they were in 1980.

Both the United States and Pakistan remain committed to seeking a negotiated settlement for Afghanistan. Our support for the UN-sponsored negotiations is on record, as is our consistently stated willingness to serve as a guarantor of a comprehensive and balanced agreement which provides for the prompt withdrawal of Soviet troops. It should also encompass the other elements in the seven resolutions which the UN General Assembly has strongly supported by overwhelming majorities each year since the December 1979 invasion.

Despite recent statements, the Soviets give no sign of a real desire for a settlement. To date ***no*** withdrawal timetable has been tabled in the context of the UN negotiations, and we are unaware of any new Soviet thinking on this score.

The extraordinary generosity and sense of humanitarian responsibility with which the Pakistani Government and people have shouldered the ever-increasing burden of millions of Afghan refugees deserves special note. The United States through the UN High Commissioner for Refugees (UNHCR) and the World Food Program helps alleviate the serious drain on Pakistani resources of providing for refugee needs. We are pleased that the Congress has given strong support to this program.

In view of the situation Pakistan faces, we must continue to address Pakistan's urgent need for modernization of its defense forces. Our program will enable Pakistan to continue its steady opposition to Soviet aggression in Afghanistan, retain its leadership role in the international community on the Afghan issue, and continue to host more than 2.5 million Afghan refugees while pursuing essential economic development programs. Our proposed economic assistance package will work directly toward assisting Pakistan's long-term development efforts in the important fields of health, population, energy, and agriculture as well and will provide short-term balance-of-payments support.

Equally important our assistance helps to provide the self-confidence necessary for Pakistan to play its part in bringing about the better relationship between India and Pakistan both countries seek. We strongly endorse their

steps toward an improved relationship because it is essential to South Asian peace and stability and in particular for avoiding a nuclear arms race in South Asia. With lessened suspicion between India and Pakistan, a major incentive diminishes for the development of nuclear weapons.

The Pakistani economy has shown mixed results during the past year. Bumper agricultural harvests have contributed to a return to substantial real domestic economic growth rates and have alleviated somewhat the pressures on Pakistan's balance of payments. Uncertainties about continuing workers' remittances, depressed international commodity prices, and a mounting debt burden, however, have kept Pakistan's foreign payments outlook clouded. We continue to urge economic policy reforms, particularly greater mobilization of domestic resources, which will improve Pakistan's longer term balance-of-payments outlook and lay the foundation for sustained high rates of economic growth.

We are hopeful and heartened by Pakistan's return to elected, constitutional government. We believe that the assurance of our continued economic and security assistance over a period of years helps create the domestic conditions necessary for continued political evolution and stability. This is one reason why a multiyear follow-on program is crucial. It helps ensure that despite Soviet subversion and cross-border threats, democracy will flourish in Pakistan, and durable political institutions will develop.

An important U.S. concern also served by our economic assistance is narcotics control. Over one-half of all heroin on the U.S. market is South and Southwest Asian in origin. While Pakistani opium-growing acreage has been reduced, significant amounts of heroin are produced in and transit through Pakistan. We have a well-established program in Pakistan to help eradicate opium production and shut down heroin labs, but the task is far from complete. Our FY 1987 narcotics program combined economic assistance funding for integrated rural development, along with U.S.-Pakistani law enforcement cooperation and funding for agricultural outreach programs to opium-growing regions. It is an extensive undertaking, but the challenge of drug abuse in our country warrants a program of this magnitude.

As we mentioned above, another critical U.S. interest served by our assistance program is nonproliferation. While President Zia and Prime Minister Junejo have publicly made assurances regarding the peaceful nature of the Pakistani nuclear program, we have continued to convey to the Pakistan Government on numerous occasions and at the highest levels our concerns about unsafeguarded nuclear facilities in that country. We are confident that our message that Pakistani nuclear restraint is essential to our ability to provide security assistance has been clearly understood. As the President certified to the Congress last Fall, we do not believe that Pakistan possesses a nuclear device. We are convinced, as well, that our program of security assistance has

U.S. Assistance Levels (Millions U.S.$)

	FY 1985 (Actual)	FY 1986 (Est.)	FY 1987 (Req.)
Afghan Humanitarian			
ESF	——	14.355	15.0
Bangladesh			
Development Assistance	85.070	75.0	75.0
PL 480, Title I/III	94.5	70.0	64.0
PL 480, Title II*	18.968	16.799	16.323
IMET	0.336	0.263	0.370
Total	198.874	162.062	155.693
India			
Development Assistance	85.0	75.0	72.0
PL 480, Title II*	93.54	80.377	80.459
IMET	0.282	0.311	0.400
Total	178.822	155.688	152.859
Nepal			
Development Assistance	17.6	14.400	14.400
IMET	0.125	0.096	0.125
Total	17.725	14.496	14.525
Pakistan			
ESF	200.0	239.25	250.0
Development Assistance	50.0	24.0	25.0
PL 480, Title I	59.0	50.0	50.0
FMS	325.0	311.025	340.0
IMET	0.970	0.885	1.4
Total	634.970	625.160	666.4
Sri Lanka			
Development Assistance	34.662	20.0	20.0
PL 480, Title I	26.0	26.0	19.0
PL 480, Title II*	3.855	2.746	2.029
IMET	0.148	0.144	0.185
Total	64.665	48.890	41.214
Maldives			
PL 480, Title I	1.5	——	——
IMET	0.022	0.024	0.055
Total	1.522	0.024	0.055
Grand Total	**1096.578**	**1020.675**	**1045.746**

*These figures do not include PL 480, Title II, food assistance provided through the World Food Program for Bangladesh, Bhutan, India, Nepal, Pakistan, and Sri Lanka, nor $7 million in ESF mixed credits to be extended to India in FY 1986.

contributed and will continue to contribute significantly to reducing the risk that it will.

While we will continue to do all we can to restrain the Pakistani program, and our ability to provide security assistance is essential in this regard, we also recognize that the nuclear issue in South Asia is regional in nature. India, which exploded what it called a peaceful nuclear device in 1974, operates a significant number of unsafeguarded nuclear facilities. Deep-seated mutual distrust characterizes the relationship between India and Pakistan. Accordingly the best prospect for a lasting solution to the South Asia nuclear issue lies in a dialogue between India and Pakistan that leads to significant nonproliferation steps by both and in an overall reduction of Indo-Pakistani tensions. Last December 17, President Zia and Prime Minister Gandhi agreed in principle to a mutual pledge not to attack each other's nuclear facilities. This agreement is a welcome first step that we urge both sides to follow up with additional measures. President Zia has stated that his government is prepared to undertake, jointly with India, accession to the Nuclear Nonproliferation Treaty or acceptance of full-scope International Atomic Energy Agency (IAEA) safeguards, mutual inspection of each other's nuclear facilities, a joint declaration renouncing acquisition or development of nuclear weapons, or establishment of a nuclear-weapons-free zone. He has also stated that he is ready to discuss any proposals the Government of India might tender. Pakistani (as well as Indian) restraint in the nuclear area, and Pakistani confidence in the security assistance relationship with the United States, are essential elements in creating a context conducive for a nuclear dialogue that leads to major concrete nonproliferation steps.

Afghanistan Cross Border Assistance

The cross border humanitarian assistance program administered by the Agency for International Development (AID) assists war-affected Afghan civilians living inside Afghanistan to meet urgent health and other needs while encouraging them to remain in Afghanistan, thereby strengthening the popular base of the resistance. This program will also increase the likelihood that refugees now living in Pakistan will eventually return home. To underwrite the delivery of health and educational services, promote agricultural production (including livestock management and veterinary services), and commodity support, AID intends to provide $14.355 million of ESF earmarked for this purpose by Congress in the FY 1986 Foreign Assistance Act, and the Administration is requesting $15 million for FY 1987. The Office of the AID Representative for Afghanistan Affairs in the U.S. Embassy in Islamabad is overseeing the preparation of detailed plans for implementation projects in these priority areas; program implementation begins in the spring. Such projects will not supplant our continuing support for many projects run by private voluntary organizations; the exact means of administering these programs remains to be worked out, although our intention is to work closely with the Afghan resistance alliance.

India

India is the dominant regional power in South Asia and plays a pivotal role in regional peace and stability. Over the years, our relationship has evolved from one in which bilateral economic assistance played a major role to one which places greater emphasis on joint collaboration between our two open, democratic societies. That collaboration is epitomized by the Indo-U.S. Joint Commission, which met last month when the Foreign Minister visited Washington, and by the subcommissions on economic and commercial relations, agriculture, science and technology, and education and culture.

Our AID program in India is now small in comparison to India's total development needs and focuses on areas which both we and the Government of India consider crucial: agriculture, including irrigation and forestry; health and family planning; alternative energy resources; and private sector development. The major target of the program is the estimated 300 million Indians, or 40% of the population which falls below that country's poverty line. Most of these are rural poor. In seeking to reduce this grinding poverty, the AID program emphasizes application of relevant science and technology to key development problems in such areas as agricultural research and vaccine development.

In this respect, the AID program mirrors the broader Indo-U.S. relationship, where high technology has become a key element of both scientific collaboration and trade. Traditionally strong ties between our scientific communities have been enhanced through the science and technology initiative, begun in 1982 and extended during Prime Minister Rajiv Gandhi's visit to Washington last June. The purpose of this initiative, which is supported in part by AID, is to concentrate on a few areas of research of great potential benefit to both countries. Indo-U.S. trade in high technology items has been stimulated by negotiation of a memorandum of understanding to protect that technology. This should help preserve our position as India's leading partner in both trade and business collaborations. AID will play an important role through its commitment to provide a $7 million ESF grant to help meet European concessional financing terms in a stiff competition for a contract to manufacture small main-frame computers in India. An American firm won the contract, which should result in $500 million in direct sales and a potential of even more indirect sales.

India has undertaken an ambitious economic liberalization program which seeks to begin the arduous task of dismantling the stifling mass of regulations which constrain the potential dynamism of the Indian economy. We have little direct role in this process but have authorized one $11 million grant to finance subprojects for Indo-U.S. industrial research and development designed to help modernize India's private sector so it can respond more effectively to liberalization measures. We applaud the intent of liberalization and are both encouraging American companies to look again at this stable democratic country and seeking additional ways of encouraging the private sector through our development assistance program.

Bangladesh

Our assistance serves a twofold economic purpose in Bangladesh: to insure that in this nation of 100 million, basic human needs are met, especially the provision of an adequate food supply, and to help establish conditions which would provide for sustainable economic growth. We concurrently seek to encourage long-term political stability under representative institutions.

Given Bangladesh's extremely low per capita income and enormous needs, our assistance is entirely grant. Our strategy is aimed at reducing fertility, increasing agricultural production, and generating rural employment. This basic strategy is accompanied by an active policy dialogue in concert with other donors. Particular emphasis has been placed on strengthening the role of markets and increasing the private sector participation in the economy. The broad impact of AID's programs in Bangladesh can be measured best by these important policy changes.

We have been encouraged that Bangladesh has taken important steps to increase the role of private enterprise in the economy. An excellent example of this is the rapidly growing garment industry, which barely existed 5 years ago. Entirely in the hands of the private sector, the garment industry has become a key source of foreign exchange for Bangladesh and has introduced more than 100,000 new workers, mostly women, into the labor force. The agricultural sector has also surged ahead in this atmosphere of economic liberalization; last year's foodgrain harvest was easily the highest on record, despite widespread drought and flooding.

Bangladesh continues its helpful moderating role in foreign policy. Its voting record in the United Nations is among the most supportive of the United States of Islamic countries; we also value Bangladesh's constructive approach in the Nonaligned Movement and the Organization of the Islamic Conference. Bangladesh has similarly been active in promoting better relations among the nations of the subcontinent. This past fall, President Ershad hosted the first summit meeting of the South Asian Association of Regional Cooperation. The original impetus for the SAARC came from former President Zia in 1978 and was energetically followed up by President Ershad.

We welcome the recent announcement by the Bangladesh Government that parliamentary elections will be held on April 26. It is at this moment uncertain whether the government and opposition parties will be able to agree on a formula which would enable the latter to participate. It is our strong desire that the political process in Bangladesh be as broad-based as possible and that elections reflect the popular will. We know that establishing a durable democratic tradition has not been easy in Bangladesh; we wish the nation well in its current efforts.

The United States can play a useful role in helping Bangladesh pursue its twin goals of economic and political development; we know that in the long run one is not possible without the other. Our assistance program is our chief tool in this process, and it deserves your continued support.

Sri Lanka

We have a long and close relationship with democratic Sri Lanka, a tie which has been strengthened since 1977 by our support for that nation's ambitious program of economic liberalization.

Our program of development assistance to Sri Lanka is reduced this year because of cuts in the global AID budget and the gradual completion of the most significant development project in the country—the harnessing of the Mahaweli River for power and irrigation. Our program will now address other pressing development needs in Sri Lanka—such areas as irrigation systems management, agricultural planning, and rural enterprise development.

We have watched with concern as severe communal problems have increasingly threatened the social and political fabric of Sri Lanka. Militant elements from the minority Tamil community have, in the past year, broadened their attacks on security forces to include Sinhalese and Tamil civilians. The response of the security forces, while fully justified in principle, has frequently entailed excessive loss of life among Tamil civilians. A negotiated solution to the insurgency is essential if peace is to be restored in the country. We do not believe a purely military solution is possible. We support the unity and integrity of Sri Lanka and oppose establishment of a separate Tamil state.

Efforts at a negotiated solution over the past year have had several ups and downs, with India playing an important facilitative role. Unfortunately violence has continued. While it has been confined primarily to the north and east and everyday life is normal elsewhere, the communal conflict has had an adverse effect on the economy. Increasing defense spending has intensified the government's budget deficit. The uncertainties inherent in the conflict have harmed the tourist industry and have discouraged foreign investment.

Although not directly relevant to the armed struggle being waged by Tamil separatists, a related development in Sri Lanka is worthy of note. In January of this year, the government announced its intention to grant citizenship to all remaining stateless persons in Sri Lanka. Since those persons are overwhelmingly Tamil, the descendants of south Indians brought to Sri Lanka by the British to work on the tea plantations, the government's decision in this matter reflects a desire to work with all elements of the society in solving Sri Lanka's problems.

Nepal

Although the United States has no vital economic or political interests there, Nepal's location between India and China makes the maintenance of its domestic stability a matter of particular importance in a regional context. Nepal is also one of the poorest countries in the world. Our economic assistance to Nepal is entirely on a grant basis and is essentially humanitarian in nature. Thus the primary objective of U.S. assistance is to contribute to Nepal's continued stability, and thereby regional stability, through the promotion of economic and political development and through programs designed to improve the quality of life for the Nepalese people.

Nepal is a constitutional monarchy in which the King, the National Parliament, a vigorous press, and an increasingly active and informed electorate play important roles. National elections scheduled for May will be a key indicator of whether the process of constitutional reform and limited democratization begun in 1980 remains a viable and vital force.

The Nepalese Government has also recently enacted a series of important economic reforms and is working closely with the United States and other aid donors to revitalize and prioritize economic development in Nepal. Nepal faces severe difficulties related to poverty, overpopulation, and environmental degradation. U.S. assistance to Nepal focuses on these problems with programs for resource conservation, health and family planning, rural development, and the rehabilitation of irrigation resources.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.■

FY 1987 Assistance Requests for Latin America and the Caribbean

by Elliott Abrams

Statement before the Subcommittee on Foreign Operations of the House Appropriations Committee on March 18, 1986. Mr. Abrams is Assistant Secretary for Inter-American Affairs.[1]

Our relationships with our neighbors in Central and South America and in the Caribbean demonstrate that foreign assistance directly enhances U.S. national interests. For the hemisphere as a whole, the success of economic cooperation obviates the need for greater security assistance: our request for economic assistance is nearly five times the request for military assistance.

For FY 1987 we are requesting $2.020 billion for economic and military assistance for the Western Hemisphere. Economic assistance—consisting of economic support funds (ESF), development assistance (DA), and food aid—totals $1.664 billion. The military request consists of $357 million for loans and grants—military assistance program (MAP), foreign military sales (FMS), and international military education and training (IMET) program.

These levels of assistance are necessary even at this time of budget stringency in the United States. The needs the programs we are proposing are designed to meet involve important domestic concerns and constituencies. At the same time, much of the assistance we are requesting contributes either directly or indirectly to our long-term national security. Finally, the resources we have requested are at the minimum levels at which it is possible to protect our interests even under the favorable circumstances that have developed in recent years.

The most favorable of the circumstances improving the effectiveness of our assistance is that there has been a fundamental change in the types of governments now heading the countries in Latin America and the Caribbean. The movement toward democracy, in terms of the number of countries involved and the pace with which the change has occurred, is unprecedented.

One result is that our policy of economic, political, and military support to prodemocratic forces meshes with the expanding movement toward democracy. Progress toward democracy means that we can work with governments that are in touch with the needs and aspirations of their people; with governments that must, and have begun to, think and plan for long-term economic improvement. Democratic development, and the rejection of the extremes of right and left, is contributing to strengthening peace and improving living standards for all.

A second result is that we are witnessing in several countries a slow but steady move away from misplaced trust in statist solutions to economic growth and toward more open systems that rely on private investment and market-oriented policies.

While the Administration and the Congress may occasionally differ on the means, I think we are in broad agreement on what we want to accomplish in Latin America. Our goals in Latin America and the Caribbean are bipartisan. We all want to further democracy, establish the groundwork for renewed prosperity, and defeat antidemocratic insurgents and narcotics traffickers.

The Ongoing Challenges

Although many trends in the region indicate progress, there is an ongoing need for assistance. We must continue to work together if we are to play a meaningful role in helping democratic governments to meet and overcome the obstacles to political and economic development.

In addition to the traditional social inequities and powerful vested interests which hinder progress, we now see newer scourges from narcotics and terrorism. Narcotics traffickers have the resources and influence to undercut the stability and integrity of these governments. Terrorists, often in league with narcotics traffickers, prey on the poverty of the region with promises that their Marxist ideologies have never been able to deliver. And if these problems were not enough to undermine the social and economic fabric of those countries, large external debts and low commodity prices have exacerbated the forces abetting disintegration.

The process of deepening the roots of democracy will take time. The basic underlying institutions common to democratic nations—independent court systems, viable political party structures, police and military forces subject to nonpartisan civilian control, for example—will have to be strengthened, even as we deal with the other challenges that I have just mentioned.

Finally, the trend toward democracy is in itself a challenge. For if our neighbors, with our help, cannot successfully overcome their economic and social problems under democratic leadership, this period of democratic resurgence could ultimately prove short lived. And that would have devastating consequences for U.S. interests.

Let me now turn to the subregions of Latin America and the Caribbean to describe for you recent developments there and what our proposals for FY 1987 are and mean.

Central America

In Central America, we are carrying out the recommendations of the National Bipartisan Commission on Central America, which the Congress confirmed last year when it added a new Chapter 6 of Part I of the Foreign Assistance Act of 1961. In this act it is stated that "the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States."

We have made significant progress toward those goals in Central America. In El Salvador, democracy has continued to be consolidated under President Duarte. In Guatemala, an elected civilian president has taken power for the first time in 20 years. In Honduras, democratic presidential elections resulted in the first transfer of power from one elected civilian politician to another in 60 years. In Costa Rica, honest, fair elections earlier this year continued a long tradition. At the same time, as political developments take a positive course, the serious economic problems stemming from world economic conditions, the need for further institutional development, and Nicaraguan subversion and aggression are being met. The economies of the democratic republics are turning upward. Most importantly, sound adjustment measures are being taken to establish the basis for self-sustaining growth.

The situation in Nicaragua is in sharp contrast to that of the Central American democracies. There have been no free and fair elections there under the Sandinistas. A group of Marxist-Leninists is imposing communist rule on an increasingly repressed population. Economic decline has followed mismanagement and loss of public confidence. The government has fallen behind in payments to most international financial institutions. Its arrears to the World Bank go back more than 2 years. Similar repayment problems exist with other creditors, some of whom are its immediate Central American neighbors. On the other hand, the other democratic countries of Central America have generally improved their economic performance, although serious problems remain. Our assistance has been an important factor in this improved policy framework and will be necessary to ensure continued progress.

In **El Salvador** our economic and military assistance has played a major role in fostering our objectives. At the beginning of this decade, El Salvador appeared enmeshed in a never-ending war between leftwing, externally supported guerrillas and rightwing death squads. While our military assistance helped the Salvadoran Government combat the insurgents, our economic assistance supported the reform programs of the elected government of President Jose Napoleon Duarte. With this support, President Duarte demonstrated that electoral democracy and political dialogue formed a practical basis for attacking El Salvador's political, economic, social, and security problems. As President Duarte has consolidated his government, the prospects for greater respect for human rights and for a better quality of life for the Salvadoran people have improved.

We are particularly encouraged by President Duarte's new economic stabilization program, which should bring about an acceleration in economic recovery. Our proposed ESF program for FY 1987, totaling $240 million, is designed to support President Duarte's efforts. Our military assistance—which at $135 million MAP and $1.6 million IMET is by far the largest in Latin America—will be used for training, equipment, ammunition, and spare parts to sustain the effort against Marxist guerrillas. Procurement of major equipment will be aimed largely at offsetting attrition, and emphasis will be on improving mobility and small unit operations and developing counterterrorism capabilities.

Guatemala is another country where the winds of change have blown strongly in the last 2 years. Once categorized as the country with the "least chance of democratic development," since early 1984 Guatemala has surprised many of its critics with its strong movement toward representative government. Honest and open Constituent Assembly elections in July 1984 were followed in October and December 1985 by nationwide elections for president, vice president, Congress, and local offices, offering a broad spectrum of choice to the Guatemalan people. This is a uniquely Guatemalan achievement—all the credit belongs to the Guatemalan people. Our assistance in the coming years will help ensure the consolidation of democratic, civilian government. That is why we believe it is important to support the new government of President Vinicio Cerezo.

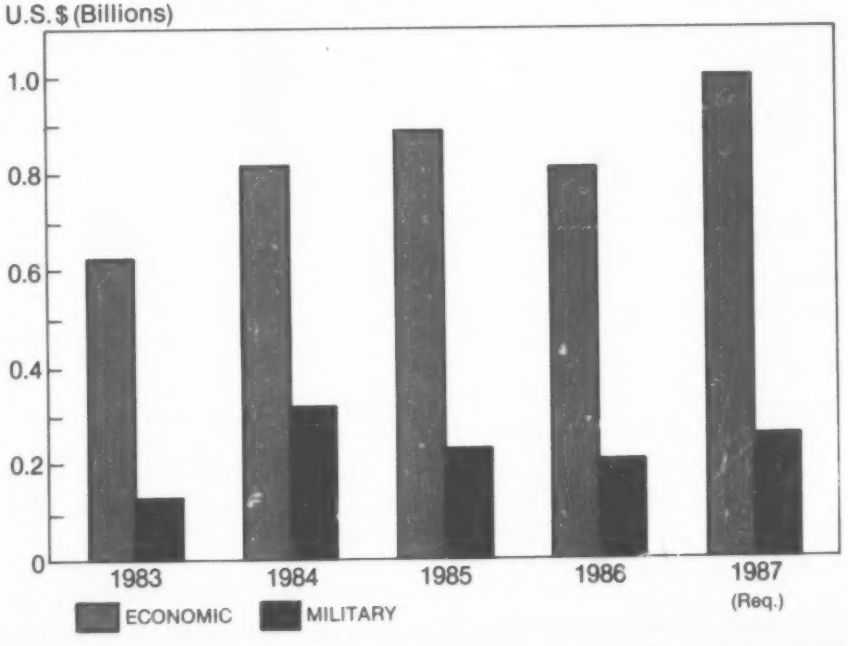
Economic assistance is of primary importance, but military assistance will also have a crucial role to play. By helping to control the continuing guerrilla insurgency in that land, our military aid will provide President Cerezo with some breathing room to confront the social and economic problems of his country. Our aid request for Guatemala consists of $10.5 million in military assistance and $134 million in economic assistance, of which $70 million is in ESF, $40 million is in development assistance, and the remainder is in PL 480 food aid. The economic assistance will help the new government achieve its goals of economic stabilization and equitable growth.

As in Guatemala, elections in **Honduras** last October and the democratic succession of one elected president by another there this past January attest to the continuing trend toward democratization in the region. While the transition from authoritarian rule to elected civilian government is one of the first steps toward democracy, the peaceful transfer of power from one government to the next is also an important sign that democratic institutions are developing. This is the message that con.es from Honduras.

We are now engaged in comprehensive economic policy discussions with the newly inaugurated government, with the objective of defining a policy mix which will reinforce the already positive trends in the Honduran economy. At the same time, Honduran concern at the Cuban- and Soviet-supported military buildup in Nicaragua has led to U.S. assistance in the modernization and modest expansion of the Honduran

U.S. Bilateral Assistance

TO CENTRAL AMERICA: 1983—1987



Latin America and the Caribbean:
FY 1987 Foreign Assistance Request

($ millions)

	Economic Assistance				*Military Assistance*			
	ESF	DA	PL 480	TOTAL	MAP	FMS	I MET	TOTAL
Central America	**656.0**	**287.6**	**112.2**	**1055.8**	**246.05**	**4.0**	**4.500**	**254.550**
Belize	3.0	7.5	0.0	10.5	1.0	0.0	.100	1.100
Costa Rica	150.0	16.0	18.0	184.0	3.1	0.0	.250	3.350
El Salvador	240.0	85.0	52.7	377.7	134.65	0.0	1.600	136.250
Guatemala	70.0	40.0	23.7	133.7	10.0	0.0	.500	10.500
Honduras	90.0	51.0	17.8	158.8	87.5	0.0	1.300	88.800
Panama	28.0	18.1	0.0	46.1	9.8	4.0	.750	14.550
Regional Programs	75.0	70.0	0.0	145.0	NA*	NA	NA	NA
Andean	**72.0**	**51.8**	**46.6**	**170.4**	**44.0**	**15.0**	**3.000**	**62.000**
Bolivia	20.0	9.3	28.3	57.6	6.0	0.0	.400	6.400
Colombia	0.0	0.0	0.0	0.0	10.0	10.0	.950	20.950
Ecuador	15.0	22.5	0.5	38.0	8.0	0.0	.650	8.650
Peru	37.0	20.0	17.8	74.8	20.0	5.0	.850	25.850
Venezuela	0.0	0.0	0.0	0.0	0.0	0.0	.150	.150
Caribbean	**190.0**	**109.8**	**86.7**	**386.5**	**24.5**	**3.0**	**2.310**	**29.810**
The Bahamas	0.0	0.0	0.0	0.0	0.0	0.0	.060	.060
Dominican Republic	50.0	28.7	31.6	110.3	7.0	3.0	.850	10.850
Eastern Caribbean	35.0	35.8	0.0	70.8	9.0	0.0	.400	9.400
Guyana	0.0	0.0	0.0	0.0	0.0	0.0	.050	.050
Haiti	5.0	22.3	25.1	52.4	0.5	0.0	.600	1.100
Jamaica	100.0	23.0	30.0	153.0	8.0	0.0	.300	8.300
Suriname	0.0	0.0	0.0	0.0	0.0	0.0	.050	.050
Trinidad and Tobago	0.0	0.0	0.0	0.0	0.0	0.0	.050	.050
Other	**15.0**	**0.0**	**0.0**	**15.0**	**2.5**	**0.0**	**.800**	**3.330**
Argentina	0.0	0.0	0.0	0.0	0.0	0.0	.100	.100
Brazil	0.0	0.0	0.0	0.0	0.0	0.0	.100	.100
Chile	0.0	0.0	0.0	0.0	0.0	0.0	.100	.100
Mexico	0.0	0.0	0.0	0.0	0.0	0.0	.250	.250
Paraguay	0.0	0.0	0.0	0.0	0.0	0.0	.125	.125
Uruguay	15.0	0.0	0.0	15.0	2.5	0.0	.125	2.625
Latin America and Caribbean Regional Programs	12.0	24.1	0.0	36.1	NA	NA	NA	NA
Panama Canal American Schools	NA	NA	NA	NA	0.0	0.0	3.000	3.000
U.S. Army School of the Americas	NA	NA	NA	NA	0.0	0.0	4.000	4.000
TOTAL: Latin America and the Caribbean	**945.0**	**473.3**	**245.5**	**1663.8**	**317.05**	**22.0**	**17.610**	**356.660**

*NA = not applicable.

Armed Forces. Our aid request of $159 million economic asistance and $89 million military assistance will be used for these purposes.

In **Costa Rica,** our military assistance request of $3.4 million is part of a program designed to maintain equipment previously provided as we assist the security forces to develop a minimal capacity to counter terrorist activity. Our economic assistance will continue to support Costa Rica's stabilization and structural adjustment efforts already underway. We are requesting a total of $184 million in economic assistance for Costa Rica.

For **Panama**, our proposed military assistance of $14.5 million and economic assistance of $46 million, respectively, should be viewed in the framework of the Panama Canal Treaty agreements. The military assistance is to meet the need to prepare the Panama Defense Force in its future role of defending the canal, while the economic assistance will help meet the basic needs of the Panamanian population and contribute to political stability beneficial to the continuing security of the canal.

Only **Nicaragua** presents a blot on the otherwise promising horizon in Central America. While we were promoting democratic reform throughout Central America in recent years, the Sandinistas in Nicaragua were moving quickly—as they continue to do—to consolidate their one-party power. Even now we see the Sandinistas attempting, with Soviet and Cuban assistance, to undermine the neighboring governments in the name of their so-called revolutionary, but in reality totalitarian, principles. During 1985 the Sandinista objective of imposing a totalitarian state in Nicaragua became ever more clear through the intensification of repressive measures in that country. Just as our assistance to the democratic governments in Central America shields them from Nicaraguan subversion and export of revolution, our support of the armed democratic resistance in Nicaragua is designed to prevent the consolidation of Sandinista power that would crush forever freedom and the hopes of democracy for the people of Nicaragua.

South America

The Andean nations of Bolivia, Colombia, Ecuador, and Peru have serious economic problems, compounded by leftist insurgencies and narcotics trafficking. These democracies deserve our support as they struggle to deal with this situation in a responsible manner.

Bolivia's democratic government under President Paz has embarked on a courageous adjustment program designed to bring order to the economic chaos that has long plagued this mountainous nation. Bolivia realizes that sustained growth depends on tapping the energies of its people, not relying on government as the repository of economic wisdom. The result has been some progress toward economic stability, including a dramatic lowering of inflation from an annual rate of over 20,000% in August 1985 to an annual rate below 100% in February 1986.

The road to democratic consolidation and sustained economic growth will be long and difficult, but at least, after years of false starts, we see that Bolivia is on that road and the journey has begun. That is a measurable success for the policies we have been following in Bolivia. I would be remiss if I didn't also warn you that to travel that road we must sustain and increase our assistance. For FY 1987, our request for economic aid to Bolivia is $57.6 million, while the request for military aid is $6.4 million.

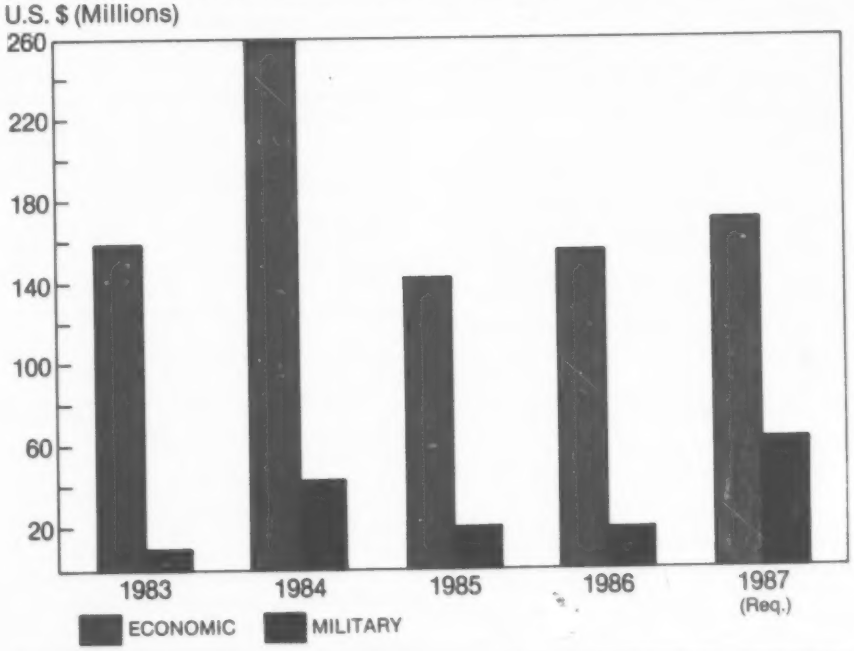
Colombia, one of the oldest democracies in the hemisphere, has long had governments that have conservatively managed a relatively diverse economy. While Colombia, through good management, has avoided the more serious economic crises experienced by some of its neighbors, narcotics trafficking and terrorism threaten to undermine years of slow but steady economic and political progress. Evidence of cooperation between traffickers and terrorists has added a new and ominous dimension to the problems facing the government. Drugs give the terrorists access to potentially unlimited resources, while the terrorists in turn help support the narcotics trade.

Our interests parallel Colombia's in meeting this dual security threat. Our policies are designed to increase the ability of Colombia's security forces to meet the challenges they face. To do the job, we will need a modest increase in the amount of our small security assistance program. In view of the close identification of U.S. and Colombian interests in strengthening local forces to combat narcotics traffickers, a portion of that program should be grant MAP funds.

In **Ecuador**, our assistance is being put to very good use in cooperation with the administration of President Febres-Cordero, a staunch friend who is dealing with growing insurgency and narcotics problems. We see eye-to-eye with

U.S. Bilateral Assistance

TO ANDEAN COUNTRIES: 1983—1987



Febres-Cordero on these twin scourges, and we are offering assistance appropriate to the need. Febres-Cordero is a pacesetter in Latin America in instituting measures to liberate the economy of the country from stifling state controls. Because Ecuador's government believes in the efficiency of the marketplace and the importance of the private sector, our assistance is also being employed to cushion the transition to an economy with a less intrusive public sector. In Ecuador we are on the right track, but we must sustain our assistance in order to make maximum efficient use of it.

The **Peru** of President Alan Garcia has used harsh rhetoric toward the United States in some areas of our relations. Nevertheless, Garcia is Peru's elected leader, one who on taking office last July inherited a large foreign debt, a ruthless terrorist threat, and a well-entrenched illicit narcotics industry. This, combined with extreme rural poverty, threatens Peru's stability. Our assistance policies are designed to help President Garcia in his commitment to stamp out narcotics trafficking and in his determination to end terrorism within the context of democracy and respect for human rights.

The pursuit of U.S. interests in Peru, however, will require greater cooperation and understanding from the Peruvian Government and a larger commitment of resources than we have budgeted for 1986. I am afraid that without both of these elements, our interests will not be satisfactorily addressed.

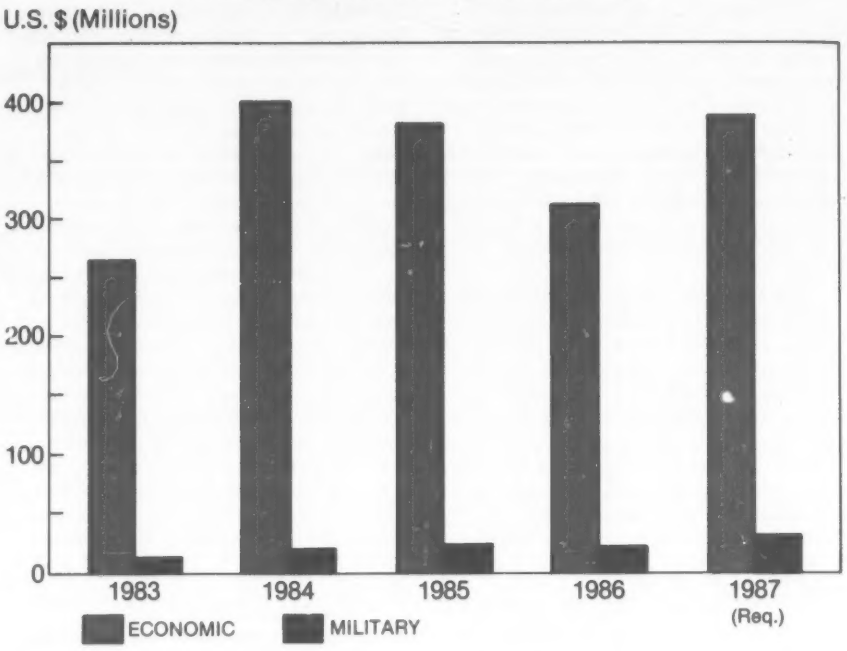
In **Uruguay**, another South American democracy, the year-old government of President Sanguinetti is consolidating that country's return to democratic rule and attempting to revive the economy after years of decline. The Administration shares Congress' desire to be helpful and is requesting $15 million in ESF to extend the assistance being provided this fiscal year. We are also requesting a small amount of military assistance ($2.5 million) to help the Uruguayan defense forces purchase some replacement equipment and parts.

The Caribbean Region

The enthusiastic greeting given to President Reagan in Grenada on February 20 demonstrates the attachment of our Caribbean neighbors to democracy and their identification with U.S. democratic ideals. There have been over 15 free, fair elections in the Caribbean in the past 6 years. We and these countries share a purpose and point of view that have created strong, close relations. In February we welcomed the change in Haiti from a president-for-life regime to a transition government which has pledged to restore elected government. U.S. support for the transitional Haitian Government will be necessary in order to help ensure that the promise of representative government is realized. Challenges still remain in promoting the necessary institutional development necessary to consolidate these favorable trends in the Caribbean. However, the countries there are making substantial progress.

U.S. Bilateral Assistance

TO CARIBBEAN COUNTRIES: 1983—1987



While we take note of a favorable political trend, the economic situation in the Caribbean remains critical, in large part because of adverse developments in markets for the region's principal exports. Jamaica has suffered from falling demand for bauxite. The Dominican Republic and other sugar producers have been sorely affected by sharply lower U.S. sugar quotas. Haiti, the poorest country in the hemisphere, is caught in a vicious cycle of poverty, hunger, overpopulation, and environmental degradation. A heavy debt burden in many countries exacerbates these problems. In the face of these difficult circumstances, our economic assistance has played a key role in helping most of these countries sustain badly needed adjustment programs.

In the eastern Caribbean, progress is being made in building the infrastructure which is a requisite for sustained economic viability. Our assistance is directed largely at building the base which is essential for these islands to take full advantage of the trade and investment provisions of the Caribbean Basin Initiative. This aid is critical to their continued economic well-being. It aims to secure the basis for sound, sustained economic development.

Our small military assistance programs in Jamaica, the Dominican Republic, and Haiti are aimed at reducing illegal migration and narcotics trafficking. In the eastern Caribbean, we are assisting Grenada and the other small island nations in a limited program to assure their security, including cooperative efforts on a regional basis. These countries are currently considering entering into a more formal regional security system which will enhance their ability to deal with security problems, narcotics smugglers, and rescues at sea.

Need for Continuing U.S. Commitment

Peace and economic development in the hemisphere require that we continue to demonstrate our long-term commitment to the survival and the strengthening of democratic institutions in the region and they require confidence that this commitment will continue to be tied to equity, reform, and freedom. Continuing bipartisan support is essential if the United States is to address—in a consistently predictable way—a balanced and mutually reinforcing mix of economic, political, diplomatic, and security support and assistance.

There has been important progress toward the goal of peace, democracy, and economic growth. We continue to build upon the advances of recent years. Our efforts to strengthen the administration of justice have moved forward in Central America and are beginning in the Caribbean and South America. This is a long-term process that will require a sustained commitment. Our antinarcotics programs in the hemisphere, in addition to combating the supply of illicit drugs into our country, will also have a beneficial effect in support of democracy. Halting the flow of drugs will dry up the vast amounts of illegal funds that can be used to foster corruption in the hemisphere.

Our assistance programs must be complemented by policies which will promote private sector investment and export-led growth. The Caribbean Basin Initiative, for example, is succeeding in broadening and diversifying the production and export base of the region. It is beginning to have significant impact in establishing the basis for long-term recovery.

Conclusion

It is essential to American interests to support the democracies of Latin America and the Caribbean, including those nations in transition toward democracy, and to bolster the efforts of our neighbors to revitalize their economies. We cannot turn our backs just when the trend toward democracy is accelerating and our neighbors are beginning to take our advice with regard to freeing up their economies. They need our help to get them through this difficult period and to strengthen the foundation for future economic expansion. The reduction in funds available in FY 1986 has put our programs in jeopardy and has cast doubt on our credibility and commitment. I urge approval of the full Administration requests for FY 1987 to defend American interests in our own hemisphere.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Current Actions

MULTILATERAL

Agriculture
International plant protection convention. Done at Rome Dec. 6, 1951. Entered into force Apr. 3, 1952; for the U.S. Aug. 18, 1972. TIAS 7465.
Adherence deposited: Togo, Apr. 2, 1986.

Antarctica
Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Canberra Sept. 27, 1983.[1]
Notification of approval: South Africa, Apr. 18, 1986.

Arbitration
Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force June 7, 1959; for the U.S. Dec. 29, 1970. TIAS 6997.
Accession deposited: Canada, May 12, 1986.

Aviation
International air services transit agreement. Signed at Chicago Dec. 7, 1944. Entered into force Jan. 20, 1945; for the U.S. Feb. 8, 1945. 59 Stat. 1693; EAS 487.
Acceptance deposited: Guyana, Apr. 28, 1986.

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague Dec. 16, 1970. Entered into force Oct. 14, 1971. TIAS 7192.
Accession deposited: Brunei, May 13, 1986.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal Sept. 23, 1971. Entered into force Jan. 26, 1973. TIAS 7570.
Accession deposited: Brunei, May 13, 1986.

Consular Relations
Vienna convention on consular relations. Entered into force Mar. 19, 1967; for the U.S. Dec. 24, 1969. TIAS 6820.
Accession deposited: Yemen (Sanaa), Apr. 10, 1986.

Containers
International convention for safe containers, 1972. Done at Geneva Dec. 2, 1972. Entered into force Sept. 6, 1977; for the U.S. Jan. 3, 1979. TIAS 9037, 10220.
Territorial application: Extended to Bermuda by U.K., with effect from Mar. 27, 1987.

Diplomatic Relations
Vienna convention on diplomatic relations. Done at Vienna Apr. 18, 1961. Entered into force Apr. 24, 1964; for the U.S. Dec. 13, 1972. TIAS 7502.
Accession deposited: Yemen, (Sanaa), Apr. 10, 1986.

Fisheries
Protocol to amend the international convention of May 14, 1966, for conservation of Atlantic tunas (TIAS 6767). Done at Paris July 10, 1984.[1]
Acceptance deposited: Cape Verde, Mar. 13, 1986.

Law, Private International
Statute of The Hague conference on private international law. Done at The Hague Oct. 9–31, 1951. Entered into force July 15, 1955; for the U.S. Oct. 15, 1964. TIAS 5710.
Acceptance deposited: Chile, Apr. 25, 1986.

Marine Pollution
International convention for the prevention of pollution from ships, 1973, with protocols and annexes. Done at London Nov. 2, 1973.

Protocol of 1978 relating to the international convention for the prevention of pollution from ships, 1973. Done at London Feb. 17, 1978. Entered into force Oct. 2, 1983.
Territorial application: Extended to Isle of Man by U.K., with effect from July 1, 1986.

Maritime Matters
Convention on the International Maritime Organization. Signed at Geneva Mar. 6, 1948. Entered into force Mar. 17, 1958. TIAS 4044.
Acceptance deposited: Democratic People's Republic of Korea, Apr. 16, 1986.

International convention on maritime search and rescue, 1979, with annex. Done at Hamburg Apr. 27, 1979. Entered into force June 22, 1985.
Accession deposited: Mexico, Mar. 26, 1986.

Protocol of 1978 relating to the international convention for the safety of life at sea, 1974 (TIAS 9700). Done at London Feb. 17, 1978. Entered into force May 1, 1981. TIAS 10009.
Accession deposited: India, Apr. 3, 1986.

Narcotic Drugs
Convention on psychotropic substances. Done at Vienna Feb. 21, 1971. Entered into force Aug. 16, 1976; for the U.S. July 15, 1980. TIAS 9725.
Ratification deposited: U.K., Mar. 24, 1986.

Patents—Plant Varieties
International convention for the protection of new varieties of plants of Dec. 2, 1961, as revised. Done at Geneva Oct. 23, 1978. Entered into force Nov. 8, 1981. TIAS 10199.
Ratification deposited: Italy, Apr. 28, 1986.

Pollution
Protocol to the convention on long-range transboundary air pollution of Nov. 13, 1979 (TIAS 10541), concerning monitoring and evaluation of the long-range transmission of air pollutants in Europe (EMEP), with annex. Done at Geneva Sept. 28, 1984.[1]
Ratification deposited: Denmark, Apr. 29, 1986.

Red Cross
Geneva convention for the amelioration of the condition of the wounded and sick in armed forces in the field. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3362.

Geneva convention for the amelioration of the condition of the wounded, sick, and shipwrecked members of armed forces at sea. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3363.

Geneva convention relative to the treatment of prisoners of war. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3364.

Geneva convention relative to the protection of civilian persons in time of war. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3365.
Notifications of succession deposited: Saint Christopher and Nevis, Feb. 14, 1986; with effect from Sept. 19, 1983.

Protocol additional to the Geneva conventions of Aug. 12, 1949, and relating to the protection of victims of international armed conflicts (Protocol I), with annexes. Done at Geneva June 8, 1977. Entered into force Dec. 7, 1978.[2]

Protocol additional to the Geneva conventions of Aug. 12, 1949, and relating to the protection of victims of noninternational armed conflicts (Protocol II). Done at Geneva June 8, 1977. Entered into force Dec. 7, 1978.[2]
Accession deposited: Saint Christopher and Nevis, Feb. 14, 1986.
Ratification deposited: Italy, Feb. 27, 1986.[3]

Telecommunication
International telecommunication convention, with annexes and protocols. Done at Nairobi Nov. 6, 1982. Entered into force Jan. 1, 1984; definitively for the U.S. Jan. 10, 1986.
Ratifications deposited: Lebanon, Feb. 13, 1986; Mongolia, Togo, Mar. 17, 1986; Norway, Pakistan, Mar. 6, 1986; Peru, Mar. 19, 1986; Poland, Mar. 25, 1986; Turkey, Mar. 10, 1986.

Timber
International tropical timber agreement, 1983, with annexes. Done at Geneva Nov. 18, 1983. Entered into force provisionally Apr. 1, 1985; for the U.S. Apr. 26, 1985.
Ratification deposited: Trinidad and Tobago, May 9, 1986.

Treaties
Vienna convention on the law of treaties, with annex. Done at Vienna May 23, 1969. Entered into force Jan. 27, 1980.[2]
Accessions deposited: U.S.S.R., Apr. 29, 1986; Byelorussian S.S.R., May 1, 1986; Ukrainian S.S.R., May 14, 1986.

BILATERAL

Bolivia
Agreement for the sale of agricultural commodities, with annexes. Signed at La Paz Apr. 9, 1986. Entered into force Apr. 9, 1986.

Cooperative arrangement for the production of topographic maps of Bolivia, with annexes. Signed at Washington and La Paz Apr. 21 and 30, 1986. Entered into force Apr. 30, 1986.

Brazil
Memorandum of understanding concerning the development, installation, and operation of a seismic data acquisition system. Signed at Reston and Brasilia Apr. 8 and May 5, 1986. Entered into force May 5, 1986.

Agreement relating to cooperation in science and technology. Signed at Brasilia Feb. 6, 1984.
Entered into force: May 15, 1986.

Canada
Agreement on cooperation in comprehensive civil emergency planning and management, with annex. Signed at Ottawa Apr. 28, 1986. Entered into force Apr. 28, 1986.

Agreement amending and supplementing the agreement of Mar. 9, 1959, as amended and supplemented, governing tolls on the St. Lawrence Seaway (TIAS 4192, 5117, 5608, 6236, 7408, 9003, 9883, 10363), with memorandum of agreement. Effected by exchange of notes at Washington Apr. 9 and 11, 1986. Entered into force Apr. 11, 1986.

Colombia
Cooperative arrangement for the production of topographic maps of Colombia, with annexes. Signed at Washington and Bogota Apr. 21 and 28, 1986. Entered into force Apr. 28, 1986.

Ecuador
Memorandum of agreement concerning assistance in developing and modernizing Ecuador's civil aviation system. Signed at Washington and Quito Oct. 9 and Nov. 6, 1985. Entered into force Nov. 6, 1985.

Egypt
Agreement amending and extending agreement of Dec. 7 and 28, 1977 (TIAS 8973), as amended, relating to trade in textiles and textile products. Effected by exchange of notes at Cairo Dec. 30, 1985, and Feb. 6, 1986. Entered into force Feb. 6, 1986.

Second amendment to the grant agreement of Sept. 24, 1985, for cash transfer. Signed at Cairo Mar. 31, 1986. Entered into force Mar. 31, 1986.

First amendment to the grant agreement of April 12, 1982 (TIAS 10377), for rehabilitation and modernization of the Aswan High Dam Hydroelectric Power Station. Signed at Cairo Mar. 31, 1986. Entered into force Mar. 31, 1986.

Project agreement for the science and technology development project. Signed at Cairo Mar. 31, 1986. Entered into force Mar. 31, 1986.

France
Memorandum of agreement concerning the use of Diane Range, Solenzara, Corsica. Signed at Paris Mar. 27, 1986. Entered into force Mar. 27, 1986.

Federal Republic of Germany
Agreement amending the memorandum of understanding of Apr. 27, 1983, for the dual production and sale of the stinger weapon system. Signed at Washington and Bonn Mar. 20 and 26, 1986. Entered into force Mar. 26, 1986.

Greece
Memorandum of understanding on air services, with schedules. Signed at Athens Apr. 28, 1986. Entered into force Apr. 28, 1986.

Grenada
Treaty concerning the reciprocal encouragement and protection of investment with annex. Signed at Washington May 2, 1986. Enters into force 30 days after the date of exchange of instruments of ratification.

Hungary
Agreement extending the memorandum of understanding of Jan. 6 and 20, 1984, for scientific and technical cooperation in the earth sciences. Signed at Reston and Budapest Mar. 17 and Apr. 21, 1986. Entered into force Apr. 21, 1986; effective Jan. 1, 1986.

Indonesia
Agreement modifying the agreement of Feb. 28, 1985, relating to subsidization of exports in the context of the agreement of Apr. 12, 1979, on interpretation and application of articles VI, XVI, and XXIII of the GATT (subsidies code) (TIAS 9619). Effected by exchange of letters at Washington Apr. 10, 1986. Entered into force Apr. 10, 1986.

Liberia
Agreement relating to the agreement for the sale of agricultural commodities of July 22, 1985. Signed at Monrovia Apr. 28, 1986. Entered into force Apr. 28, 1986.

Malaysia
Agreement amending agreement of July 1 and 11, 1985, as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Kuala Lumpur May 6 and 7, 1986. Entered into force May 7, 1986.

Mexico
Agreement amending the agreement of June 2, 1977, (TIAS 8952) relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Mar. 13 and Apr. 7, 1986. Entered into force Apr. 7, 1986.

Agreement concerning trade in certain steel products, with understanding and related letter. Effected by exchange of letters at Mexico and Washington Feb. 27, 1985; effective Oct. 1, 1984.

Mozambique
Agreement relating to the agreement for the sale of agricultural commodities of Jan. 11, 1985, as amended. Signed at Maputo Apr. 11, 1986. Entered into force Apr. 11, 1986.

Nigeria
Agreement extending the memorandum of understanding of Sept. 22, 1980, on environmental protection (TIAS 9864). Effected by exchange of notes at Lagos Oct. 4, 1985, and Apr. 1, 1986. Entered into force Apr. 1, 1986; effective Sept. 22, 1985.

Oman
Agreement concerning the provision of training related to defense articles under the U.S. international military education and training (IMET) program. Effected by exchange of notes at Muscat Jan. 4 and Apr. 28, 1986. Entered into force Apr. 28, 1986. Supersedes agreement of Apr. 4 and May 14, 1981.

Romania
Agreement concerning trade in certain steel products, with arrangement. Effected by exchange of letters at Washington June 3, 1985. Entered into force June 3, 1985; effective Oct. 1, 1984.

St. Christopher-Nevis
General agreement for economic, technical, and related assistance. Signed at Basseterre Apr. 24, 1986. Entered into force Apr. 24, 1986.

Venezuela
Agreement extending the implementing agreement of Oct. 29 and Nov. 9, 1982, as extended, regarding air transport services. Effected by exchange of notes at Caracas Mar. 25, 1986. Entered into force Mar. 25, 1986; effective May 1, 1986.

[1]Not in force.
[2]Not in force for the U.S.
[3]With declaration(s). ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*95	5/1	Shultz: interview on "The Today Show," Bali.
96	5/1	Shultz: news briefing, Bali.
*97	5/5	Whitehead: remarks at the memorial service on Foreign Service Day, May 2.
*98	5/5	Shultz: interview on "This Week With David Brinkley," Tokyo, May 4.
*99	5/5	Shultz: interview on CBS–TV's "Morning News," Tokyo.
100	5/6	Shultz: news briefing, Tokyo, May 3.
101	5/6	International terrorism: the taking of U.S. citizens hostage.
*102	5/8	Shultz: arrival statement, Seoul, May 7.
103	5/8	Shultz: news briefing, Tokyo, May 5.
104	5/8	Shultz: dinner toast, Seoul, May 7.
*105	5/9	Shultz: arrival statement, Manila, May 8.
106	5/9	Shultz: statement at dinner, Manila, May 8.
*107	5/12	Shultz: luncheon remarks, Manila, May 9.
*108	5/13	Shultz: interview on "The Today Show."
109	5/13	Shultz: news conference, Seoul, May 8.
*110	5/14	Shultz: address before the Overseas Writers Club.
111	5/19	Shultz: address before the American Jewish Committee, May 15.
*112	5/21	Shultz: news conference, Manila, May 9.
*113	5/21	Shultz: remarks and question-and-answer session before Congressman Silvio O. Conie's business-government leadership symposium.
*114	5/22	Program for the official working visit of Honduran President Jose Simon Azcona Hoyo, May 26–29.
115	5/22	Shultz: remarks after meeting with Dr. Robert Gale.
*116	5/27	American drug arrests abroad.
*117	5/28	Shultz: remarks at DACOR Bacon House dedication, May 23.
118	5/29	Shultz: address before UN General Assembly special session on the Critical Economic Situation in Africa, New York, May 28.
*119	5/30	CSCE public forums: Union, New Jersey (June 4), New York City (June 5), Detroit (June 10), Chicago (June 11).
*120A	5/29	Shultz: remarks at reception for the delegation to UN special session, May 28.
*120B	5/29	Shultz: remarks at reception for the delegation to UN special session, May 28.

*Not printed in the BULLETIN. ■

Department of State

Free **single** copies of the following Department of State publications are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

Secretary Shultz
Unity and Dissent: On the Community of Free Nations, American Jewish Committee, May 15, 1986 (Current Policy #835).
U.S. Foreign Policy: Assessing Budget Priorities, Overseas Writers Club, May 14, 1986 (Current Policy #836).

Africa
South Africa: Report on the President's Executive Order, Assistant Secretary Crocker, Subcommittees on Africa and on International Economic Policy and Trade, House Foreign Affairs Committee, Apr. 9, 1986 (Current Policy #817).

Arms Control
Is Arms Control at a Dead End?, ACDA Director Adelman, Commonwealth Club, San Francisco, May 16, 1986 (Current Policy #837).
The Impact of SDI on U.S.-Soviet Relations, Ambassador Nitze, American Enterprise Institute—National Defense University seminar on "The Security Implications of SDI," Apr. 29, 1986 (Current Policy #830).
Arms Control: Mutual and Balanced Force Reductions (GIST, May 1986). U.S. Nuclear Testing Policy (GIST, May 1986).

Department and Foreign Service
The U.S. Foreign Service in a Year of Challenges, Under Secretary Spiers, State Department's 21st annual Foreign Service Day, May 2, 1986 (Current Policy #831).

East Asia
U.S. Assistance to the Philippines, Deputy Assistant Secretary Monjo, Subcommittee on Asian and Pacific Affairs, House Foreign Affairs Committee, May 15, 1986 (Current Policy #834).
Prospects for Continuing Democratization in Korea, Assistant Secretary Sigur, Subcommittee on Asian and Pacific Affairs, House Foreign Affairs Committee, Apr. 16, 1986 (Current Policy #829).

Economics
U.S.-Japan Economic Relations: The Tokyo Summit and Beyond, Under Secretary Wallis, U.S.-Japan Economic Agenda Meeting, Apr. 23, 1986 (Current Policy #826).
Promoting Economic Growth in the Developing World, Deputy Secretary Whitehead, ministerial meeting of the Organization for Economic Cooperation and Development, Paris, Apr. 17, 1986 (Current Policy #827).
Multilateral Development Banks (GIST, May 1986).

Europe
U.S.-U.S.S.R. Cultural and Educational Exchanges (GIST, May 1986).
U.S.-U.S.S.R. Science and Technology Exchanges (GIST, May 1986).

General
Regional Security, Collective Security, and American Security, Admiral Poindexter, 1986 Armed Forces Day dinner sponsored by the National Defense Committee and the Indianapolis Chamber of Commerce, Indianapolis, May 16, 1986 (Current Policy #838).
National Security: In Defense of Something of Value, Deputy Secretary Whitehead, Business Council, Hot Springs, Virginia, May 9, 1986 (Current Policy #833).
GIST Index (April 1986).

International Law
The War Powers Resolution and Antiterrorist Operations, Legal Adviser Sofaer, Subcommittee on Arms Control, International Security and Science, House Foreign Affairs Committee, Apr. 29, 1986 (Current Policy #832).

Oceans
Current Developments in U.S. Oceans Policy, Ambassador Negroponte, 10th annual seminar sponsored by the Center for Oceans Law and Policy, Southhampton, Bermuda, Mar. 14, 1986 (Current Policy #819).

Western Hemisphere
U.S. Policy on Central America: The Need for Consensus, Deputy Assistant Secretary Michel, "Great Decisions" series, Fayetteville, North Carolina, Apr. 17, 1986 (Current Policy #828). ■

GPO Sales

The following subscriptions are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Checks or money orders, made payable to the Superintendent of Documents, must accompany order.

Department of State Bulletin
This monthly magazine presents the official record of U.S. foreign policy, including major addresses of the President and the Secretary; statements to the Congress; special features and analytical articles on international affairs by State Department experts; list of treaties and other agreements; and a brief chronology of world events. Annual subscription—$25.00 domestic; $31.25 foreign. Single copy—$2.75 domestic; $3.45 foreign. Subscription to the *Bulletin* includes an annual index. Single index issues—$1.50 domestic; $1.90 foreign.

Treaties and Other International Acts
This subscription, issued irregularly, contains the texts of agreements entered into by the United States with other nations. Subscription price (150 issues)—$135.00 domestic; $168.75 foreign. Single copies vary in price.

Note: On infrequent occasions a series number is assigned to a volume of such large size and cost that it cannot be included as part of the subscription. When such a volume is issued, it is GPO policy to bring the matter to the immediate attention of all subscribers, in order that they may account for the series number omitted from their subscription and to give them an opportunity to obtain the volume in question, if they wish to do so.

Diplomatic List
This is a quarterly list of foreign diplomatic representatives in Washington, D.C., and their addresses. Annual subscription—$14.00 domestic; $17.50 foreign. Single copy—$3.75 domestic; $4.70 foreign.

Employees of Diplomatic Missions
This quarterly publication lists the names and addresses of employees of foreign diplomatic representatives in Washington, D.C., who are not included in the Diplomatic List. Annual subscription—$9.50 domestic; $11.90 foreign. Single copy—$4.50 domestic; $5.65 foreign.

Key Officers of Foreign Service Posts: Guide for Business Representatives
This pocket-sized directory is published three times a year. It lists key U.S. Foreign Service officers abroad with whom business representatives most likely would have contact. It also has the address and telephone number of all U.S. diplomatic posts. Annual subscription—$10.00 domestic; $12.50 foreign. Single copy—$4.25 domestic; $5.35 foreign. ■

INDEX

July 1986
Volume 86, No. 2112

Africa. FY 1987 Assistance Requests for Sub-Sahara Africa (Crocker) 30
American Principles. Unity and Dissent: On the Community of Free Nations (Shultz) 24
Arms Control
MBFR Talks Resume in Vienna (White House statement) 37
Nuclear and Space Arms Talks Open Round Five (Reagan) 37
Congress
Economic Policy Coordination Among Industrialized Nations (Baker) 61
FY 1987 Assistance Requests for East Asia and the Pacific (Monjo) 54
FY 1987 Assistance Requests for Latin America and the Caribbean (Abrams) .. 86
FY 1987 Assistance Requests for the Middle East and North Africa (Murphy) ... 76
FY 1987 Assistance Requests for South Asia (Peck) 81
FY 1987 Assistance Requests for Sub-Sahara Africa (Crocker) 30
Prospects for Continuing Democratization in Korea (Sigur) 46
South Africa: Report on the President's Executive Order (Crocker) 27
U.S. Assistance to the Philippines (Monjo) 50
East Asia
FY 1987 Assistance Requests for East Asia and the Pacific (Monjo) 54
President's Visit to Indonesia (Reagan, Shultz) 15
The U.S. and East Asia: Meeting the Challenge of Change (Sigur) 42
Economics
South Africa: Report on the President's Executive Order (Crocker) 27
Tokyo Economic Summit (Reagan, Shultz, declarations, statements) 1
The Tokyo Economic Summit (Wallis) ... 64
The U.S. and East Asia: Meeting the Challenge of Change (Sigur) 42
U.S.-Japan Economic Relations: The Tokyo Summit and Beyond (Wallis) 68
Europe. MBFR Talks Resume in Vienna (White House statement) 37
Foreign Assistance
Aid to the Philippines (White House announcement) 48
FY 1987 Assistance Requests for East Asia and the Pacific (Monjo) 54
FY 1987 Assistance Requests for Latin America and the Caribbean (Abrams) .. 86
FY 1987 Assistance Requests for the Middle East and North Africa (Murphy) ... 76
FY 1987 Assistance Requests for South Asia (Peck) 81
FY 1987 Assistance Requests for Sub-Sahara Africa (Crocker) 30
U.S. Assistance to the Philippines (Monjo) 50
Human Rights. President Meets With Shcharanskiy (White House statement) 75
Indonesia. President's Visit to Indonesia (Reagan, Shultz) 15
Industrialized Democracies
Economic Policy Coordination Among Industrialized Nations (Baker) 61
Tokyo Economic Summit (Reagan, Shultz, declarations, statements) 1
The Tokyo Economic Summit (Wallis) ... 64
Japan
The Tokyo Economic Summit (Wallis) ... 64
U.S.-Japan Economic Relations: The Tokyo Summit and Beyond (Wallis) 68
Visit of Japan's Prime Minister (Nakasone, Reagan) 53
Korea
Prospects for Continuing Democratization in Korea (Sigur) 46
Secretary's Visit to Korea and the Philippines (Shultz) 38
Middle East. FY 1987 Assistance Requests for the Middle East and North Africa (Murphy) 76
Monetary Affairs. Economic Policy Coordination Among Industrialized Nations (Baker) 61
Nuclear Policy. Soviet Nuclear Reactor Accident at Chernobyl (Shultz, White House statements) 71
Pacific. FY 1987 Assistance Requests for East Asia and the Pacific (Monjo) 54
Philippines
Aid to the Philippines (White House announcement) 48
Secretary's Visit to Korea and the Philippines (Shultz) 38
U.S. Assistance to the Philippines (Monjo) 50
Presidential Documents
Nuclear and Space Arms Talks Open Round Five 37
President's Visit to Indonesia (Reagan, Shultz) 15
Tokyo Economic Summit (Reagan, Shultz, declarations, statements) 1
Visit of Japan's Prime Minister (Nakasone, Reagan) 53
Publications
Department of State 94
GPO Sales 94
Security Assistance
Aid to the Philippines (White House announcement) 48
FY 1987 Assistance Requests for East Asia and the Pacific (Monjo) 54
FY 1987 Assistance Requests for Latin America and the Caribbean (Abrams) .. 86
FY 1987 Assistance Requests for the Middle East and North Africa (Murphy) ... 76
FY 1987 Assistance Requests for South Asia (Peck) 81
FY 1987 Assistance Requests for Sub-Sahara Africa (Crocker) 30
U.S. Assistance to the Philippines (Monjo) 50
South Africa. South Africa: Report on the President's Executive order (Crocker) . 27
South Asia. FY 1987 Assistance Requests for South Asia (Peck) 81
Terrorism. Unity and Dissent: On the Community of Free Nations (Shultz) ... 24
Trade
Economic Policy Coordination Among Industrialized Nations (Baker) 61
The Tokyo Economic Summit (Wallis) ... 64
The U.S. and East Asia: Meeting the Challenge of Change (Sigur) 42
U.S.-Japan Economic Relations: The Tokyo Summit and Beyond (Wallis) 68
Treaties. Current Actions 91
U.S.S.R.
MBFR Talks Resume in Vienna (White House statement) 37
Nuclear and Space Arms Talks Open Round Five (Reagan) 37
President Meets With Shcharanskiy (White House statement) 75
Soviet Nuclear Reactor Accident at Chernobyl (Shultz, White House statements) 71
Western Hemisphere. FY 1987 Assistance Requests for Latin America and the Caribbean (Abrams) 86

Name Index

Abrams, Elliott 86
Baker, James A. III 61
Crocker, Chester A 27, 30
Monjo, John C 50, 54
Murphy, Richard W 76
Nakasone, Yasuhiro 53
Peck, Robert A 81
Reagan, President 1, 15, 37, 53
Shultz, Secretary 1, 15, 24, 38, 71
Sigur, Gaston J., Jr 42, 46
Wallis, W. Allen 64, 68

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

OFFICIAL BUSINESS
Penalty for Private Use $300

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

READEX FICHE best copy available

86/2113

Department of State bulletin

The Official Monthly Record of United States Foreign Policy/Volume 86/Number 2113

August 1986

S1.3:

Department of State
bulletin

Volume 86 / Number 2113 / August 1986

THE DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.
The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

BERNARD KALB
Assistant Secretary for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

SHARON R. LOTZ
Assistant Editor

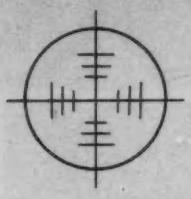
The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

DEPARTMENT OF STATE BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street, NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Most of the contents of this publication are in the public domain and not copyrighted. Those items may be reprinted; citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. Permission to reproduce all copyrighted material (including photographs) must be obtained from the original source. The BULLETIN is indexed in the Readers' Guide to Periodical Literature and in the PAIS (Public Affairs Information Service, Inc.) Bulletin.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

CONTENTS



FEATURE

1 International Terrorism *(Parker W. Borg, Robert B. Oakley)*

16 International Terrorism: The Taking of U.S. Citizens Hostage

The President

17 News Conference of June 11 *(Excerpts)*

The Secretary

19 No Delay for Democracy

23 Interview for "Worldnet"

26 Reform in the Philippines and American Interests: The U.S. Role in Consolidating Democracy

30 The Church as a Force for Peaceful Change in South Africa

32 Interview on "Meet the Press"

Africa

35 South African Military Raids *(White House Statement)*

Arms Control

36 U.S. Interim Restraint Policy: Responding to Soviet Arms Control Violations *(President Reagan, White House Fact Sheet)*

39 CD Negotiations Resume *(White House Statement)*

44 SDI, Arms Control, and Stability: Toward a New Synthesis *(Paul H. Nitze)*

47 Is Arms Control at a Dead End? *(Kenneth L. Adelman)*

East Asia

50 Proposed Sale of Aircraft Avionics Components to China *(James R. Lilley)*

Economics

52 Imports from the European Economic Community *(White House Statement)*

52 World Trade Week, 1986 *(Proclamation)*

Europe

53 NATO Ministers Meet in Canada *(Secretary Shultz, Statements)*

54 26th Report on Cyprus *(Message to the Congress)*

55 U.S.-Spanish Council Meets *(Joint Communique)*

57 Baltic Freedom Day, 1986 *(Proclamation)*

58 NATO Defense Planning Committee Meeting *(Final Communique)*

NEWARK PUBLIC LIBRARY
SEP 2 1986
U. S. GOVT. PUBS.
DEPOSITORY

Foreign Assistance

59 FY 1987 Request for Foreign Assistance Programs *(M. Peter McPherson)*

General

64 Regional Security, Collective Security, and American Security *(John M. Poindexter)*

International Law

68 The War Powers Resolution and Antiterrorist Operations *(Abraham D. Sofaer)*

Middle East

71 Attacks on Persian Gulf Shipping *(White House Statement)*

Narcotics

72 FY 1987 Assistance Requests for Narcotics Control *(Ann B. Wrobleski)*

Pacific

74 Visit of Australia's Prime Minister Hawke *(Robert J. L. Hawke, President Reagan)*

Refugees

75 FY 1987 Assistance Requests for Migration and Refugees *(James N. Purcell, Jr.)*

Security Assistance

77 FY 1987 Security Assistance Requests *(William Schneider, Jr.)*

United Nations

80 FY 1987 Assistance Requests for Organizations and Programs *(Alan L. Keyes)*

Western Hemisphere

83 A Democratic Vision of Security *(Elliott Abrams)*

84 Central America Negotiations *(White House Statement)*

85 Pan American Day and Week, 1986 *(Proclamation)*

86 Visit of Honduran President Azcona *(Jose Simon Azcona Hoyo, President Reagan)*

88 U.S. Policy on Central America: The Need for Consensus *(James H. Michel)*

Treaties

91 Current Actions

Press Releases

92 Department of State

Publications

93 Department of State

93 Foreign Relations Volume Released

94 Background Notes

Index

Copyright material has been deleted, not available for Microfiche Edition.

International Terrorism

Following are statements by Ambassadors Robert B. Oakley, Acting Ambassador at Large for Counter-Terrorism, and Parker W. Borg, Deputy, Office of the Ambassador at Large for Counter-Terrorism.

AMBASSADOR OAKLEY
JUNE 16, 1986

Address before the U.S. Conference of Mayors in San Juan, Puerto Rico.

It is a pleasure to be with you today in lovely Puerto Rico. My subject matter—terrorism—is not a pleasant one, but it is obviously one of considerable concern to all our citizens. It probably has been the top story on TV and in the newspapers and magazines since the TWA 847 hijacking a year ago Saturday.

My job and that of my office at the State Department is to deal with international terrorism. The State Department is the lead agency in dealing with the international threat, while the FBI [Federal Bureau of Investigation] is the key Federal agency in dealing with terrorist threats within the United States. We work closely together, however, both on a day-to-day basis and in two interagency committees on counterterrorism established by the President. One of these I chair, and one is chaired by the National Security Council. In dealing with international terrorism—that is, terrorism involving persons or facilities of more than one country—all U.S. Government agencies work closely together in the recognition that the first line of defense for the United States is overseas. This illustrates a point made by Mayor Corrada of San Juan about the interrelationships between our country and the rest of the world.

We are at an interesting and important stage in the ebb and flow of international terrorism and efforts to combat it. As President Reagan said in his May 31 weekly radio address: "History may well record that 1986 was the year when the world came to grips with the plague of international terrorism."

Over the past 2 years, there has been a major surge in terrorism, both internal (within Lebanon, India, Sri Lanka, Peru, and Chile) and international (especially in the Middle East, Europe, and Latin America). The number of international incidents rose from the 500 per year average for 1979–83 to 600 in 1984 and 800+ in 1985. This upward trend continued during the first several months this year. Preliminary tallies indicate there were about 346 international terrorist incidents for January-May of 1986, compared with 285 for 1985, although there seems to be some slowing up in recent weeks.

The number of casualties from international incidents also leapt upward, going from 1,279 (312 dead) in 1984 to 2,177 (877 dead) in 1985. So far in 1986, from January through May, there have been 1,081 casualties (318 dead). In 1983, while the worldwide statistics were not as bad, the bombings in Beirut caused over 250 U.S. marines and civilians killed and over 100 wounded. For the past decade U.S. citizens and installations have been far and away the number one target for terrorists abroad. Despite the impression made by recent highly publicized incidents, the percentage of attacks directed against the United States has actually decreased over the past 3 years from 40% to 25%.

Domestic Situation

Inside the United States, the trend has been just the reverse. Aggressive investigation of terrorist acts and the successful prosecution of those responsible has helped prevent future crimes by domestic terrorists and reduce their threat to society. During the past 3 years, the FBI has obtained substantial success against domestic terrorist organizations. The results achieved in investigating the *Fuerzas Armadas de Liberacion*, United Freedom Front, May 19 Communist Organization (M19C), the Aryan Nations, and others are indicative of these positive accomplishments by the FBI. In 1985 the number of domestic terrorist incidents declined for the fourth straight year from a high of 51 in 1982 to a total of only 7, with 12 casualties, last year. None of them involved international connections, although there were several attempted incidents with international connections (involving Sikhs, Libyans, etc.) among the 23 prevented. So far this year, there has been only one domestic terrorist incident, that involving a former Puerto Rican policeman and his family.

Let us speculate on the reasons for these strikingly opposite trends. I hope my ideas stimulate your own thinking, which will be based upon direct local experience rather than deductive reasoning. First, this country has a reputation abroad for pretty effective controls upon the issuance of visas, which many others do not require, and careful checking of proposed points of entry. For some reason terrorists seem to prefer normal entry points into the United States, even with false papers, to trying to sneak across the relatively unguarded areas of our borders.

Second, we also have a reputation for good intelligence on terrorists trying to enter or operating inside the country, due to the combined good work of the CIA [Central Intelligence Agency], FBI, friendly governments, and state and local law enforcement agencies. The absence of terrorism from the Los Angeles Olympics is a good example of these first two points. (I would note that we are trying to also keep incident-free next year's pan-American games in Indianapolis.) The arrest earlier this month of five Sikh terrorists in Montreal before they could even get to

New York City and put a bomb aboard an Air India flight is another example of the second point on the role of good intelligence, as well as good cooperation with other governments.

Third, by and large, the systematic, organized commission of violent acts for political purposes against innocent persons is not a part of our culture. In Europe and the Middle East, it has been present generation after generation after generation. Violence in America tends to be either spontaneous or for criminal, not political, purposes. Terrorist groups do spring up from time to time in the United States, particularly during periods of high sociopolitical tension as in the 1970s. They usually wither away rapidly—with help from the FBI—rather than renew themselves as in the Middle East and Europe. It seems to me that this is, in good part, due to the deep-rooted belief by Americans that there are peaceful means of political change and for improving one's economic situation, that our system is ultimately responsive. Thus the continuation of low levels of terrorism will depend, in good part, upon the continued responsiveness of our system of the Federal, state, and city government. In the present Gramm-Rudman era this will not be easy. You mayors will have a big role to play.

One might think that ethnic or nationality groups would be more prone to terrorism—particularly when it is rampant in their country or has been used by extremists of similar origin such as Armenians, Palestinians, and Iranians. However, the record shows this is not so. Unlike Europe, for example, where those of Middle East ethnic or national origin often feel and act as alienated strangers and so are more prone to provide help for terrorist activities by their brethren, in this country even those who have entered illegally tend to feel and act as Americans concerned with the well-being of this country and with what they see as their rightful place in it. Again, it is important to continue this state of affairs, despite pressures building against it for reasons of our own self-interest.

Finally, I want to highlight the important role played by the FBI and other law enforcement agencies. In the United States combating terrorism is not the sole responsibility of the FBI but, rather, the joint responsibility of Federal, state, and local law enforcement authorities. While the FBI has been designated the "lead" Federal agency to counter terrorism within the United States, state and local agencies are charged with law enforcement and public safety responsibilities in their jurisdictions. In order effectively to achieve our mutual counterterrorism objectives, therefore, the FBI has entered into joint operations with local agencies in several field divisions where specific and persistent terrorist-related activities have been present. The significant successes achieved against domestic terrorist groups are attributable, in part, to a pooling of these personnel and resources.

The FBI first experimented with the task force concept in 1979, when the bank robbery problem in New York City had grown to epidemic proportions. It became clear to the leadership of the New York City Police Department and the FBI that an innovative solution was required to address an increasingly dangerous situation. Accordingly, a formalized agreement, sealed by a signed Memorandum of Understanding, was entered into by both agencies. Detectives and FBI agents were detailed to a newly created task force jointly supervised by the FBI and New York City Police Department personnel. The idea was to eliminate duplication of effort, share resources, and foster cooperation.

The experiment worked. In a very real way, the task force became more than a sum of its parts. The skills and knowledge possessed by the police officers complemented those possessed by the agents, and a spirit of cooperation replaced counterproductive competitiveness. The number of bank robberies soon declined dramatically, and the solution rate soared.

With this precedent having been established, a Joint Terrorist Task Force was established in New York in 1980. This task force, in its 6 years of existence, has been successful in the investigation of numerous domestic and international terrorist groups operating in the United States. Its success was instrumental in the establishment of the much bigger task force for the Los Angeles Olympics and encouraged the creation of similar task forces in Chicago, New Haven, Newark, San Francisco, Los Angeles, Boston, and Washington, D.C., to address specific terrorism problems in those areas.

Overseas Terrorism

Let us shift back to terrorism overseas and look at why it has gotten worse. In trying to get a broad picture of the international terrorism scene, it might be useful to start with the regional pieces.

First, Middle East-related terrorism, which has been the major factor in the recent increase of international terrorism: the number of incidents in the region rose from 109 in 1983 to 378 in 1985. Also, in 1985 there were another 60 incidents by Middle East groups which took place in Europe or elsewhere, meaning that Mideast terrorism accounts for over 50% of the worldwide total for 1985. So far in 1986, there have been 214 incidents of Middle East origin with a dozen conducted by Middle East groups in Europe.

There are a variety of factors and actors behind this situation, of which the Israeli-Palestinian dispute is only one component. This category includes terrorism conducted by radical Arab governments and Palestinian groups trying to disrupt the peace process, destroy moderate Arab governments, carry on intra-Arab power struggles, or seize a place in the world power structure as well as vent their anger at Israel and the United States.

State support is a major reason for increased Middle East terrorism. Muammer Qadhafi of Libya has used and supported terrorism around the world more for purposes of personal pride and national power than for any real concern for Palestinians or the Arab-Israeli dispute. Syria has also used terrorism systematically to enhance its power in the region. Iranian terrorism is inspired by Khomeini's brand of politicoreligious fanaticism, linked both to the Iran-Iraq war and the desire to "purify" the Islamic world by removing pro-Western Arab governments and the Western cultural presence, starting with the United States and France.

In Latin America and the Caribbean, Cuba and Nicaragua are active state supporters of terrorism, in some cases sharing support for terrorist groups with Iran or Libya. The traditional politicoeconomic stimulus for guerrilla warfare and terrorism in this part of the world has recently been raised by narcotics trafficking—with traffickers using terrorists to protect processing centers and as hit men, and the terrorists obtaining money and arms from

narcotics traffickers. Colombia is a particularly fiagrant case in point. There is also increased cooperation and coordination among terrorist groups, especially the M-19 of Colombia and Alfaro Lives of Ecuador. Peruvian and Chilean terrorism, very much on the increase, is more indigenous than dependent upon outside support. Puerto Rico is astride some of the routes used by these terrorists—including Cuba, which has actively tried to fish in troubled waters—and the narcotics traffickers. It is a serious challenge.

In Western Europe there has been a slowdown over the past year of traditional indigenous, ideological terrorism even while the spillover of Middle East terrorism has increased. This slowdown results primarily from increased security awareness and counterterrorist measures, which make operations more difficult; Belgian successes in capturing key terrorists and crippling the CCC [Communist Combatant Cells]; France capturing Andre Olivier, leader of the national faction of *Action Directe*, thus reducing the capability of this group; and Italian authorities last month in Naples convicting 62 Red Brigades terrorists and continuing to dismantle that once intimidating organization.

U.S. Program

Looking back, a key turning point for the United States in the fight against international terrorism was 1983, when the bombings took so many lives at the American Marine barracks and Embassy buildings in Beirut. This prompted the Reagan Administration to undertake in late 1983 a special presidential study and issue specific new policy guidance.

This new presidential guidance led to a comprehensive counterterrorism program with higher priorities, which is based upon a combination of unilateral, multilateral, and international actions. It uses a variety of diplomatic, economic, legal, intelligence, and military means, based upon the premise that the primary legal, political, moral, and practical responsibility for dealing with terrorism abroad is that of foreign governments. If they do not have the political will or the ability to act against terrorism, the problem will get worse rather than better. What we can do alone in other countries is obviously limited, although we are strengthening our capabilities to do so. Many of our programs are aimed at getting others to do more.

Actions Taken Over the Past 2 Years. The pace of our unilateral and cooperative international programs and other activities aimed at terrorism abroad has been quickening.

- We have intensified our bilateral relationships with friends around the world. We already work closely with such friends as Canada, Britain, and Israel. Meanwhile we are discussing common counterterrorism efforts with countries where we have previously not had such close ties, such as Italy, the Netherlands, Turkey, and Egypt. In one form or another, we have significant cooperation efforts underway with some 50 governments.
- We have dedicated more resources and given a still higher priority to collecting, analyzing, and disseminating intelligence on terrorist groups and activities abroad, as well as sharing it with other key governments.
- We have improved the security of our Embassies and consulates and heightened the security awareness of our personnel; major improvements have been made in the physical security of over 100 U.S. diplomatic missions over the past 2 years.
- Improved intelligence collection, better security, and closer international cooperation helped us deter or preempt more than 180 international terrorist actions over the past 18 months.
- We have used a wide range of our unilateral sanctions against such countries as Syria, Libya, Iran, Cuba, and Nicaragua: banning all weapons sales, imposing limitations on financial dealings, maintaining close surveillance of any of their government officials who wish to come to the United States, and imposing controls on exports of key spare parts and equipment.
- Our covert action and military capabilities for action against terrorists have been strengthened. I cannot go into details, for obvious reasons, but the success in apprehending the terrorists who hijacked the *Achille Lauro* is one example of what they can do. Another, and even more dramatic, example was the military operation against Libya in April. We will be judicious in the use of these capabilities but shall not hesitate to act when the circumstances are right.
- We have begun to cooperate more closely with the private sector in sharing information on threats abroad and how to counter them. The Overseas Security Advisory Panel has been active in systematically exchanging information on techniques and technology to counter terrorism as well as threat information. A regular but informal relationship has recently been established with the tourist industry.
- We have worked hard and successfully in international organizations such as the UN General Assembly and Security Council in establishing the principle that terrorism is a threat to all nations and should be considered as a crime. In the specialized UN agencies, new standards for aviation and maritime security have been established.
- We have made effective use of recent legislative tools, such as the rewards programs, the Crime Act of 1984, and the Foreign Assistance Act. We believe it is useful to have more legal tools for the antiterrorism effort. We support, for example, S. 1429, which recently passed the Senate, making it a Federal crime to kill or conduct other terrorist acts against Americans overseas.
- In 2 years over 2,000 civilian officials from 32 friendly foreign governments have participated in our antiterrorism assistance (ATA) program managed by the State Department; this not only improves their abilities to protect their own governments and U.S. and other citizens in their countries from terrorist attack, it also means closer cooperation with the United States in combating terrorism.

The ATA program is a very good example of a cooperative effort against terrorism which involves local governments such as yours. A number of metropolitan police departments around the country—ranging from New York City to Charleston, South Carolina, and Miami, Florida, to San Diego, California—have helped train their counterparts from overseas. This has been a very successful program. The State Department helps organize the sessions; local U.S. city and county authorities, such as police departments, and the FBI, the FAA [Federal Aviation Administration], and others provide the facilities and skilled manpower on a

reimbursable basis. We also provide some limited equipment, such as airport x rays and bomb disposal equipment. If your police or other experts are invited to take part in the program, I hope you can participate. Fighting terrorism has to be a cooperative effort.

The Past Year

In June 1985, a year ago, we suffered through the hijacking, hostage-taking, and murder aboard TWA 847. This dramatically televised 17-day event was followed by the *Achille Lauro* hijacking and murder plus the deliberate killing of unarmed U.S. marines and civilians in San Salvador, terrorist attacks in Colombia, bombings of military bases in Germany, and the December 27 bloody attacks upon the Rome and Vienna airports. These underlined the importance of the new action study completed at year's end by Vice President Bush's task force and its recommendations for a still more active unilateral and multilateral effort to counter terrorism. The task force report found the system in place to be sound but in need of fine-tuning and higher priority with a more action-oriented urgent approach.

The first tangible reaction was the President's January 8 decision to stop all U.S. business activities in Libya, seize its assets in this country, and call for our allies to join in a campaign of collective, nonmilitary pressure strong enough to convince Qadhafi to stop his support for terrorism. The President made clear that the United States reserved the right to take unilateral action if collective action failed to deter Qadhafi. Unfortunately, there was virtually no response by our allies, and Libyan-supported terrorism directed against the United States became more blatant, widespread, and deadly. This included orders in late March from Tripoli to Libyan embassies to conduct attacks on U.S.-related targets in dozens of countries aimed at inflicting large-scale, indiscriminate casualties.

One result of Qadhafi's orders was the bombing of Berlin's La Belle Discotheque where there were 200 casualties, including two American sergeants killed. Similar, but abortive, attempts took place elsewhere. For example, French and Turkish security forces working with the United States discovered, prevented, and publicly exposed actions by Libyan officials to conduct very lethal attacks against U.S. Government installations. In other countries, the Libyans never got that far, probably recognizing their inadequacies in the face of close controls.

President Reagan's response was to invoke the right of any country to self-defense when attacked by another country. This led to the carefully calibrated April 15 raids upon terrorist-related targets in Tripoli and Benghazi, a tremendous shock to Qadhafi who apparently believed he could insult and even kill Americans with impunity.

What has been the result of the limited use of force in self-defense against Libya?

First, a marked reduction in Qadhafi-supported terrorism, apparently due to internal Libyan disarray, the compromise of Libya's external terror network, and the tighter controls placed upon Libyan activities all around the world by governments more determined than before to avoid terrorism in their countries.

Second, absence of strong negative reaction, which some had feared (and Qadhafi had expected) from other Arab governments or the U.S.S.R. The former have showed little sympathy and no tangible support for Qadhafi, to his evident anger. The latter's words have been strongly supportive, but their military support has been zero—another shock to Qadhafi's flawed perception of the world.

Third, a sudden recognition by European and other governments of the serious dangers posed by international terrorism and a new willingness to work together to deter and prevent it.

For example, the Foreign Ministers of the 12 European Community (EC) countries on April 21 agreed to reduce the size of the Libyan People's Bureaus and increase cooperation among law enforcement and intelligence agencies. They also agreed to impose tight controls upon the entry and movement of all Libyans, including diplomats and other government officials. On May 5 in Tokyo, the leaders of the seven governments of the economic summit countries agreed to a series of actions to be taken against international terrorism and states who support it, again identifying Libya. In addition to reiterating and strengthening the actions agreed to by

Copyright material has been deleted; not available for Microfiche Edition.

the EC, the Tokyo statement called for improved extradition procedures, strengthening the Bonn declaration on civil aviation security, and greater international cooperation generally, including use of the United Nations.

The Europeans also agreed to cut off military sales to Libya and not to fill in behind the departing American skilled personnel. Italy—which has longstanding major historic, cultural, and economic ties with Libya—nevertheless has reduced its presence from about 17,000 to less than 2,000 since the beginning of this year and is beginning to cut its imports of Libyan oil.

Actions to make Qadhafi understand he must pay an increasing price for supporting terrorism have now been taken by 14 of the 15 governments who participated in these two meetings, Greece being the only exception. Some 100 Libyans, most of them so-called diplomats, have been expelled; economic and commercial ties have dwindled rapidly. The specific actions vary from country to country, but we can draw two conclusions about them. First, they are unquestionably having a significant direct political and economic impact upon Libya and seem to be having an indirect but also appreciable impact on other governments which support terrorism; second, they represent an unprecedented collective effort to combat terrorism, which has important future implications for international enforcement.

We must keep the momentum going, both unilaterally and multilaterally. At the same time, we must not exaggerate the threat or allow ourselves to be intimidated by it. Nothing encourages the terrorist more than seeing that they have succeeded in panicking public or political opinion, which is a paramount objective.

While losses of tourist dollars help prod some countries, such as Greece, to tighten up their security and the changed vacation plans have benefited some U.S. cities and the Caribbean, there seems to have been an excessive preoccupation with terrorism by the media and public in recent months. Let us remember that only 28 Americans died of international terrorism last year, 28 too many but still not a large number compared to the millions who went abroad. A number of friendly countries are suffering important economic losses as a result of U.S. public reaction. This may cause the terrorists to feel that they are succeeding in creating tensions within the Western alliance and to believe that they can be successful over time in creating an isolationist mentality in this country, which will erode our important economic, strategic, and political interests abroad. Such a feeling would only encourage more attacks upon Americans as well as damaging our broader interests.

In summation, we must take a cool, calm, and cooperative as well as determined approach in fighting terrorism. The terrorists must not be allowed to get the best of us. Progress has been made and more will be, but fighting terrorism is a long-term effort which will draw on the best within us.

Copyright material has been deleted; not available for Microfiche Edition.

AMBASSADOR OAKLEY, FEB. 19, 1986

Excerpts from a statement before the Subcommittee on Security and Terrorism of the Senate Judiciary Committee.[1]

I appreciate the opportunity to testify today on our topic of mutual concern: international terrorism.

It seems that almost every day some new terrorist horror jumps at us from the screens of our televisions, the front pages of our newspapers, and the covers of our magazines.

• In Paris earlier this month, bombs were placed in popular shops and tourist centers, even in the Eiffel Tower. Middle East terrorists claimed responsibility for the bombs and the casualties. In Rome and Vienna on December 27, Abu Nidal's group of terrorists massacred 19 innocent people waiting at El

Al and TWA ticket lines—including 5 Americans—and over 80 people were injured. Four terrorists are dead; three are being questioned.

• A month earlier, the Abu Nidal group, again supported by Libya, hijacked an Egyptian airliner and began shooting passengers one by one, starting with all the Israeli and American citizens. By the end of the incident, 60 people, including an American, had died, and 20 more were wounded; one terrorist survived and is being tried by Maltese officials.

• In October, terrorists acting under orders from Abu Abbas hijacked the Italian cruise ship *Achille Lauro* and murdered an elderly crippled American, Leon Klinghoffer. The four perpetrators were captured by the United States and await trial in Italy. Abu Abbas is at large, with a $250,000 reward out for his arrest and punishment.

• Last June, there was the dramatic hijacking of TWA 847 in Athens and the tragic killing of American sailor Robert Stethem when the aircraft was on the ground in Beirut. Also in Lebanon, there is the prolonged agony of the Americans held captive there. A representative of the Archbishop of Canterbury, Mr. Terry Waite, has been shuttling to Beirut, meeting with the captors, but they remain hostages of the Iranian-influenced Hizballah organization. . . .

Libyan Support for Terrorism

It was the pattern of rapidly growing Middle East terrorism, with greatly increased casualties, more frequent targeting of U.S. citizens and interests, and stronger state support, which caused the Reagan Administration to draw the line for Qadhafi and Libya's direct involvement in terrorism. Libya is not the only state in the Middle East supporting and using terrorism: Syria and Iran remain very much involved. But over the past 6 months, Libya has become by far the most active, especially against American and European travelers. If it cannot be stopped, others can be expected to follow its lead.

Qadhafi's general support for terrorism is not new. He long has used terrorism as one of the primary instruments of his foreign policy. He has given support to a variety of groups around the world, from the IRA [Irish Republican Army] in Northern Ireland to the Moro National Liberation Front in the Philippines. A more detailed description of Libya's activities is in State Department Special Report No. 138, January 1986.

In summary, the most significant Palestinian groups Libya has backed are Abu Nidal; the Popular Front for the Liberation of Palestine-General Command, the PFLP; and Fatah dissidents. Abu Nidal's beneficiaries in Europe include—in addition to the IRA—the FP-25 in Portugal and anti-Turkish Armenian terrorist groups. Asian groups, aside from those in the Philippines, include Pakistan's Al-Zulfiqar group, the Kanak Socialist National Liberation Front in New Caledonia, and Muslim insurgents in Thailand. In Central and South America, Qadhafi has provided training and funding to a variety of groups, including Colombia's M-19, Chile's Movement of the Revolutionary Left and Manuel Rodrigues Patriotic Front, and insurgent groups in Guatemala and El Salvador. More Libyans arrived just last week in Nicaragua, via Cuba, to assist the regime there and other terrorist/revolutionary groups such as those just mentioned.

Closer to home, Qadhafi has tried to undermine the governments in neighboring Egypt, Tunisia, and Sudan and has invaded Chad. In Egypt, Abu Nidal operatives were caught last year trying to blow up the U.S. Embassy in Cairo. Indeed, Qadhafi's own terrorist activities have been more wishful thinking and big talk, or largely aimed at Libyan dissidents, until he joined forces with Abu Nidal toward the middle of last year. Until that time, the group in recent years had been the beneficiary of almost exclusive Syrian support. The pattern of attack during that period focused upon mainline PLO [Palestine Liberation Organization] and Jordanian officials and Jordanian Air Lines offices.

There is still a connection with Syria, but for the major activities since mid-1985—Rome, Vienna, and Malta—the primary and more significant support has been Libyan. Some of the terrorists involved in the Rome and Vienna attacks may have been "trained" in the Bekka Valley of Lebanon controlled by Syria. But it doesn't take much training to fire submachine guns and throw hand grenades against civilian passengers in a crowded airliner terminal. Even in this, Abu Nidal shows his cynicism and cruelty. His group recruits young men, some of them still teenagers, for suicide attacks. They are the cannon fodder, while Abu Nidal and his lieutenants remain safely in the shadows.

During the last half of 1985, we know of Libyan money in the millions of dollars going to Abu Nidal, of Libya providing and buying arms for Abu Nidal, of Abu Nidal and his top lieutenants living in Libya, of his killers being trained there, and of travel documents and other facilitative assistance being provided by Libya for their travel to commit terrorist attacks abroad. Some of this evidence, such as the use of confiscated Tunisian passports by terrorists in the December 27 attack, is in the public domain. Some of it is highly classified intelligence, and to reveal it would help the terrorists beat our defenses. But there is no question about the Libyan-Abu Nidal connection or what Qadhafi hoped to accomplish. By this new terrorist resource, the fanatical Libyan leader believed his limitless ambitions and wild dreams could become true—that the West as well as the Arab world would be so intimidated that they would accept him as a major power on the regional and world scene.

U.S. Actions Against Libya

That is the basic reason for the strong reaction by the Reagan Administration to the massacres at Rome and Vienna. Against the background of the unmistakable imprint of Col. Qadhafi and the Abu Nidal organization on a dozen attacks around the rim of the Mediterranean in the last half of 1985, and the previous unwillingness of most of those governments to join in collective measures to stop the threat, the airport attacks were seen as a clear call for action and leadership by the United States.

After careful deliberation, the President decided to take unilateral action against Libyan support for terrorism. He moved to terminate the remaining U.S.-Libyan commercial and financial relations and called upon other countries to join us in sending Qadhafi and other governments the signal. The decision required still further economic sacrifices for the United States, which has already given up a multibillion-dollar annual business with Libya to make clear our

stand against terrorism, but if we had not taken the lead, no one else would have done so. Moreover, the moral issue was such that any Administration in this country would be bound to act.

There are a number of reasons why other governments in Europe and elsewhere have been reluctant to act, both in earlier years when we previously tried to exert pressure on Qadhafi to end his support for terrorism and in the immediate wake of the Rome and Vienna airport attacks. These reasons include: concern for the safety of their citizens in Libya or elsewhere if they were to join the United States in strong action; skepticism over the effectiveness of economic sanctions; and other foreign policy interests.

In the Middle East, the initial reaction of the Islamic countries to President Reagan's decision to oppose Libyan terrorism shows just how dangerous the situation has become. A number of moderate governments, among them those who have been directly threatened by Libyan subversion and terrorism, consented to a resolution by the Organization of the Islamic Conference supporting that country and opposing the United States. This was more than an expression of solidarity toward a fellow Islamic country which the media had depicted as about to be attacked militarily by the United States, although such a sentiment has strong popular appeal. It also reflected the concern of a number of governments at the potential political power exercised upon parts of their population by Qadhafi's brand of militant political ultranationalism—particularly at a time when moderate Arab regimes are also worried by the potent religious-military-political power of Iran and agitation of the Palestinian people, present in substantial numbers in many Middle East countries. . . .

Our overall policy is to seek to obtain long-term cooperation of the world community against the use of terrorism for political ends, no matter how worthy one may consider those ends. We have also concluded that while increased security—an essentially defensive action—is important and must be energetically pursued, there is also a need for more offensive, active measures if the spread of terrorism is to be stopped.

European Efforts Against Terrorism

Although it is, of course, too soon to tell what the ultimate effect will be on Libya, there is no question in my mind but that the other governments in Europe and elsewhere share a growing recognition of the extreme gravity of the threat and the need to take action. Although some of them were reluctant to announce what they had done, there was a positive response, in public or private, by almost all the governments which Deputy Secretary Whitehead and I visited last month. Following the visit, the EC [European Communities] foreign ministers discussed terrorism at length and issued a positive statement. They announced a decision not to export arms or other military equipment to countries which support terrorism, a pledge not to undercut steps other states have taken to deal with terrorism, and the formation of a permanent working group to make future recommendations.

Some individual governments have gone further. For example, Italy has imposed a visa requirement for all visitors from North Africa, in view of the growing number of terrorist incidents involving falsified North African travel documents. Italy also has stopped all arms supply—including deliveries on existing contracts—despite the financial losses. Italy also is reviewing its overall relationship with Libya and has intensified still further the very good work being done by its police and magistrates to fight domestic terrorism. Canada had already reduced the level of diplomatic ties with Libya, as had the United Kingdom. Canada also further agreed to stop shipping sophisticated oilfield equipment to Libya, despite the loss of sales, and to discourage any Canadian business activity there. All governments with which we spoke said they would consider additional measures, and we intend to continue our consultations with them on how best to confront the common threat posed by Libyan-sponsored terrorism.

Those who say that this type of nonmilitary action will not work against Libya should suspend their judgment until our efforts have had time to be tested, for it is a long-term effort rather than a one-shot affair. The private signals reaching the Libyan leadership from Europe and elsewhere are mostly negative, even if Qadhafi had an initial upsurge in public support. Despite their rhetoric, the other Arab governments do not appear willing to bail out Libya's badly faltering economy, nor have they taken any substantive economic or political actions against the United States. The Soviet Union has been stridently supportive in its rhetoric and has continued its very dangerous policy of supplying weaponry to a regime known for its erratic, reckless behavior. (We all recall the strong evidence that Soviet-supplied mines were used by Libyan ships in the Red Sea in 1984. Soviet-supplied aircraft additionally were used in bombings in Sudan in 1984 and this week in Chad.) Yet there are also signs of unease and caution by the Soviets, and they appear no more eager to bail out Libya economically than the Arab governments. (It is our guess that, if spot oil prices stay under $20 per barrel, by the end of this year Libya's annual revenues will be in the range of $6–7 billion, whereas 5 years ago they exceeded $20 billion dollars, and 2 years ago they were over $10 billion.)

. . . There are signs that these efforts by the United States and the Europeans are getting to Qadhafi. This is indicated by his frantic efforts to reach out to both the international media and several European and Middle East governments to try to persuade people that he isn't really such a bad guy at the same time that he strikes militaristic poses and threatens the U.S. Sixth Fleet. I don't think anyone is really being fooled—unless they want to be.

Should Qadhafi not heed the voices of reality and again unleash his agents to commit terrorist acts, or should other governments not understand the broader message warning against state support of terrorism, President Reagan has made it clear to all that he is prepared to continue exercising the responsible leadership role of the United States. Consideration of the careful use of force in such circumstances has not been ruled out, in accordance with our right of self-defense.

The Need for Congressional Support

The antiterrorism effort is a long and complicated one, to be pursued by a combination of unilateral, bilateral, and

multilateral measures. However, there are no magic weapons—most terrorism takes place abroad where our power is fettered; the enemy is determined and clever and ready to die. Qadhafi is only a part of the problem, and we are not losing sight of that. As Secretary Shultz and others have noted, terrorism is a form of a low-intensity warfare. Nevertheless, we have achieved the national consensus called for 2 years ago by Secretary Shultz; we have completed a thorough review of security, chaired by Adm. Bobby Inman, and are implementing the recommendations; the Vice President's task force on more active counterterrorist measures has finished its work and implementation is beginning; and other governments seem to be awakening. I would like to assure you that, with your support and continued help, we will continue to be in this effort for the duration.

We welcome the support and interest of this commmittee and its members, for the effort to counter terrorism can only succeed if it is a partnership. Previous legislation passed by this committee is being used vigorously, such as the rewards legislation. We support new legislation which is being considered to extend and strengthen the protection afforded U.S. citizens abroad from terrorist acts. We would like to work with you on other measures—including passage of the revised U.S.-U.K. extradition treaty, which will send a strong signal to other governments in the important area of extraditing terrorists rather than allowing them to escape proper punishment.

AMBASSADOR BORG, FEB. 19, 1986

Excerpts from a statement before the Subcommittees on Arms Control, International Security and Science and on International Operations of the House Foreign Affairs Committee.[1]

I am very pleased to have this opportunity to review with you today our progress in improving security for international air travelers and to give you an overview of recent actions undertaken to combat terrorism. . . .

U.S. Cooperative Efforts to Combat Terrorism

Bilateral Efforts. Our bilateral efforts to combat terrorism are becoming more complex, with better exchanges of intelligence, more frequent high-level communications, cooperative efforts in counterterrorism technology, and better judicial and military cooperation. More countries are establishing centralized counterterrorism offices able to coordinate the various parts of their bureaucracy, both on a routine operational basis and during a terrorist incident. Our bilateral cooperation to combat terrorism is already good and steadily improving.

Counterterrorism cooperation is on the agenda for every high-level visit to the United States; other countries can have no doubt as to the commitment of the United States to combat terrorism by every means. Ambassador Oakley has led numerous interagency delegations to many nations for specific discussions of counterterrorism cooperation.

We have found the antiterrorism assistance program to be a very effective policy tool for stimulating general interest in other countries in general cooperation and in stimulating support for specific U.S. policy concerns. It has helped us strengthen our policy dialogue with such states as Turkey, Greece, Egypt, the gulf states, Israel, and Colombia. To date, 32 countries have participated in some aspect of the ATA program, with a total of over 1,800 participants. The Office of Counter-Terrorism and the Bureau of Diplomatic Security have cooperated closely in the administration of this program. There is no doubt that there is a higher level of awareness in many countries of the dangers of international terrorism and a greater willingness to take effective actions against it because of the ATA program. . . .

Efforts in International Organizations. The United States has had success in international organizations in obtaining more effective agreements and stronger resolutions against international terrorism. The UN Security Council has issued several statements condemning international terrorism and unanimously approved a U.S. resolution in December against hostage-taking. Also in December, the UN General Assembly adopted a strong resolution which unequivocally condemned as criminal "all acts, methods and practices of terrorism wherever and by whomever committed. . . ." The resolution specifically called on all states to take appropriate measures as recommended by the International Civil Aviation Organization (ICAO) and as set forth in relevant international conventions to prevent terrorist attacks.

The International Maritime Organization (IMO) acted upon a U.S. resolution, introduced at the IMO's 14th assembly in November 1985, to instruct the Maritime Safety Committee (MSC) to develop measures for the prevention of terrorist attacks against passengers and crews on board ships. A detailed U.S. proposal was favorably received by the MSC at its meeting which ended February 5, and we expect adoption of a final text at the next MSC meeting in September. . . . Although the mandates of ICAO and IMO are significantly different, we are grateful to ICAO for making available to IMO its years of experience with security measures so that IMO could accomplish in a matter of months in the maritime area what took years to accomplish in international civil aviation affairs.

As a separate matter, we have for some time been engaged in an effort to encourage more states to become parties to the Tokyo, The Hague, and Montreal conventions, which relate to aircraft safety, hijacking, and sabotage. This effort has been going on for several years and has achieved such a degree of success that these conventions are now among the most widely accepted internationally. The Tokyo convention has 121 parties; The Hague, 126; and Montreal, 127.

These activities by the United States in international organizations represent a good deal of recent success. U.S. policy in multilateral organizations for combatting terrorism is directed toward:

- Increasing public understanding and awareness of the nature of terrorism;
- Encouraging the development of internationally accepted standards of behavior and responsibility for individual states in preventing, deterring, and punishing terrorism; and

• Encouraging effective international cooperation to combat terrorism, including adherence to existing international counterterrorism conventions.

The above cited actions make clear that progress is possible and that the system recently has been responding favorably and with a sense of urgency to our calls, and those of others, for action.

Multilateral Efforts. In contrast to these impressive developments in our bilateral relationships and with international organizations, multilateral cooperation to combat terrorism among like-minded nations has gone more slowly, but there has been some progress. For example, European states, partly as a result of our pressing them to do more to stop Qadhafi's support for terrorism, have organized a high-level EC committee to coordinate actions on the problem. We welcome this effort by European states to address collectively the problem of international terrorism, and we are seeking ways to cooperate, institutionally or informally, with this group.

The Council of Europe's committee on combatting terrorism has proposed in recent days to expand the European Convention on the Suppression of Terrorism to additional states. We welcome the initiative and look forward to contacts with the Council of Europe to explore how we might move forward with a broader convention.

Cooperation in the summit seven[2] context has been, frankly, less rewarding during the past year. We have sought as a first step with this group, which represents some of our closest allies, to revitalize the Bonn declaration[3] of 1978 and obtain agreement to cooperate in specific other areas outlined in previous summit statements at Venice, Ottawa, and London, but the political climate has not permitted the sort of multilateral cooperation which we believe is essential. . . .

Conclusion

These examples illustrate that some progress has been achieved but also illustrate the broader problems in obtaining joint international actions against terrorism along the lines foreseen in Title V of the 1985 Foreign Assistance Act. We are keeping our objectives firmly in mind and pressing them at every opportunity where acceptance by other countries provides a reasonable prospect for success. . . .

AMBASSADOR OAKLEY, FEB. 13, 1986

Excerpts from an address before the Conference on Terrorism, Tourism and Traveler Security.

. . . Every day, it seems we are confronted with a new terrorist incident. But let's take a longer view tonight and look at terrorist trends and how the U.S. Government is combatting terrorism.

Trends and Developments

In looking at trends and developments, we note:

First, terrorism is likely to be a prominent factor on the international political landscape for the rest of this century.

• There were around 500 international terrorist incidents per year in late 1970s and early 1980s, 600 incidents in 1984, and 812 for 1985—a 60% increase in the last 2 years.

• Continued political unrest, disputes between nations, and socioeconomic problems create conditions of frustration and hatred which can easily be transferred into terrorism.

• Mass global communications assure instantaneous publicity for terrorist acts.

• Frustrated splinter groups increasingly recognize they can make their mark more easily through acts of violence than through normal political opposition.

• Travel has become much easier between different countries, and border controls have been reduced, particularly in Europe.

• A worldwide system of competitive arms sales makes weapons available more easily to terrorist groups.

• Weapons of mass destruction as well as increasingly lethal conventional armaments have made regular warfare potentially too costly, particularly against stronger adversaries, causing some governments to see terrorism as a cheap way to strike a blow at their enemies.

Second, we tend to think of terrorism as an American problem, but it is an international problem. Of a total of some 800 international terrorists incidents in 1985, none occurred in the United States, where our security and intelligence agencies have full authority and maximum capability to act.

In 1985, there were 177 incidents which involved American individuals or facilities overseas, compared with 131 for all of 1984. For both years this was slightly less than one-fifth of total incidents and less than 10% of total casualties. Twenty-three Americans were killed and 139 injured by terrorists abroad in 1985 (compared to 20,000 killed in traffic accidents in this country). In recent events, the TWA and Egypt Air hijackings, the *Achille Lauro*, and, to some extent, at the Rome airport attack, Americans were singled out as targets.

Why does it appear that the United States is being singled out?

• Because of our position as the world's number one power and the perception abroad that our policies and actions somehow are responsible for situations, policies, and actions in other countries. This makes it popular for terrorists to attack U.S. targets and for the media to play up attacks on the United States more than others. And, naturally, the U.S. media focused on attacks affecting Americans—the "hometown angle" spread over into the national networks.

• Because the United States is so present abroad: military, diplomats, foreign assistance personnel, businessmen, and tourists. There are more than a million Americans overseas for one reason or another.

• Because Americans are on the move more than other nationalities; Americans make up the majority of cruise ship passengers and a substantial plurality of airline passengers.

In terms of combatting terrorism, this means that the U.S. Government and American citizens overseas are very dependent upon the protection and cooperation of other governments.

Third, terrorist attacks are increasingly violent. Trends over recent years have shown a steady increase in the number of dead and wounded—an even more rapid increase than in the number of incidents.

Fourth, state sponsorship has become an increasingly dominant factor in global terrorism. There has been an unmistakable rise in the past few years, with Iran, Libya, Syria, Cuba, and Nicaragua as the most active, determined, systematic supporters of terrorist groups. Direct government assistance in arms and explosives, communications, travel documents, money, and training combined with fanatic individuals or groups exploited by governments for political ends make state-supported terrorist groups more deadly. They have the means and desire to shift tactics toward bombing and armed attacks which make maximum political impact. The state support enables them to operate without worrying about financing or arms.

Fifth, the Middle East has become the primary source of international terrorism (378 incidents in 1985), in past years accounting for about 35% of the incidents. In 1985 this rose to 45%. Middle East terrorist activities are taking place not only in the region but also in Europe.

There are two main categories of Middle Eastern terrorists:

- Fanatical Palestinians, most of whom have split off from—and often act in direct opposition to—the mainline PLO led by Arafat. They often have the direct support of Libya, Syria, or Iran; and
- Shia zealots from various Arab countries, especially Lebanon, who are inspired and trained, often armed and financed, and, to varying degrees, guided by Iran.

The targets of Middle East terrorism fall principally into four groups: Israel; Western governments and citizens, particularly the United States; moderate Arab governments and officials, including the mainline PLO as well as Jordan, Egypt, Kuwait, and Saudi Arabia; and critics of radical regimes, particularly Libyans.

Other regions where terrorism is at a high level are Western Europe (208 incidents), where there are a number of indigenous groups motivated by ideological or ethnic/separatist beliefs, and Latin America (132 incidents), where the roots from which terrorists spring are a combination of ideology, politics, economic and social grievances, and—recently—narcoterrorism. Indigenous European terrorism decreased somewhat last year, thanks to outraged public opinion and better police work in countries such as Italy, the Federal Republic of Germany, the United Kingdom, and Belgium. In Latin America, the trend is up, and so are attacks against the United States.

As you in the industry know better than we in government, the upsurge of Middle East terrorism is having a negative effect on tourism, and especially upon tourism emanating from the United States. Three major incidents seem to have had the greatest impact, due to a combination of the acts themselves and the wide publicity they were given:

- The hijacking of TWA Flight 847 from Athens;
- The hijacking of the Italian cruise ship *Achille Lauro;* and
- The massacres at Vienna and Rome airports.

Although we have no precise figures, the best guess of the State Department is that the European and Middle Eastern countries of the Mediterranean rim lost upwards of $1 billion in anticipated revenue from tourism last year, and it will probably be worse this year. This is a blow to the tourist industry but an even greater blow to countries counting heavily upon revenue for their economies: Italy, Greece, Egypt, Tunisia, and others. Even Amsterdam is affected.

Dealing with Terrorism

What has been and is being done to deal with international terrorism? There are several real problems in dealing with terrorist incidents which occur outside the United States.

First, let us recall that the U.S. Government has only limited ability to influence the situation when it occurs abroad, particularly since some governments tend to shy away from cooperation with us. Some erroneously believe that because the U.S. Government is a principal target of terrorists, working with us could bring more trouble; or they have nationalistic reasons for keeping a distance.

Second, most European states have closer economic links than we do with the Middle East and, particularly, with the oil-rich states that are prime sponsors of terrorism—notably Libya and Iran.

Third, some governments believe that they can have a sort of gentleman's understanding with Middle East terrorists and those states who support them: in exchange for a pro-Arab foreign policy and virtually free entry and passage for persons from Middle East countries (even suspected terrorists), no terrorist activities will take place on their territory. (Unfortunately for the governments in question, terrorists are not gentlemen.) They also tend to believe that it will "not happen here" and, therefore, avoid the troublesome, expensive actions necessary to deter terrorist attack.

Recognizing the problems—and they're not easy ones—let's look at some of the actions we have been taking that have an effect on tourism.

Actions Affecting Tourism

Improved civil aviation security has been one of the highest priorities. It is an area where we can see some results. We had actually anticipated the danger of an increase in aircraft hijacking and airport attacks stemming from Mid-East terrorism. Over a year ago, the State Department and the FAA began a major effort with friendly governments and with the airline industry and the ICAO to draw attention to the threat and to propose measures to deal with it. . . .

Unfortunately, there was not enough concern by most other governments until after the TWA 847 hijacking in June 1985, and the State Department issued a travel advisory for Athens airport. At that time, behind the leadership of Transportation Secretary Elizabeth Dole and her Canadian colleague, the ICAO Council expeditiously

adopted a number of additional minimum security measures; Greece implemented rapidly the improvements for Athens airport which had been in limbo since agreed upon with a U.S. team in February; and several other governments took rapid advantage of offers by the State Department and FAA for technical assistance and training in civil aviation security.

Today, the FAA is sending officials to airports around the world in order to measure their safety. If there are problems and they are not corrected, a travel advisory will be issued—as it was for Athens airport. Better intelligence has also enabled the FAA and other U.S. Government agencies to issue more frequent, timely threat alerts for airlines and airport authorities abroad. Hijackings declined sharply in the second half of 1985. However, these tighter security measures did not apply to public access areas, where both international and U.S. airports are vulnerable. Most airports were designed to facilitate, not inhibit, public access. Since the attacks at Rome and Vienna, additional armed guards are in place at most major airports in Europe, and vigilance is up.

Maritime security is a new subject. We did not anticipate passenger hijackings because there had not been any in more than 20 years—and never previously in the Middle East. Some lines established their own security measures, but these added to the cost of the tours and were not regarded universally as necessary. The tragic *Achille Lauro* incident jolted the U.S. and other governments into a much more active policy of safety standards for ships and ports, focusing upon a reinforced role for IMO and national actions. A special interagency working group has been set up within the U.S. Government with the Coast Guard, the Departments of Transportation and State, and other agencies to deal with this problem more effectively. New international safety standards which the United States proposed are being considered by the International Maritime Organization, which met in January and should approve them later this year—a breakthrough for international ship travel.

Copyright material has been deleted; not available for Microfiche Edition.

We recently have held informal meetings between representatives of the U.S. travel industry and the Departments of State and Commerce to develop a more effective common approach to the terrorism problem. We need to work more closely on exchanging our assessment of the terrorism situation with you for information on the impact of terrorism on tourism. Using the clout of the loss of tourism dollars, we have an added weapon to use with other governments.

Improving U.S. Ability To Act Against Terrorism

The Administration has been hard at work unilaterally to improve its ability to act against international terrorism. The antiterrorism legislation passed by Congress in late 1984 has put into practice, with arrest warrants and extradition requests issued and rewards posted for the hijackers and killers of TWA Flight 847 and the *Achille Lauro* cruise ship. The Department of Justice and the FBI have, thus, become more directly involved in investigating and preparing to prosecute terrorist crimes against Americans abroad. This also has the effect of emphasizing that terrorists are not some kind of romantic "freedom fighters" but are vicious criminals. Additional legislation along these lines is pending, as is a new U.S.-U.K. extradition treaty which would treat terrorists as criminals.

There has been a significant increase in intelligence resources being applied to the terrorist problem, and further improvements have been made in our ability to respond militarily to a terrorist attack should this situation arise. The successful interception of the *Achille Lauro* hijackers is the most spectacular manifestation of both these improvements, combining excellent intelligence with timely military action in a precise, restrained way. Less publicized is the fact that over 100 terrorist attacks planned against the United States abroad were preempted in 1985 due to better intelligence or better security.

We have beefed up substantially the protection accorded U.S. Government officials stationed abroad, both military and civilian, and improved cooperation with private American business overseas, including the creation of an

Overseas Advisory Security Council composed of State Department and private business representatives.

The Diplomatic Security Bureau and the Bureau of Consular Affairs of the State Department have also increased their programs for providing information to travelers and prospective travelers, as well as businessmen. When a call comes in on whether or not it is safe to travel to a particular country, they can provide the latest evaluation based upon the view of our diplomatic posts abroad and the intelligence community here in Washington. As a general rule, the State Department and its posts abroad do not discourage foreign travel because there are terrorist incidents. If there are problems in a particular country which warrant attention but not, in our judgement, cancellation of the trip, we point this out. If the problems are very serious—as in Lebanon or Libya or, for a time last year, at Athens airport—we will issue a public travel advisory.

The Need for International Cooperation

The measures which the United States can take unilaterally to combat terrorism are limited by a variety of factors. We cannot, for example, arbitrarily land assault troops at the airport of a friendly country to storm a hijacked plane without working out arrangements with the host country. Nor can we really track suggested terrorists ourselves in the slums of Beirut, the deserts of Libya, or the jungles of Central America. The problem is an international one, and effective responses require international cooperation.

As Secretary Shultz said in a June 24, 1984, speech, terrorism is an international problem that requires the concerted efforts of all free nations, and ". . .the time has come for the nations that truly seek an end to terrorism to join together, in whatever forums, to take the necessary steps."

Obtaining agreement on specific international steps is a difficult and long process—going back to even before the 1984 speech. Indeed, the efforts go back to the terrorist outbreaks in the 1970s. It has not been easy, for the reasons I mentioned earlier and because there is a strong sentiment of independence, if not resentment, amongst these governments *vis-a-vis* leadership from the United States.

Progress is being made, however. Italy recently has been the most cooperative European country, perhaps because of the jolt of the *Achille Lauro* hijacking, perhaps because its remarkable success in reducing domestic terrorism convinced its government of the need to act sooner rather than later. The United Kingdom and West Germany also deserve special recognition for the vigorous efforts they have been making to combat terrorism in their countries and to promote greater multilateral cooperation against the common threat.

Other governments have been less vigorous and less cooperative, adhering to a practice of accommodation and outdated policies of liberal refuge and asylum for those who claim political motivation for what are really heinous criminal acts. The U.S. Government disagrees strongly with such an approach and has made its views known.

On balance, discreet but effective bilateral cooperation between the United States and most of its allies has improved substantially over the past year, just as we have been able to focus greater world attention on the issue by pushing hard for resolutions condemning terrorism in the United Nations. The General Assembly and Security Council have both approved resolutions in recent months. Effective multilateral action on specific problems or countries, however, is still not in sight.

Unfortunately, these measures, unilateral and international, have not been enough. . . . There has simply not been enough action by other governments to act against terrorists before they can strike or to arrest and punish them once a crime has been committed. . . .

There is the beginning of an awakening in Europe. Although still somewhat embarrassed politically by U.S. leadership, there was a positive response behind the scenes by most of the nine governments which Deputy Secretary Whitehead and I visited last month. Cessation of arms supply to Libya, including existing contracts; an end to government credits for exports; tighter controls on Libyan entry and movement; and a promise not to substitute for departing American companies and technicians—these have been agreed to by almost all governments. Some have gone further—notably Italy, which has imposed a visa requirement for all visitors from North Africa and is reviewing its overall relationship with Libya. Collectively, the EC has decided to establish a high-level committee to study the terrorist problem and make recommendations. We hope this will be a forum for vigorous action.

One of the motivating factors behind this sudden activity in Western Europe has probably been the loss of tourist revenues, particularly from the United States. Europeans who in the past have been reluctant to take vigorous antiterrorist actions because of commercial interest are beginning to understand there is another side of the financial ledger. Terrorism is costing them hundreds of millions of dollars in lost tourism, increased security costs, and apprehensive investors. Another is the pressure of public opinion, which in most European countries is demanding firmer action by governments and is angry at what seems to be an inadequate response. In both these areas, groups such as those represented here tonight can use your potential pressure to good effect, making clear through your own channels which governments you believe are taking seriously their responsibilities to fight terrorism and protect all persons in their countries. Combined with the efforts of the U.S. Government, this can have an important positive impact.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

[2]Canada, Federal Republic of Germany, France, Italy, Japan, United Kingdom, and United States.

[3]The 1978 Bonn declaration civil aviation security. ■

Chronology of Major American-Related Terrorist Incidents, 1985

December 27

Rome, Italy; Vienna, Austria: Terrorists simultaneously attacked passengers at airports in Rome and Vienna with grenades and automatic weapons fire. Five Americans were among those killed in attacks on El Al and TWA passengers in Rome. Two El Al passengers were killed in Vienna. Airport guards killed three terrorists and captured another in Rome. In Vienna, one terrorist was killed and two were captured. The Abu Nidal group claimed credit for the attacks.

November 24

Frankfurt, West Germany: A car bomb exploded at a U.S. military post exchange (PX) injuring 36, including 18 U.S. military personnel and 15 U.S. civilians. The bomb was contained in a silver BMW. No group claimed credit.

November 23

Malta: An Egyptair flight carrying 96 people, including three Americans, was hijacked en route from Athens to Cairo and diverted to Malta by three Arabic-speaking gunmen. When demands for refueling were not met, two Israeli women and three Americans were shot in the head with a small-caliber weapon. One Israeli and one American died. An Egyptian commando unit stormed the plane using explosives to enter a cargo hold. A fire and gunbattle ensued. In all, 59 passengers were killed. Three groups claimed responsibility: Egypt's Revolution, the Egyptian Liberation Organization, and the Arab Revolutionary Brigades (a.k.a. the Abu Nidal group).

November 6

San Juan, Puerto Rico: Two unidentified assailants on a motorcycle shot and wounded Maj. Michael Snyder, a U.S. Army recruiting officer, as he was riding a moped to his office in San Juan. A passerby was also wounded. The Organization of Volunteers for the Puerto Rican Revolution claimed credit.

October 28

Santiago, Chile: Four people were wounded as bombs exploded at the offices of two U.S. companies and a Chilean-Arab exporting firm. The first bomb exploded at the headquarters of International Telephone and Telegraph (ITT), wounding two Chilean security guards. Shortly afterward, an explosion damaged the offices of the United Trading Company, a Chilean-Kuwaiti fruit exporter, and severely injured two employees. The third bomb went off at the offices of Freeport Chilean Exploration, a New Orleans-based mining company and subsidiary of Freeport McMoran, Inc. of New York. Damage was extensive.

October 23

Concepcion, Chile: A bomb exploded at the U.S.-Chilean Binational Center, causing extensive damage and one injury. The explosive detonated outside the center's front door where it seriously wounded a young girl who happened to be passing by. The Manuel Rodriguez Patriotic Front claimed responsibility for the attack through an anonymous telephone call to a radio station.

October 7

Port Said, Egypt: Four gunmen seized the Italian cruise ship *Achille Lauro* off Port Said, Egypt, and took some 400 people on board hostage. Among the hostages, representing many different nationalities, were 12 Americans. The hijackers demanded the release of 50 Palestinians held in Israel. The hijackers killed Leon Klinghoffer, an elderly American confined to a wheelchair, and threw his body overboard. The ship returned to Egypt where the hijackers surrendered to PLO and Egyptian officials. Egypt released the hijackers. The U.S. Navy intercepted the hijackers' plane and forced it down in Italy where they were taken into custody.

September 16

Rome, Italy: Two Soviet-made F1 grenades were thrown into the Cafe de Paris, a popular tourist spot located 100 yards from the U.S. Embassy. One grenade exploded and injured 40 people, among them several Britons and Americans. The Revolutionary Organization of Socialist Muslims (a.k.a. the Abu Nidal group) claimed credit. Police arrested a Lebanese-born Palestinian.

September 9

Madrid, Spain: A car bomb exploded in central Madrid during a morning rush hour and wounded 16 civil guards in a van and two passersby. One of the wounded, U.S. businessman Eugene Ken Brown of Johnson and Johnson, died 2 days later. Brown was hit in the chest and neck by shrapnel while jogging in the area. ETA, a Basque separatist group, claimed responsibility in telephone calls.

September 3

Cali, Colombia: A large bomb exploded in the library of the U.S.-Colombian Binational Center (BNC) and three bombs were placed in front of the Coca-Cola bottling plant. Hours earlier, the U.S. Embassy had passed on to the American community advance warning that terrorist activity would be directed at U.S. interests in Colombia that evening. Two injuries and considerable damage were reported from the BNC explosion. Both the M-19 and the Ricardo Franco Front claimed responsibility for the bombings.

August 8

Frankfurt, West Germany: A car bomb exploded in a parking lot at the U.S. Rhein-Main Air Force Base, killing one U.S. airman and the wife of another. The 20 injured included 18 U.S. citizens. The bomb vehicle was a metallic green Volkswagen with forged U.S. Armed Forces license plates. The Red Army Faction (RAF) and Action Directe jointly claimed credit for the attack under the name of the "Commando George Jackson," an American member of the Black Panthers who was killed attempting to escape from a California prison in 1971.

August 7

Wiesbaden, West Germany: A U.S. serviceman, Edward Pimental, was shot,

Copyright material has been deleted; not available for Microfiche Edition.

killed, and robbed of his military I.D. card after leaving a nightclub in the company of a man and a woman just before midnight. Police speculated that the stolen I.D. card might have been used by the Red Army Faction to gain entry to the U.S. Air Force base at Rhein-Main, where a car bomb exploded the day after the murder. On August 13, a copy of an RAF communique and the I.D. card were sent to a news agency.

July 22

Copenhagen, Denmark: Two bomb blasts wrecked the offices of Northwest Orient and damaged a Jewish synagogue and old people's home. At least 14 people were injured, but no deaths were reported. One bomb was thrown through the window of the airline office; it injured 10 people inside and one passerby. The other bomb exploded between the synagogue and the old people's home, injuring three or four people. An anonymous caller in Beirut claimed credit for the Islamic Jihad, saying the bombings were in retaliation for an Israeli raid on the southern Lebanon town of Kabrikha the day before.

July 19

Santiago, Chile: A powerful car bomb exploded in front of the U.S. Consulate. A Chilean passerby was killed, and four other Chileans were injured. Two of the wounded were police guards posted at the consulate. Damage to the consulate consisted of broken windows. The Manuel Rodriguez Patriotic Front claimed credit.

July 14

Karachi, Pakistan: A bomb exploded near the main entrance to the Pan Am office. A man was seen placing a bag on the stairs of the office, but a passerby moved the bag away before it exploded. The blast injured the passerby and two others. No group claimed credit. On August 17, 1985, a Pakistani male who was described as strongly anti-American was arrested. He is believed to have acted alone.

July 1

Andori, Colombia: Attackers, believed to be with the leftist National Liberation Army, shot and severely wounded Douglas Brannen, a former Florida State senator, near Brannen's gold mine north of Bogota.

Madrid, Spain: Terrorists attacked a building shared by TWA and British Airways. A man ran into the British Airways ticket office below the TWA office and threw a box onto the counter. The box exploded and gutted the office. The TWA office was also damaged. One Spanish woman was killed, and at least 28 people were wounded, among them two American tourists. "The Organization of the Oppressed" and the Revolutionary Organization of Socialist Muslims (a.k.a. the Abu Nidal group) claimed credit.

June 23

Air India Flight 182, flying from Toronto and Montreal to India, crashed at sea off southwest Ireland, probably as a result of a bomb blast. All 329 passengers, including four Americans, were killed. A caller to *The New York Times* claimed credit on behalf of a Sikh group. The crash appeared to be related to another incident the same day at Tokyo's Narita Airport where a bag being transferred from a Canadian airline to an Air India flight exploded and killed two airport workers.

June 19

San Salvador, El Salvador: Gunmen shot and killed 13 people, including four Marine security guards and two U.S. businessmen, at an outdoor cafe. The slain marines were identified as Cpl. Patrick Kwiatkowski, Sgt. Bobby Dickson, Cpl. Gregory Webber, and Sgt. Thomas Handwork. George Viney and Robert Alvidrez, two businessmen from Wang Laboratories, were also killed. Witnesses said a pickup truck stopped at the curb, and 6-10 men dressed in military-type uniforms and armed with automatic weapons jumped out and fired at cafe patrons. The gunmen seemed to single out the Marines, who were in civilian dress. The Revolutionary Party of Central American Workers claimed credit.

June 13

Beirut, Lebanon: TWA Flight 847 from Athens to Beirut was hijacked with 153 passengers on board. Two Lebanese hijackers took the plane from Beirut to Algiers, back to Beirut, to Algiers again, and finally back to Beirut. They demanded the release of 700 Lebanese Shi'ites held in Israel. During the second stop in Beirut, the hijackers killed passenger Robert Stethem, a U.S. Navy diver, and a number of Americans were taken off the plane when about 12 Lebanese Amal members boarded. Passengers were released until 39 American men remained. All but the three crew members were taken from the plane on June 17 and held by Amal and Hizballah for 13 days until Syria obtained their release. *Beirut Radio* has identified the two original hijackers and has announced that they will be prosecuted.

May 15

Lima, Peru: Simultaneous bombings occurred at a number of targets in the city, including the residence of the U.S. Ambassador, where an explosive device, which was thrown over a wall, detonated near the swimming pool. The blast broke windows in the residence, which was occupied by the Ambassador at the time, but there were no casualties. Police blamed Sendero Luminoso for the attacks, which came on the eve of the fifth anniversary of their war with the Peruvian Government.

April 12

Madrid, Spain: A bomb exploded in the El Descanso restaurant, which is frequented by U.S. military personnel from a nearby airbase. Eighteen Spaniards were killed, and 15 Americans were wounded. The blast was caused by a 12-pound homemade bomb. Several groups claimed responsibility, including the Islamic Jihad organization.

April 9

Santiago, Chile: Two explosive devices were almost simultaneously detonated in a small pedestrian shopping arcade where six banks, a few restaurants, and several businesses were located. The blasts caused only minor damages but wounded eight patrons of a restaurant and passersby. The Chase Manhattan Bank and the First National City Bank have branch offices at this location. On this same night, five other bombs exploded in four other cities in Chile. The targets included the U.S. Bank Moran Finance in La Serna, a supermarket, a tourist office, and a telephone booth.

February 21

Barranquilla, Colombia: A bomb exploded outside the Binational Center, killing the night watchman and causing extensive damage to the administrative offices. The bomb apparently was placed against a side wall of the center, just minutes before the explosion, by two men on a white motorcycle. The explosive, believed to have been dynamite in a metal container, blew a large hole in the exterior wall adjacent to the office of the center's director. The watchman was some distance from the blast and was killed by shrapnel. The explosion also broke windows in the surrounding neighborhood.

February 7

Medellin, Colombia: Terrorists simultaneously bombed seven establishments, most of which were U.S. firms. One policeman was killed, and another was wounded. Explosions occurred at or near the offices of Union Carbide, Xerox, IBM, GTE, Tradition Family and Property, and a Hare Krishna temple. Extensive damage was reported at some of the establishments. The Che Guevara Faction of the National Liberation Army and the Ricardo Franco Front, a dissident group of the Revolutionary Armed Forces of Colombia, claimed responsibility for the multiple bombings.

Guadalajara, Mexico: Enrique Camarena Salazar, a DEA agent working in Mexico, was abducted by four gunmen just after leaving the U.S. Consulate. He was brutally killed, and his body was found a few weeks later. Three hours after Salazar's abduction, Alfredo Zavala Avelar, a Mexican pilot for the DEA, was also kidnaped and later killed. Among those arrested were two major Mexican drug traffickers, Rafael Caro Quintero and Ernesto Fonseca.

February 2

Glyfada, Greece: A bomb exploded in a nightclub frequented by U.S. military personnel. Sixty-nine Americans were injured. A group called the "National Front" claimed the bombing was in protest of U.S. support for Turkey over the Cyprus issue.

January 30

Guadalajara, Mexico: American John Walker and Cuban companion Alberto Radelat disappeared after being seen at a Guadalajara restaurant frequented by members of Mexico's drug underworld. On June 19, police found their bodies in a well north of the city. The bodies were wrapped in tablecloths and carpeting and riddled with bullets. Before the bodies were found, two drug kingpins, Rafael Caro Quintero and Ernesto Fonseca were arraigned based on the testimony of a witness. Both have admitted killing Walker and Radelat, whom they may have mistaken for DEA agents. ■

International Terrorism: The Taking of U.S. Citizens Hostage

U.S. Government Policy

The policy of the U.S. Government toward terrorists holding official or private U.S. citizens hostage [Hostage-taking is defined under international law (International Convention Against the Taking of Hostages, adopted December 17, 1979) as the seizing or detaining and threatening to kill, to injure, or to continue to detain a person in order to compel a third party to do or abstain from doing any act as an explicit or implicit condition for the release of the seized or detained person.] is as follows: The U.S. Government will make no concessions to terrorists. It will not pay ransoms, release prisoners, change its policies, or agree to other acts that might encourage additional terrorism. At the same time, the United States will use every available resource to gain the safe return of American citizens who are held hostage by terrorists.

Basic Premises

It is internationally accepted that governments are responsible for the safety and welfare of persons within the borders of their nations. Being fully cognizant of both the terrorist threat and public security shortcomings in many parts of the world, we have developed enhanced physical and personal security programs for U.S. personnel and established cooperative arrangements with the U.S. private sector. We have also developed bilateral counterterrorism assistance programs and close intelligence and law enforcement relationships with many nations, in order to increase the possibilities that terrorist incidents will be prevented or competently handled and resolved in a manner that will deny the perpetrators benefits from their actions. The U.S. Government also seeks effective judicial prosecution and punishment for terrorists and criminals and is willing to employ all legal methods to accomplish these ends, including possible extradition, when the United States or its citizens have been victims. Our policy and the goals we seek are clear, and the U.S. Government is becoming even more active in pursuing them alone and in cooperation with other governments.

U.S. Government Responsibilities When Private U.S. Citizens are Taken Hostage

Based upon a careful study of past experience, the U.S. Government has concluded that payment of ransom or other concessions to terrorists in exchange for the release of hostages increases the danger that others will be taken hostage. The policy of the U.S. Government is, therefore, to reject categorically demands for ransom, prisoner exchanges, and deals with terrorists in exchange for hostage release. At the same time, the U.S. Government will make every effort, including contact with representatives of the captors, in an effort to bring about the release of the hostages without paying ransom, exchanging prisoners, et cetera.

For the same reason, the U.S. Government strongly urges U.S. companies and private citizens not to pay terrorist ransom demands. We believe good security practices, relatively modest security expenditures, and close cooperation, in advance, with embassy and local authorities can lower the risk to Americans living in high threat environments.

The U.S. Government is concerned for the welfare of its citizens, but it cannot support requests that host governments violate their own laws or abdicate their normal law enforcement responsibilities.

On the other hand, if the employing organization or company is working closely with local authorities and is following U.S. policies, U.S. Foreign Service posts can be actively involved in trying to bring the incident to a safe conclusion. This includes providing reasonable administrative services and, if desired by the local authorities and the American organization, full participation in strategy sessions. Requests for U.S. Government technical assistance or expertise will be considered on a case-by-case basis. The full extent of U.S. Government participation must, of necessity, await an analysis of each specific set of circumstances.

When the goal of a U.S. private organization or company is to gain release by paying ransom, or pressuring the host government for political concessions, U.S. Foreign Service posts will be limited in their participation to initial administrative services such as assisting in making contacts with host government officials.

The host government and the U.S. private organization or citizen must understand that if they wish to follow a hostage resolution path different from that of the U.S. Government policy, they do so without U.S. Government approval or cooperation. The U.S. Government cannot participate in the development and implementation of a ransom strategy. However, U.S. Foreign Service posts may maintain a discreet contact with the parties to keep abreast of developments.

Legal Caution

Under current U.S. law, 18 USC 1203, (Act for the Prevention and Punishment of the Crime of Hostage-Taking, enacted October 1984 in implementation of the United Nations convention on hostage-taking), seizure of a U.S. national as a hostage anywhere in the world is a crime, as is any hostage-taking action in which the U.S. Government is a target of the hostage-taker's demands or in which the hostage-taker is a U.S. national. Such acts are, therefore, subject to investigation by the Federal Bureau of Investigation and prosecution by U.S. authorities. Actions by private persons or entities which have the effect of aiding and abetting the hostage-taking, concealing knowledge of it from the authorities or obstructing its investigation, may themselves be in violation of U.S. law.

Press release 101 of May 6, 1986. ■

News Conference of June 11 (Excerpts)

Excerpts from President Reagan's news conference of June 11.[1]

. . . .

Finally, there is the upcoming vote on aid to the Nicaraguan freedom fighters. Congress must understand the urgency of the situation in Central America. Delay is deadly and plays right along with the communist game plan. Because while we may have tied our own hands, the Soviets, Cubans, and Libyans haven't tied theirs. With over $1 billion of support and some of the most fearsome weapons in the Soviet arsenal, the communist strategy is simple: hold off American aid as long as possible in the hope they can destroy all opposition before help arrives.

It's time for an up-and-down vote on freedom in Nicaragua, an up-or-down vote on whether the United States is going to stop Soviet expansionism on the American mainland while the price is still not too high and the risks are still not too great. We must act now in a bipartisan way to do the right thing: to rescue freedom in Nicaragua and protect the national security of the United States.

Q. Your decision to tear up the SALT [strategic arms limitation talks] treaty by the end of the year has caused great consternation among the allies, among Members of Congress on both sides of the aisle, among others who fear that you are creating a more dangerous world. My question is: Is this decision irrevocable? And I'd like to followup.

A. I have to say that I can understand why they would be distressed with the way the news has been carried. But let me go back to what the situation really is.

First of all, this treaty, which was signed 7 years ago, was never ratified—well, it was more than 7 years ago, I guess. But for 7 years there is supposed to have been this restraint or observance of the treaty's terms. And for 7 years this country has been doing that. The Soviet regime, for 7 years, has been violating the restraints of the treaty.

We found it necessary to—or advisable to do away with two Poseidon submarines as we launched the last Trident. But that, I had to make plain, while it did keep us within the constraints of the SALT agreement, that wasn't the reason. Had there been no SALT agreement, we would have done away with those two submarines because—or dismantled them because of the cost and the military value of them, or lack of it.

But then what I said was that before we reached another point where this might be an issue at all, several months away, which has to do with the arming of the 131st B-52 with a new air-launch cruise missile; and in the interim period I said that we could not go on unilaterally observing the constraints while the Soviet Union violated them and gained even greater superiority over us; and that we were going to be bound from now on by the necessity of maintaining a deterrent. We're not seeking to achieve superiority over them, but we're certainly not going to let them go on increasing their superiority over us. But I said—because we have these several months before that moment comes up—that we were going to do our utmost—since they themselves have talked of arms reductions—that we were going to do our utmost to see if we couldn't involve them in replacing this SALT treaty, which, first of all, was never ratified, as I said, but, second of all, would no longer be in power if it had been ratified, because it was stated for a limited period of time—that, if we could replace that with a realistic program of arms reduction, which has been my goal ever since I've been here. Now we have the first Soviet leader, to my knowledge, that has ever voluntarily spoken of reducing nuclear weapons. And we want to followup on that.

Q. It sounds like you are going to tear it up, Mr. President. Do you agree with Richard Perle [Assistant Secretary of Defense for International Security Policy], who branded as Soviet supporters Members of Congress who want to keep you within the limits of this treaty?

A. I'm not going to make any comment on anyone who wants to keep this. But I did find it rather strange that some of the Senators who spoke very criticallly of me, without really understanding what it is that I've tried to explain about this—some of them were Members of the Senate when they refused to ratify the treaty to begin with.

The treaty was really nothing but the legitimizing of an arms race. It didn't do anything to reduce nuclear weapons or the nuclear threat. All it did was regulate how fast and how much we could continue increasing the number of weapons. So, I was always hostile to that particular treaty because it did not reduce weapons, and that's what we're going to do. But again, as I say, the Soviets have an opportunity to meet us now with regard to some of the very things they've been proposing—arms reduction. And we will observe the constraints to the same extent that the Soviet Union does. But we can't go on unilaterally observing this while they take off on their own with the violations that they've already made, and probably more to come.

. . . .

Q. I have a two-part question. You've left no doubt, through your public statements, of your determination not to permit Nicaragua to become another communist Cuba or a Libya. What means are left to the United States if the *contras* are defeated by any means whatever? Is a naval quarantine possible?

A. I couldn't and wouldn't comment on anything that might be further actions for us, because I don't think you could do that without informing them of anything we're thinking. And right now we have not planned for any contingency beyond aiding the *contras*, because we think that—I've got to stop using that word. That was the Sandinistas title for them, and I don't like to do anything they're doing. So, the freedom fighters, we believe, with all the information that we have, that they are capable of, at the very least, applying sufficient leverage that they could bring the Sandinista government to a negotiating table for a settlement. We would prefer that over a military settlement, if that can be done.

We know that there are thousands of recruits that are waiting to join the freedom fighers, and they need the weapons and ammunition and so forth for them.

Q. And the other part of the question is: This week in a speech you likened Mr. Gorbachev to Castro, Arafat, and Qadhafi. And I'd like to ask what effect you think this statement would have on future relations with the Soviet Union and a possible summit. I'm talking about the Georgetown speech, [address before the

Center for Strategic and International Studies on June 9, 1986].

A. Yes, but I didn't think I lumped him in with them.

Q. It was in the speech.

A. I certainly—then it was a bad choice of words, because I didn't mean to do that. As I've said, he is the first Russian leader, to my knowledge, that has ever voiced the idea of reducing, and even eliminating, nuclear weapons. So, I must have goofed some place, because, believe me, I don't put him in the same category.

. . . .

Q. If I could pursue the questions on your decision on the SALT treaty: On one hand, you're saying that the Soviets have continued to increase their superiority over us. On the other hand, you said that the treaty did not constrain either side in terms of the arms race and was one of the reasons you were not for it. It really can't be both ways.

At the same time, we've had a massive defense buildup, the Reagan defense buildup. Which way is it? Have the Soviets been able to increase superiority over this period of time, or has the treaty not been able to stop them?

A. No, it hasn't been able to. The treaty actually set limits, as for example, that you could only have one new type of weapon now that you could develop that didn't exist. And they have developed two instead of one. And this was a violation. It also set numbers and figures so that it was a restraint to the extent of just not an all-out arms race with no limit on the way you could progress.

But when you say about achieving, remember, we're still playing catchup. They were building when we were dismantling. And we feel that, as I've said before, there's no way that we can allow them to reach for and get a superiority. And we don't want a superiority over them. But also we simply want to maintain enough of a deterrent that even with whatever superiority they have it won't be enough for them to take the chance on the followup action that could happen.

Q. If I could just follow that up: At the same time, your own arms control director, Mr. [Kenneth] Adelman, has said that the Soviet violations have not had any great military significance. What is the possibility, since the violations themselves—which have been disputed by some as to their significance—what is the possibility that by abandoning the treaty now, which is, as you just admitted, has some limited significance in providing some degree of predictability, that we won't go into a complete arms race now? What's to replace SALT at this point? And why make this decision now?

A. Didn't make it now. I said we've got several months here in which we're going to try to involve them in the things they, themselves, have been talking about—and that is a definite arms reduction program. This is the only thing that makes sense in the world, and I've been talking about this since 1980. And I said I was sick and tired of agreements that just said, "Well, we'll only go at this pace in our increasing the number of weapons." Let's get around to getting rid of them as much as we can.

. . . .

Q. You've just said that you really haven't made the SALT decision yet. And I think there's a lot of confusion as to exactly where we stand on the SALT decision. Are you going to go over the limits of the SALT decision, or are you going to dismantle another submarine and stay within the limits? Exactly what are you going to do on SALT?

A. You're asking something—yes, we will have a plane coming up to be armed with a cruise missile that would put us, to that extent, beyond the constraints of the limitation. Now, we've got several months before we reach that point. We've got several months in which to see if the Soviet Union—we have taxed them over and over again with regard to their violating the constraints. Now, on that basis we're going to see if we cannot persuade them to join in the things they're talking about: arms reduction. And if nothing is done, then we'll make the decision with regard to that plane.

Q. There are reports that today in Geneva the Soviets made a new proposal on reducing long-range strategic missiles. Is this the kind of proposal you've been looking for, and has it changed your opinion of what you're going to do on SALT?

A. I can't comment on it because of the confidentiality of the situation there in Geneva. But, yes, as of today we have received this proposal. And now we're going to study that and see what they have in it.

. . . .

Q. Immediately after the U.S. attack on Libya, you were particularly grateful to Prime Minister Thatcher for her help in allowing the United States to let airplanes take off from the United Kingdom. Since then American tourists have been staying away from England and Europe in droves, and Mrs. Thatcher has made a personal plea for Americans and their dollars to come back to the continent. Do you think that it's safe in Europe for Americans to return? And will you tell Americans whether they ought to go overseas this summmer?

A. You've asked me a very tough one in my position with what we know about the dangers throughout the world, I certainly don't want to be quoted as advocating a tourist rush in the face of the world the way it is. I'm going to be rather bold and just tell you that our Ambassador has recently had a little talk, or something, that was carried in the *Los Angeles Times*. And it was to the effect that he belived that London was probably one of the safest cities in the world and that he saw no reason for anyone to be fearful of that. Well, I have not argued with him on his making that point.

Q. We also read about the extraordinary security precautions that are going to be taken for the Statue of Liberty festivities July 4th. Are you concerned that perhaps that's a pretty delectable domestic target?

A. Yes. But I also have a great deal of confidence in our security people. And I can see where they would think that that would be a very inviting target for those who hate us in the terrorist ranks and think that they might be able to embarrass us that way.

. . . .

Q. The Warsaw Pact is said to be offering to withdraw a million of their troops that face us in the West. For those of us with families in Europe that sounds like a lot. I know that you always like to deal with these offers in the confidentiality of Geneva. But isn't it perhaps time, bearing in mind that nothing seems to have come out of Geneva for over a year, to go with an offer like this, run with it and see what happens?

A. You mean the offer that has just been given in Geneva?

Q. Correct.

A. As I say, there have been offers, and we have made counteroffers; much in the same thing and with pretty much the same end result as to numbers of weapons. And where the difficulties seem to come in is the Soviet Union and the United States have somewhat different mixes of weapons that we believe are essential to—well, for theirs, we believe theirs is based more of an offensive nature. We believe ours is based more on a deterrent idea. And so, sometimes we run into difficulties then in reconciling some of the means of getting to the same number of warheads being eliminated.

This has kept us from having an agreement so far. Now this last agreement has come in, and we don't yet know until we see it carefully—is it a response to one of our counteroffers? Does it in some way change some of their proposals and bring us closer to a negotiated position? And this is what we want more than anything. So, you can depend on it that we're going to make every effort. But it must be fair and balanced. It must not be an agreement in which one side is trying to maintain or increase an advantage over the other.

Q. Doesn't this make it all the more important to see Mr. Gorbachev as soon as possible this year?

A. That's what I'd like. In fact, we're waiting to hear when this can take place. We suggested a date, and evidently it was too early for them. They didn't suggest, but they spoke publicly about a possible date, and that was wrong for us because of the coming political campaign. But we still, and I still, believe that he wants a summit and I want a summit, and I believe it's going to take place.

Q. The Pollard spy case has precipitated some confusion within your Administration over the matter of how much Israeli spying there is in this country and if it goes beyond the Pollards. The Justice Department officials are telling us that it goes beyond the Pollards, and they're continuing their investigation. The State Department officials have told us that there's no more Israeli spying here, and they're satisfied, and they seem to want to put an end to it. I wonder if you could clear up this confusion.

A. The only thing I know is that the Israeli Government has assured us, as much as they can, that they have never had any program of trying to get intelligence information from our country or doing any spying on us. And so far, as I say, the Justice Department has said they will look to see if there is anything that they can find out. But so far there's been no evidence presented to us from anyone.

Q. What if they do come up with some evidence? What would you do?

A. I think we'll have to deal with that then and find out whether it's a surprise to the Israeli Government, whether someone was off playing their own game or not.

Q. Federal Reserve Chairman [Paul] Volcker made an unannounced trip to Mexico this week to discuss that country's financial problems. Are you worried that Mexico might unilaterally default on payments or totally default on its foreign debt?

A. I think this is a possibility with not only Mexico but a number of other countries that are having these debt problems—and based on the high interest rates of the past before we reduced inflation. And obviously, we'd like to be of help to them within the framework of the agreements that were reached in Korea by Secretary [of the Treasury James A.] Baker. And we want to be of help as much as we can. Mexico is a next-door neighbor; our fortunes are linked on many fronts. And so, we want to be of as much help as we can. And that was the reason for his trip.

[1] Text from Weekly Compilation of Presidential Documents of June 16, 1986.■

No Delay for Democracy

Secretary Shultz's address before the National Foreign Policy Conference for Young Political Leaders on June 13, 1986.[1]

I appreciate the chance to talk to you, and I appreciate the fact that you are here listening to us, and let me assure you that we listen to you. So with that, let me launch into the things that I have to say, and I'm going to talk about Central America—a matter of great concern to us here and, I think, of importance and concern throughout our country.

Throughout its history the United States has been blessed with a society remarkable for its freedoms and its openness. Our liberty has given us a unique approach to the world: outgoing, optimistic, self-confident. As young political leaders, you have a special interest in preserving this legacy.

Our unique geographic position—bordered as we are by vast protective oceans to the east and west and friendly neighbors on the north and south—is essential to our world. We now seek to secure our way of life with forward defenses and far-flung alliances based on the confidence that our immediate frontiers are secure and that our freedoms can flourish behind them.

But we are taking our secure frontiers for granted.

We must remember that our southern flank, the Caribbean, has been—and is—an area of vulnerability. During the Second World War, U-boats took a heavy toll of our shipping in the region. In 1962, the world came close to nuclear holocaust when the Soviet Union attempted to install missiles in Cuba. Today, the Soviets have a combat brigade in Cuba and use the island as a base for conducting intelligence patrols along our eastern coast and in the Caribbean.

The presence of hostile submarine bases, extensive airfields, and Soviet aircraft vastly complicates our defense planning. Cuba's attempts to launch revolutions throughout the hemisphere, and its sending of tens of thousands of its troops into Africa, have made this small communist state a threat to democracy everywhere. So we cannot view with indifference Moscow's attempt—using Cuban, East European, Libyan, and North Korean surrogates, among others—to establish itself in a similar fashion on the American mainland.

The other side of this concern is our great interest for its own sake in the political, social, and economic development of our democratic neighbors to the south—not just because their development is consistent with U.S. values but also because our national security is intimately linked to their security.

Most of Central America is now emerging from a long and dismal period of government by dictatorship. During the last 6 years, El Salvador, Guatemala, and Honduras have joined Costa Rica in establishing truly democratic governments. The elected presidents of these four Central American democracies share common ideals based on their dedication to freedom. They each have a mandate from their people to bring about economic and social justice. These leaders are scheduled to serve together through the completion of President Duarte's term in May 1989. U.S. policy explicitly and firmly supports them and their cooperative efforts to create a better life for their people. That support is the cornerstone of our policy for Central America.

One of the first challenges to our goals for Central America is to restore economic vitality to the region. The early 1980s saw a heavy strain on the economies of Central America. Today, there are important signs of hope. They're getting a few good breaks: interest rates have come down, and the price of oil has come down. And the price of coffee, a principal export, has risen in price. There are renewed stirrings of the regional commerce that was an engine for strong growth during the 1960s.

I am confident that no one in this country will support a policy which, wittingly or unwittingly, crushes the hopes of an entire nation for freedom and democracy.

The United States has been able to lay the foundation for regional economic growth through the Caribbean Basin Initiative and President Reagan's response to the recommendations of the National Bipartisan Commission [on Central America]—the so-called Kissinger report. Despite our extreme budget stringencies, we hope to sustain economic assistance to the region at the level of about a billion dollars—an amount nearly four times greater than our military assistance. In other words, that's where our priorities are. The goal of long-term, real *per capita* growth in the region now seems within reach.

Nicaragua: Obstacle to Progress in Central America

But there is one major obstacle to progress in Central America. It is the same obstacle which gives us pause as we assess our own national interests in the region. It is Nicaragua, a Marxist-Leninist odd man out, a spoiler of the dream of democracy and of regional cooperation.

Since 1979, when the *comandantes* took power from the Somoza regime, Nicaragua has armed itself to the teeth with Soviet assistance. It has served as the headquarters, communications center, and logistical base for communist guerrillas in El Salvador. And it has supported terrorist plots against its other neighbors.

The Nicaraguan revolution did not have to turn out this way. After the fall of Somoza, the United States and Nicaragua's neighbors quickly extended diplomatic recognition to the broadly based revolutionary government in Managua. We in the United States provided $118 million in economic assistance during the first year and a half after the revolution. I might say that was the highest per capita rate of economic assistance going anywhere at that time. What was the response of the *comandantes*? They drove their partners in the revolution from the government; and they moved to consolidate their power by trying to crush the church, the independent labor unions, and the private business sector. In early 1980—within months of taking power—the Nicaraguan communists concluded their first pacts with Cuba and the Soviet Union. By 1981, Soviet military supplies and thousands of Eastern-bloc advisers—so-called—were moving into the country.

Soviet-bloc military assistance totals over $500 million since 1980. Some 8,000–10,000 foreign communists now play key roles in all aspects of Nicaraguan life. Nicaraguans themselves have fled their country by the hundreds of thousands, and some 20,000 have taken up arms in a desperate struggle to regain their revolution.

A stable solution to the threat of Nicaragua lies in a process of national reconciliation—both within Nicaragua and through a regional peace process with its neighbors. In 1979, Nicaraguan revolutionaries pledged to the Organization of American States their support for political pluralism and regional peace. In September 1983 the Nicaraguan Government joined with all the other Contadora countries in support of 21 objectives designed to bring peace to the region. The political and economic inducements for the *comandantes* to implement such a policy were there from the beginning; but they have spurned every effort to reconcile the real differences with their neighbors and with their own people.

President Duarte, with the support of the Central American democracies, is engaged in an effort toward reconciliation with the opposition to his elected government. Why cannot the *comandantes* do likewise? In Nicaragua, as in El Salvador, those in power should be seeking a reconciliation with all elements of society through a peaceful political process. But once again we see that Marxist-Leninists cannot afford democratization. Their policies of repression and mismanagement at home and conflicts with their neighbors make them poor prospects for success in free elections.

If the inducements we offered Managua in the early 1980s failed to encourage domestic democracy and regional peace, how then is a comprehensive regional settlement to be achieved? We can only conclude that unrelenting pressure is required if the Nicaraguan communists are to make the fundamental changes required for such a settlement.

Such pressure must come from many directions: popular dissatisfaction with the regime's dismal economic performance; growing alienation of the revolution's foreign friends; the consolidation of democracy elsewhere in Central America; and an internal political opposition that refuses to be silenced.

Serious economic dislocations—growing primarily from the communists' mismanagement of the economy and reinforced by the U.S. economic embargo—are bringing about a dramatic reduction in the gross national product of Nicaragua. Food and other staples are vanishing from Nicaragua's

marketplace. Even in the worst years of the Somoza tyranny, Nicaraguans did not have to wait in line for rice, beans, or oil.

The people of Nicaragua don't blame the United States for these shortages. They correctly blame their own government for destroying the nation's ability to produce basic foodstuffs—commodities that in years past never had to be imported.

Internationally, Nicaragua's noncommunist supporters are showing increasing concern about the character of the government in Managua. The foreign political support and economic assistance on which Nicaragua increasingly depends are declining.

The people of Nicaragua look elsewhere in their region and see freedom and its benefits continuing in Costa Rica and taking hold in El Salvador, Guatemala, and Honduras. They ask themselves, why are we being left behind? Rather than enjoying the freedom they struggled for in 1979, the people of Nicaragua face the pervasive and ever-tightening repression of a communist dictatorship. They now see that their revolution was stolen from them by political opportunists; and they are struggling to regain their fading hopes. They remember that in 1979 the international community, including the United States, supported their struggle for freedom. But who supports them now, in their time of greatest need?

The Nicaraguan Opposition

Despite the efforts of the *comandantes* to suppress their opposition, independent organizations still survive in Nicaragua. The church, labor unions, Indians, and the private sector continue to struggle for rights they are denied. Although the press is censored, critical voices continue to be heard. Political parties carry on their work amidst ever-tightening restrictions on the freedom to organize. And Cardinal Obando y Bravo is cheered by his flock—yet, his words are silenced.

The Nicaraguan communists probably could use their power to crush internal opposition once and for all, but they have not yet taken that final step.

Why? It is because communist repression has created another opposition—the armed resistance of 20,000 Nicaraguans. And as long as the civil war continues, the Nicaraguan communists need to keep some internal opposition alive—just barely alive—as a demonstration to the world that Nicaragua is not a totally closed society. Were it not for the freedom fighters, the brave Nicaraguans who voice internal dissent would serve no purpose for the *comandantes*.

And what of these 20,000 freedom fighters? Who are they? The freedom fighters in Nicaragua today are young people who were barely teenagers when Somoza was overthrown. The majority of the military leaders either had no prior military service before entering the resistance or were drafted to serve with the Nicaraguan communists and then left them. Their ranks have swelled during the past 2 years, even while the United States has been prohibited from providing them with military assistance. The top leadership of the movement through which we channel all U.S. assistance to the freedom fighters is comprised of three civilians—each of whom distinguished himself in the resistance to Somoza. One by one, they left the Nicaragua of the communists to resume their struggle for democratic government.

The numbers of their troops—despite their growth over the last 2 years—are no match for the Soviet-armed and -equipped Army of Nicaragua. This army of some 60,000—with an additional 60,000 reservists who engage in active combat—is far larger than any other military force in Central America; but it is not able to contain the freedom fighters on its own. The Soviets supply the Nicaraguan communists with advanced attack helicopters. They ship military supplies directly to Nicaraguan ports. Cubans fly the attack helicopters. East Germans train the internal security forces. And we have confirmed that a Soviet AN-30 intelligence aircraft has been flying reconnaissance in Nicaragua since May of this year.

The freedom fighters need our help to confront the Nicaraguan communist troops equipped with these Soviet arms, training, and advice. We have seen in El Salvador that, with proper leadership, training, and American equipment, democratic forces can prevail. Therefore, the Administration has been urging authorization of $70 million in military aid and $30 million in humanitarian aid to these fighters for democracy.

Gradually, I believe, Congress and the American people are coming to realize that we face a grave threat in Central America—a threat to our strategic interests and to the cause of democracy.

Supporting Democracy in Nicaragua

We all know the divisions in our domestic debate on the seriousness of this threat. But there is one overriding goal about which I firmly believe there is no division in the Congress or in the minds of the American people. That is the goal of supporting democracy—is anybody here against that?—in Nicaragua and in all of Central America. I don't believe there is a single Member of Congress who wants to see the communists consolidate their tyranny over the people of Nicaragua—does anybody here want that? Nor is there a single Member of Congress who wants to turn a deaf ear to the pleas of the Nicaraguan church, to the appeals of Nicaragua's democratic political opposition, to the *campesinos*—or even to the fighters of the democratic resistance.

There are lots of problems around the world and as a world power, we're engaged in them. But we better pay attention to our neighbors . . .

Their struggle is, after all, our struggle. What the Nicaraguans want is only what we in the United States have always cherished: freedom—the freedom to vote, to think, to speak out, to worship as one chooses, without the threat of intimidation, or torture, or death. That is what the people of Nicaragua fought for in their revolution of 1979, and that is what they are fighting for today. I am confident that no one in this country will support a policy which, wittingly or unwittingly, crushes the hopes of an entire nation for freedom and democracy.

Congress has shown its resolve to support democracy in the rest of Central America. It is supporting the

reestablishment of democracy in the Philippines. It is supporting distant struggles against communist tyrannies in Afghanistan and Cambodia. I believe that, sooner or later, Congress will commit itself with equal determination to support the struggle for democracy on our own mainland. The crucial question is when that support will come—sooner or later.

As the end of June approaches, we are still awaiting a definitive answer from the Congress on support for our policy toward Nicaragua. Our proposal to aid the Nicaraguan freedom fighters was passed by the Senate over 2 months ago. The problem is in the House of Representatives, where delay continues. This delay makes it difficult to plan and conduct foreign policy in a region where events bear directly on our vital national security interests. It sends confusing signals to the Central American democracies and other Latin and Caribbean states.

How long can we ask the Nicaraguan freedom fighters to struggle against their oppressors without the prospect of sustained and real support: weapons, boots and uniforms, food, medical supplies? Shall ***we*** wait another month, or two months, or three to give them the help they need in their struggle for freedom?

I say we cannot afford to wait, that history will judge us severely if we delay any longer.

Our indecision only plays into the hands of the communists. It gives them time to advance their suppression of the church, the free trade unions, the press, and political parties; time to continue killing freedom fighters; and time to continue their campaign against the Miskito Indians.

Our delay has given the communists every reason to continue to spurn a political settlement. Since January, six of Nicaragua's opposition parties have proposed a national dialogue of reconciliation. The freedom fighters have sought this same dialogue; and they offer a cease-fire if it takes place. But there are no takers on the communist side.

Let us not delude ourselves that the communists need another 90 days to reconsider their policies. Delay is what the Nicaraguan communists need to win an outright, permanent victory.

Just a few years ago, Central America received scant attention in the American press. In fact, one of my predecessors told me, somewhat condescendingly, "You know, when I was Secretary of State, I don't think I spent 3 minutes on Central America." I just said, "You just defined the problem." We have to pay attention to our neighborhood. That's where it starts. There are lots of problems around the world, and as a world power, we're engaged in them. But we better pay attention to our neighbors and our neighborhood.

Now, however, reports of conflict and faltering peace processes frequently dominate the news. Yet, there is still hope that stories from the region will tell of a promising future. But the hour is late. If the resistance collapses for lack of our support, if the Sandinistas complete their consolidation of power, then the rest of Central America must be forever vigilant against the nearby threat of a communist Nicaragua. Economic resources will be diverted to defense, and we will incur the enormous costs of containing the threat.

Now is the time to get on with the task of rebuilding all of Central America, including Nicaragua. The United States is committed to assisting in that effort. But first, we need to make a commitment to the democratic resistance in Nicaragua that will lead the communists and their sponsors to reconsider their policies. They need to weigh the many costs of continuing conflict. They must be made to understand that now is the time to conclude a meaningful regional peace process.

The accord which emerges from this process must be comprehensive and verifiable, and all of its provisions must be implemented simultaneously. Essential to this process is genuine national reconciliation with those fighting for freedom. Nicaragua's neighbors are committed to such an agreement. We would support it. All that is needed is the realization of the *comandantes* that they have no alternative. Our assistance to the freedom fighters is essential to that realization.

Clear Choices

The choices for us are clear. Timely action on our part will give Central America the opportunity to enter into a period of peace, democracy, and economic progress led by democratically elected leaders cooperating with one another. Inaction will see democracy imperiled. It will bring continuing conflict, the diversion of scarce resources into arms buildups, bloodshed, and repression. It will bring a heightened communist threat to American security.

What do we seek from all the parties who have a stake in the Nicaraguan conflict?

From the communist regime, we seek a commitment to democracy and national reconciliation. They must enter into a dialogue as proposed by the six political opposition parties inside Nicaragua and the United Nicaraguan Opposition, leading to the opposition's full participation in the political life of the nation. And they must consent to a binding agreement with Nicaragua's neighbors to end interference in their affairs, reduce regional arms levels, and eliminate outside military involvement.

From the Contadora group, we seek a serious effort to address the key outstanding issues in the peace process through specific procedures for ensuring democracy, and verifiable military arms reductions. Any such agreement which obscures and confuses those essential points of contention or postpones their resolution is no agreement at all.

From the U.S. Congress, we seek a positive commitment to continue to fund the action plan of the National Bipartisan Commission—the Kissinger commission—at levels sufficient to further peace, democracy, and development in Central America and to serve as a positive incentive for change in Nicaragua. And we urge immediate approval of the funding for the freedom fighters as a critical element for bringing Nicaragua into a meaningful peace process.

For our part, the Administration will not diminish its commitment to support democracy, development, defense, and dialogue in Central America. All four remain pillars of our policy. Nicaragua has excluded itself from our assistance to the region by the choices it has made.

At the same time, we will take whatever actions are necessary to protect our national security interests. We will not relent from our efforts to support the freedom fighters so long as the government in Nicaragua oppresses its citizens, so long as it serves as a base in our hemisphere for the Soviets and their surrogates, and so long as it subverts its neighbors.

The choice is now up to Nicaragua. We count on the Congress to help the Nicaraguan communists make the right decision.

---

[1]Press release 130.■

Secretary Shultz's Interview for "Worldnet"

Secretary Shultz was interviewed on June 13, 1986, by news correspondents in Brussels, Paris, Bonn, and London. The interview was broadcast live on "Worldnet," a satellite TV program of the U.S. Information Service.[1]

Q. On June 11 in Geneva the Soviets made a proposal calling for significant reductions in long-range strategic missiles. Do you see that as an encouraging development?

A. The fact that such a proposal has been made has been widely reported. From our standpoint, I think it's equally important almost that this proposal was made privately, in Geneva, and that's where we'd like to leave the discussion of it. I think if we're going to get somewhere, the way to do it is to work at it in that manner. So I'm not going to comment on it.

Q. I know we're here to talk about SALT (strategic arms limitation talks), but in view of the new crisis in South Africa, about which you too must be greatly concerned, can I ask what the United States is going to do about the South African declaration of a new state of emergency?

A. We've made our views about it known. We don't think it's the right thing for them to do, and we continue to believe that there needs to be a negotiated change in the system. There needs to be an end to apartheid, and the way to do it is not through massive violence but through negotiation.

We thought the Eminent Persons Group work was constructive and important. We're disappointed that they don't seem to have gotten a response that they deserved, but we continue to think that's the way to go. That's the only really worthwhile alternative. So what's happening in South Africa is just a continuing unraveling tragedy.

Q. As the Commonwealth and Europe start to move toward the notion of sanctions, can the United States opt out of that sort of coordinated Western approach?

A. We think that sanctions—the President believes that the all-out sanctions approach is not the right approach; that we do have some influence, and we should stay there and exert that influence.

The recommendation that in a sense we sort of strike a pose of being horrified and leave, we just don't see where that takes you. It takes you away from the situation, and then you are not there any more. So then what influence do you have? It's much more important to stay there and be part of the scene and to be working at it. And also, I think, mainly when you talk about sanctions, you're talking about business and financial institutions, and, of course, they're all examining their situation. Look what happened to the South African rand yesterday on the financial markets. It's an indication.

But basically I think—I'll speak about the American businesses—they have been a very constructive force there. They have arranged employment conditions that are consistent with getting away from apartheid. They have been financing education. They have been doing some very constructive things, and why take that away?

Q. Does there come a point where the sort of measures being adopted by the South African Government require the showing of greater displeasure by the United States?

A. We've shown a lot of displeasure rhetorically, in what we've said, in the things that we have done, and we have restricted our interrelationship. But what you seem to be saying is that we should just declare horror and leave. I don't see that that's constructive. I think you have to stay there, be part of the scene, and be working toward constructive ends. If you're not there any more, I don't see how that does you all that much good, and we have to remember it's a very difficult situation. So you need to be part of the scene, really, to understand it well.

Q. Another point is which the United States Government decides that the South African Government has gone too far.

A. I think they have gone too far in many respects. I think the whole system of apartheid—it's gone too far is not quite the word for it. It's just wrong, and it needs to change.

Q. In view of the hopelessness expressed by the Eminent Persons Group about what's happening there, how exactly do you intend to pursue your policy of constructive engagement?

A. We pursue it by making our views known, by taking steps. We have taken quite a number of steps, including those consequent to the President's executive order of last September, including the actions we took after the South African raids into three neighboring countries. So that's the pattern that we take. But I think the recommendation that we just pick up and leave seems to me to be a vote for despair. Maybe it makes you feel morally good to have done that, but when you wake up the next morning and say: What are we going to do next?—you don't have anything left to do next. So I think you've been stripped bare. And, at the same time, as I said earlier, it is a difficult and complex situation, and you've got to stay there and be part of the scene. There's all sorts of bad violence going on.

Q. Can I now move the discussion onto the SALT treaty. I notice the White House spokesman quoted as saying that treaty, the SALT treaty, is now dead. Could you amplify that statement?

A. He didn't say that, he didn't use that word. However, I think the point is that the President has sought to shift gears and to substitute one form of restraint for another.

The SALT II treaty provided a form of restraint that in our view had been becoming increasingly obsolete in the sense that it focused primarily on launchers. Whereas in a world of MIRVed [multiple independently-targetable reentry vehicle] launchers, the right unit of account clearly is what would hit you, namely, warheads.

Beyond that, of course, the Soviets—and I think everybody more or less agrees with this—have violated that treaty in respects that are significant militarily. And you can't have something that is violated by one side and then observed scrupulously by the other, and you can't have a situation where one side decides I'm going to live by this aspect of a treaty, but not by that aspect of a treaty.

So what the President has said is that restraint is important. He wants it to be mutual restraint. And if you read his statement—and I brought it along here, the statement that he made—you'll see that, particularly as he summarized at the end, it is the language of restraint plus the call for a regime that emphasizes reductions in nuclear weapons, drastic reductions in nuclear

weapons. That's really what we should be after, not maintaining a regime that in its terms can foresee large increases in these weapons.

So that's what the President is seeking. He's seeking a regime of mutual restraint and then progress in negotiating reductions in these nuclear weapons.

Q. German Social Democrat politician Hans-Juergen Wisniewski has told the German public two things: First, he accused the U.S.A. of supporting kidnappers in Nicaragua with government money; and, secondly, he charged you to be misinformed when you stated those eight Germans would have had the status of combatants when they were captured in Nicaragua.

Now, on what source does your information rely? Is it *contra*, is it CIA [Central Intelligence Agency], or is it any other source?

A. First of all, the Germans that were captured briefly by the people fighting for freedom and independence in Nicaragua were armed, and they seemed to be associating themselves in various ways with the Nicaraguan communist armed forces. So that presumably is what led to their being taken.

Now, the freedom fighters shortly saw that it was better for them to release those Germans, and they tried to do so over a period of time. But the Nicaraguan communist government didn't want that to happen, and every time a rendezvous was arranged, whereby the eight would be at a certain place and the helicopter that was arranged by a German intermediary was to land there, the Nicaraguan communists would create a firefight around the area so that the release couldn't take place. In other words, they didn't want to allow the release because they saw that it might give them some propaganda value in your country.

That's what you can say about the German hostage situation, and I'm very glad to be able to say that they were released, and they were unharmed. And, of course, the way they performed in Managua after their release in their attacks on the United States really shows why they're there, and what their sympathies are.

As far as Nicaragua is concerned, as any German spokesman considers supporting that country, I think you should remember certain things about which there is no question. There is no question that the Nicaraguan communists are trying to put into place a totalitarian state. That's the model for which they're driving.

Second, there is no question that they receive large-scale support, openly acknowledged, from the Soviet Union and Cuba.

Third, there is no question but what as part of the totalitarian apparatus they suppress the press, they persecute the church. All you have to do is read the statements that were sent in to *The Washington Post* by the Cardinal down there to see what his opinion is. There is no question about the fact that the government is involved in drug running; and, there's no question about the fact that they provide safehaven for terrorists. They were part of support for the M-19 that performed so horribly at the Palace of Justice in Bogota, Colombia, some months ago.

So when you express sympathy for the Nicaraguan communists, that's what you're expressing sympathy for. We think that you ought to be expressing sympathy for people in Nicaragua who are fighting for freedom and independence in their country, which is only by way of saying that in our hemisphere, we see a great move to democracy, including in Central America. There are now four civilian elected democratic presidents where there was only one 2 or 3 years ago. Remember all of your opposition to us on El Salvador. Well—and Guatemala—now there are civilian elected presidents there; they're democracies. The whole thing is working; except for Nicaragua. So Nicaragua should change and join the parade toward freedom and democracy. That's what we want.

Q. I was misunderstood. My question was, on what source does your information rely that these Germans have borne weapons and that they are combatants?

A. It relies on reports that we have from our contacts with those who are directly involved. This is their observation. I perhaps misspoke when I used the word "combatants." I tried to be descriptive this morning in saying that they were armed and they seemed to be associating themselves with the Nicaraguan communist armed forces.

Q. What is President Reagan's immediate purpose, his immediate aim, when he cancels the SALT treaty. Does it not frighten, more or less, the allies, that's what we all read in the American papers, and frighten the Soviets as well, or is there another purpose?

A. The President's responsibility here, as with all of our allies, is to see to it that the quality of our deterrent capability is maintained so that the record that deterrent capability has in NATO [North Atlantic Treaty Organization] for keeping the peace in Europe all this time can be maintained.

To that end, what the President is after is agreements with the Soviet Union not about how much you can increase your nuclear weapons stockpile, as in SALT II, but an agreement that calls for reductions on a mutual basis. And, in the meantime, he wants to have people focus on what the true nature of restraint ought to be, and it ought to be mutual. We're quite prepared for a regime of mutual restraint, and the President said so.

He says, in his statement—this is the statement that he issued. It's stamped "Secret." That's only because I happened to get it some time before it was actually issued. It's no longer secret, so this is not a leak. [Laughter]

He says, "I continue to hope that the Soviet Union will use this time"—that's the time between now and when at the end of the year, or whenever, there would be a possibility of some increase in numbers on the U.S. side—"use this time to take the constructive steps necessary to alter the current situation. Should they do so, we will certainly take this into account."

Then he goes on to say, "I do not anticipate any appreciable, numerical growth in U.S. strategic offensive forces." And then he says, "Assuming no significant change in the threat we face, the United States will not deploy more strategic nuclear delivery vehicles than does the Soviet Union. Furthermore, the United States will not deploy more strategic ballistic missile warheads than does the Soviet Union."

So those are flat statements. And what the President is saying is, we, jointly, have a responsibility, and the United States bears a big proportion of it, to maintain our deterrent capability. What he is saying is, we're defensive; we're not offensive.

But in order to have a respectable defense, we have to look to our deterrent capability and these are flat statements saying we won't have more than the Soviet Union has. But then he goes on to say that the real point here is to get mutual agreement on major reductions, as the President and General Secretary Gorbachev agreed on in Geneva. We continue to work and continue to hope that such an agreement may be possible to bring forward.

Q. Since there has been a discussion on other topics, I would like to ask you a question on another item. One of the main international problems—one of the most serious, perhaps—is terrorism, and the threat it represents. Recently too the European Community countries agreed to coordinate their actions and to have a closer, better cooperation with the United States in order to fight together against terrorism.

Despite this fact, some weeks ago the United States Government attacked strongly the Greek Government for its attitude on this matter. Does the United States Administration have any facts on which it based this verbal attack. Can you explain why the Administration has adopted this attitude toward a friendly country?

A. We regard Greece, obviously, as an ally and a friend, and I had a very worthwhile and productive visit in Greece myself recently.

Our problem with terrorism, and Greece, is that while it is exactly right, the European moves you've cited, it is not only what European nations have said but what they've done. We think it's terrific what Europe is doing.

But Greece has more or less disassociated itself from that, and that puzzles us. Being puzzled, we said so, and we wish that Greece would take another look. It's not any attack on Greece. It's a desire to see a coordinated effort to cope adequately with terrorism.

I think it's interesting to note that in recent times, since these strong stands were taken and since the United States let Qadhafi have it, there has been some diminution in terrorism activities, and I think we can take some heart from that.

Q. I would like to ask you a question about the proposals made 2 days [ago] in Budapest by the Warsaw Pact countries. Do you believe that there is truly anything new in those proposals or is it still an offering for a mutual but still not balanced reduction of conventional forces in Europe?

A. It's new in the sense that it's a proposal that hasn't been made before. We heard, of course, Mr. Gorbachev on an earlier occasion talk about possible proposals involving actions as it was put from the Atlantic to the Urals.

This conception of the geographical space in which conventional arms should be considered has long been one that the Western allies have been interested in. And so at our meeting in Halifax a couple of weeks ago, of the NATO foreign ministers, we agreed that we should undertake a special and careful evaluation of what might be possible under that concept, and that's now going on under the leadership of Peter Carrington in NATO.

If there are some new ideas and new willingness on the part of the Soviet Union, the NATO allies will be there with strong proposals of our own.

Q. My question is connected with the previous one. I would like to know what is your view on the reasons which have pushed the Soviet Union and its allies to put forward, practically at the same time, three different proposals in various fields of armaments, conventional and nonconventional?

A. It's hard for me to know the answer to that since I'm not privy to their internal discussions, and it's hard to explain why they do what they do.

We have to look and see what they do, and the fact that they have made proposals. They have a propagandistic value, of course, but there's also substance in them. In some cases, important proposals have been made privately rather than through the press.

I personally think that that's a good sign. In any case, from the standpoint of the United States, and I'm sure all of our allies, we are very much interested in any potential agreement that will reduce tensions and reduce the levels of armaments, particularly nuclear armaments. That's what we've been after all along. So we will engage and work at it and try to bring something constructive forward.

Q. May I ask you if it is possible for the United States to agree with this idea to have this two-step reduction of conventional forces in Europe? Still in a first step is the reduction of 1,000 or 150,000 people and only then in the second stage 25%, according to the proposal of the Warsaw Pact.

Is this first step still acceptable to you, or is it not dangerous to get involved in this kind of equal but still not balanced reduction of forces?

A. I don't want to make comments on the details of proposals because they're being studied, and we'll have a careful response.

We have held, and the Soviets have agreed, in past negotiations on mutual and balanced force reductions (MBFR), that if there were some initial sort of symbolic move, it should reduce their forces by more than ours because their forces are larger. In order to get to a balanced situation, you have to have some asymmetry there.

Second, obviously, if you foresee major levels of reductions, it's going to happen according to some steps. It doesn't all happen like that. However, the main thing here is that there need to be strong measures to be sure that the things agreed on are actually carried out. And so what could be agreed as to verification is very important. Here, I think the news is not too encouraging.

In the MBFR negotiations in Geneva during the last round, the allies tabled a proposal for reductions that was coupled with a good, strong verification regime. We did that, hopefully, because there had been so much talk from the Soviet side of their willingness to look at verification and to look at their on-site inspection and other things of that kind. I'm sorry to say that what they came back with on verification was quite disappointing to everybody.

So these are the kind of things that have to be looked at carefully, and we're studying their proposal. When we have evaluated it carefully, of course, then we'll be prepared to make a careful response.

Q. May I come back to the question of SALT II? President Reagan has declared that the treaty is dead.

A. You keep—

Q. Since the Europeans are afraid of a new nuclear arms race which might be caused by this decision—is your Administration aware of the grave concern among your allies, especially in Bonn?

A. People asking questions like yourself keep trying to insert that word "dead" into other peoples' mouths and you haven't succeeded. I don't want you to succeed this morning.

What the President is seeking is a regime of mutual restraint that looks at what they do and then paces what we do alongside of it. So that's the kind of regime that we're talking about. We're definitely not talking about an escalation or arms race; quite to the contrary.

A few minutes ago I read on this program some of the actual language that the President used, and the flat statements contained in this language and the very powerful desire to see success in the negotiations that call for radical reductions in nuclear arms. That's what we really should be interested in, and that's what the President is striving so hard to get.

---

[1]Press release 128. ■

Reform in the Philippines and American Interests: The U.S. Role in Consolidating Democracy

Secretary Shultz's address before the Foreign Policy Association in New York City on June 4, 1986.[1]

I want to talk to you today about the Philippines and to urge support for the new and comprehensive reforms being undertaken by the Aquino government.

I visited Manila 4 weeks ago, following the Tokyo economic summit. I had extensive discussions with President Aquino and other Philippine leaders and came away deeply impressed by what I heard and saw. President Corazon Aquino is an individual of courage, intelligence, dedication, and good sense. These qualities were the trademark of her presidential campaign; and they are evident in her current efforts to bring democracy and economic reform to a country that is a key ally of the United States.

Let me begin with a recent presidential statement on the question of government's proper role in the economy.

> We have set specific objectives. The first, which is a promise I made repeatedly during my campaign, is to have less government in the economy.... I believe that the restoration of a genuine private enterprise economy will foster competition, productivity, and efficiency.... Corollary to the attainment of this objective is the fulfillment of another promise I made during my campaign ... to trim the government to an efficient and responsive size.

Those are free market sentiments which I heartily endorse. But the quotation was not, as you might have imagined, from a speech by President Reagan. Rather, it was President Aquino, speaking before the Asian Development Bank on April 30.

The new Philippine Finance Minister, Jaime Ongpin, recently described before the same group his policy priorities. Once again, I'll just read what he said.

> The principal thrust of our recovery efforts will be to motivate the private sector to resume its traditional role as the prime mover of the economy.... Once we can restore a uniform set of rules and [an] even playing field for all those who wish to compete in the business arena, that spirit of enterprise will not only reawaken but should return with a vengeance.

As a Chicago economist, I could not have said it better.

These words—which the new Philippine Government is working energetically to translate into substantive deeds—serve as an appropriate prelude to my basic message to you today: now is the critical time for the United States to support the efforts of the Filipino people to achieve not only a revitalization of their democracy but a rejuvenation of their economy as well. President Reagan and I are enthusiastic about the initiatives of the Philippine Government, and we are determined to help it be successful.

In pursuing its ambitious objectives, the Philippines must surmount formidable obstacles, but they have already made an impressive start. We intend to support the Philippines—in part, by encouraging the American business and financial communities to play an active role in this endeavor. In doing so, you will serve your own interests, those of the Filipino people, and the national interest of the United States as well.

The Importance of U.S.-Philippine Relations

The history of the Filipino people has been intimately intertwined with our own for nearly a century. The Philippines was our only colony, yet we sought to promote self-government and ceded independence freely. We fought together as allies in World War II—and, ever since, have maintained alliance relations. Broad ties of family and friendship link individuals and institutions in each country. In short, the Philippines is a nation in whose future Americans have a substantial stake.

What happens in the Philippines makes a difference for Americans. Our mutual defense arrangements are of critical strategic importance, not only for U.S. and Philippine security but for peace and stability in the Asia-Pacific region as a whole. We are the leading trade partner and investor in the Philippines, a country blessed by a rich growth potential within a Pacific region already distinguished by dynamic economic advances. The Republic of the Philippines is a key member of ASEAN [Association of South East Asian Nations], a regional association of nations of growing consequence for the United States.

But, above all else, our two peoples have come to share fundamental values, including a strong commitment to democratic self-government. Americans can never be indifferent to the fate of a people whose values and aspirations so closely mirror our own.

This is why Americans were so inspired by the dramatic events in Manila last February. We witnessed a determined people bravely taking their destiny into their own hands. We saw them resolve a grave political crisis swiftly, peacefully, and democratically.

By returning democracy to their own country, the Filipino people also reclaimed their self-respect. In a world scarred by political repression and violence, Filipinos set an extraordinary example through their steadfast devotion to freedom, their commitment to self-reliance, and their desire for national reconciliation. As President Reagan noted at the time:

> We've just seen a stirring demonstration of what men and women committed to democratic ideas can achieve. The remarkable people of those 7,000 islands joined together with faith in the same principles on which America was founded: that men and women have the right to freely choose their own destiny. Despite a flawed election, the Filipino people were understood. They carried their message peacefully, and they were heard across their country and across the world.

Those were President Reagan's comments.

Next Steps in the Philippines

Despite the peaceful transfer of power, the current government has inherited a legacy of daunting problems:

- A communist insurgency of serious dimensions;
- An economy distorted by inequities, declining growth rates, and irrational government interference; and
- A political system that was undermined by centralized control and corrupt practices.

The advent of President Aquino's government could not, in and of itself, eliminate or quickly resolve these problems. But her government commands the domestic mandate and the international support that can enable her to find solutions. Today in Manila, the popular enthusiasm apparent last February is still evident, and there is wide

recognition that the time for hard and sustained work has also begun.

I was struck during my recent visit to Manila by the determination and competence evident among members of the new administration. They comprehend the seriousness of the problems they have inherited. They have displayed a readiness to get down to work. They recognize that, while the United States and others can do much to help, the issues they face are fundamentally Philippine problems requiring Philippine solutions.

Politically, President Aquino's administration confronts the problem of revitalizing institutions and restoring public confidence in government.

They inherited a legislature, a court system, a civil service, and an electoral system bound more to the political leadership than to the people. The government is implementing, step by step, a program to rebuild these institutions. They are struggling to organize and staff a new administration which came to power suddenly, without benefit of the leisurely transition we are accustomed to in the United States.

Just think about it. There is a lot of emphasis today on 100 days—I think you featured that last night on your program, Dan [Rather]—and everybody, of course, harkens back to F.D.R.'s first 100 days. That's the record. He was elected on November 4th, he took office on March 20th. For over 100 days, he thought about it. He organized his Administration; he got himself together. She took off just like that. The 100 days she has had so far wouldn't even have F.D.R. in office yet. So it was a tough problem with all of these difficulties I have been outlining.

Militarily, the new government inherited a serious and growing communist insurgency. This cruel conflict gained substantial momentum in recent years. It was fueled by declining respect for government, ineffectual local administration, pervasive corruption, unprofessional military leadership, and a depressed rural economy. I might say we've contributed to that depressed rural economy by our sugar program, which suddenly has denied U.S. markets to sugar that formally came here over a long period.

The leaders of this insurgency are not rural reformers or developmental democrats; they are dedicated communists with a track record of appalling brutality. They are resolved to change the basic character of Philippine society through armed struggle.

Even since Mr. Marcos' departure, the communist New People's Army has continued its violent attacks in the countryside and its efforts in the cities to gain political control through front groups. This should make clear to any doubters that the communists will press their campaign for total power through violence no matter what progress is made in political and economic reforms.

Economically, the new government assumed power facing a huge budget deficit, a network of inefficient private monopolies and public corporations, a private sector demoralized by political uncertainties and arbitrary government decisions, and an agricultural sector in deep recession. The growth rate was negative. The Philippines' per capita income declined in real terms at a time when that of other ASEAN countries was rising. There was low productivity, domestic capital flight, and little new investment. Interest alone on the Philippine foreign debt of $26 billion amounted to over 50% of annual export earnings. And all this despite the Philippine's historic economic record of high growth potential.

The eventual success of President Aquino's government will depend on its ability to address these issues. And the success or failure of the Filipinos in surmounting these problems will, in turn, have a profound effect on their neighbors and, ultimately, on the United States.

The Aquino Government: On the Right Track

I have recounted a formidable agenda of challenges for the new government in Manila. Yet it must be emphasized that the problems of the Philippines, however daunting, are soluble. They can be managed if three conditions are met:

- If the Aquino government adopts sound politices;
- If the United States and other nations and multilateral institutions supply strong and sustained support; and
- If the Philippine and international business communities respond positively.

The key factor, of course, will be the actions of President Aquino and her advisors. It's still early in her tenure, but already she has dispelled many initial uncertainties. Her government is off and running hard, and it is headed in the right direction. Considering the situation inherited last February, they have done remarkably well. There are many reasons to be bullish.

First, President Aquino has moved with alacrity to rebuild the democratic institutions of government. Her administration has taken important steps to crack down on corruption and protect individual rights.

President Aquino enjoys enormous popular support. Filipinos perceive her government as honest, frugal, and hard-working. Since February, the Philippine Government has begun to restore popular confidence in the central government:

- It has set in place a provisional constitution protecting basic rights.
- It has reestablished an independent Supreme Court now composed of men and women of recognized integrity. All presidential legislation will be subject to judicial review.
- It has restored the right of habeas corpus.
- It has removed constraints on the media and encouraged what has now become one of the liveliest free presses in Southeast Asia.
- It has appointed a Constitutional Drafting Commission with broad political representation that is already hard at work.
- It has announced a plan and—most importantly—a timetable to return the country to fully constitutional government, with local and legislative elections projected for late in the year or early in 1987.

Second, the new Philippine Government has begun to build an effective capability for dealing with the insurgency. The departure of former President Marcos has deprived the insurgency of its principal propaganda target. Just as important, however, military reform promises to deal a significant blow to the effectiveness of the insurgents. The Philippine military—now called the New Armed Forces of the Philippines—is in the process of revitalization. I met with a group of the top officers for a couple of hours when I was in Manila; they're very impressive. They are returning to their traditional role as an apolitical professional force.

There is much to be done to enhance the security situation, but improvements are already apparent. New commanders with strong professional credentials are in place. The troops are being retrained and moved from the Manila area back to the countryside where they belong. There is renewed popular support for the military, who are seen as heroes because of their support for the choice of the people during the critical days of

late February. General Ramos, Chief of Staff of the Armed Forces and a highly respected military professional—got his military education at West Point, incidentally—has established a distinguished panel to look into military wrongdoing. And conflicts between the military and the civilian population have apparently begun to subside.

The Aquino government is considering a cease-fire and amnesty plan to draw support away from the hard-core insurgents. This program is now being tested. At the same time, President Aquino has also made clear her readiness to use military force should the insurgency persist after the amnesty window has closed. Last month, when she visited the countryside in Mindanao, she stressed—and, again, these are her words:

> Should the cease-fire be grossly violated by the insurgents, the government will embark on the contrary course of war from which there will be no return but victory.

The new government's economic policy is headed in the right direction. Despite its current problems, the Philippines has extraordinary economic potential and is abundantly endowed with natural and human resources. The basis for growth is there.

It has a strong business community, ready to adapt to proper incentives. The work force is well educated. The economic infrastructure is in place. The savings rate is high. Annual inflation is less than 5%. Interest rates have fallen by some 4%—400 basis points in the lingo of New York—over the past 2 months. The peso is stable, with international reserves up from $1 billion to $1.6 billion since President Aquino took office. Internationally, the combination of lower oil prices and lower interest rates promise to benefit the Philippine economy significantly over coming months. Some estimates suggest that the net gain for the Philippines of these declines could be on the order of magnitude of some $800 million this year. That ain't hay.

I had the benefit of meeting with some of President Aquino's new financial team in Manila last month, including Finance Minister Jaime Ongpin; Jose Fernandez, the Governor of the Central Bank; and Jose Concepcion, the Minister of Trade and Industry. They are all successful businessmen and pragmatic believers in free enterprise and market forces. They believe a sense of balance is needed between short-term economic stimulus to overcome 3 years of steady contraction and the equally pressing requirement to unravel the mix of government and crony interventions, which had come to throttle the growth process.

Their timetable for economic recovery was laid out in the last week of May at a meeting in Tokyo of the Philippine Consultative Group, chaired by the World Bank. Finance Minister Ongpin took the initiative to explain President Aquino's growth-oriented economic strategy. In July, the Philippine Government will present the details of IMF [International Monetary Fund]-related measures. By October, they will have specific proposals ready for comprehensive reforms in the context of a medium-term growth strategy. Minister Ongpin accorded top priority to:

- Tax reform, including efforts to improve collections;
- Business deregulation;
- Trade liberalization;
- Reducing and streamlining the activities of government financial institutions;
- Selling off a major portion of public sector corporate assets; and
- Dismantling the notorious crony monopolies in sugar, coconut, and other basic commodities.

The multilateral assistance approach which the Aquino government is now seeking is very much in keeping with the proposals made by Treasury Secretary Baker on the Third World debt crisis at the World Bank/IMF meetings in Seoul last September. When we put forward that American initiative, I did not regard the Philippines as a leading candidate for such a program. The previous regime seemed unwilling or unable to implement serious economic reform.

Today, we see a government in Manila that is committed to a market-oriented reform program—and one that possesses the political support necessary to implement it. We anticipate that the groundwork will be laid by the end of this year for a new growth-oriented financial program for the Philippines. This should encompass new resources from the World Bank, the Asian Development Bank, and bilateral donors, as well as more forthcoming approaches to financing the very large foreign debt inherited by the new government.

At times, we hear differing views among some members of the Philippine Government about economic issues. We usually do hear debate, and occasionally dissonance, in democratic governments; the sound you hear is the sound of democracy at work. Ever been to a Republican convention? The evolution of these policies under debate—particularly those involving labor—will continue to be of special concern to us, as well as to other potential foreign investors. But what has impressed me thus far has been the degree to which President Aquino has spoken out in support of policies of free enterprise. She has made clear that future articulation of labor policy will be done through the office of the President. Putting an end to speculation about selective debt repudiation, she stated—again, I'll read what she said referring to debt repudiation: "If we did that, nobody would be willing to help us anymore.... We have a word of honor, and we still have to borrow." It sums it all up in a very simple, direct statement. This statement and the government's actions are promising signs for the future.

The Role of U.S. Policy

American support is going to play a crucial role in helping the Filipino people overcome their current problems. We have an important stake in seeing that President Aquino's government succeeds. Our commitment to democracy, our friendship for the Filipino people, and our strategic interests warrant a special effort at this time.

To that end, we have set for ourselves several immediate policy goals:

- To forge stronger links with the new generation of Philippine leaders;
- To maintain a continuing and close defense relationship with the Philippines;
- To support Philippine initiatives designed to enhance the effectiveness and professionalism of the Philippine Armed Forces; and
- To assist Philippine public and private sector efforts to restore economic prosperity to the country.

I will be holding further discussions on these objectives with President Aquino and other Philippine leaders when I return to Manila later this month to meet with my ASEAN colleagues.

As part of our efforts to broaden and reinforce our dialogue with the Philippines, we intend to initiate a much more active program of governmental and privately sponsored exchanges. In particular, we will be working to create new linkages between U.S. and Philippine universities through expanded student and faculty exchanges.

On the defense side, our base agreements remain firm—contrary to some earlier speculation and predictions and press speculation. The importance of the U.S. facilities at Subic Bay and Clark Field for the security interests of both countries is clearly recognized by the new government. President Aquino has pledged to respect the existing military bases agreement and to keep open her options for the future.

On the questions of military and economic assistance, we have sought to respond promptly to the critical short-term needs of the new Philippine Government. In late April, President Reagan sent to the Congress a proposal for a substantially increased economic and security assistance package for fiscal year 1986. This was specifically targeted to support President Aquino's programs for recovery and reform. This package, which includes a request for a $150 million supplemental appropriation in the current fiscal year, would accelerate fund disbursements and ease the terms of ongoing assistance programs. I think it says a lot about President Reagan's priorities—and in this very tough budget situation, where if you add something over here you've got to take it from over there—that he decided to make this request. And I believe the Congress will go along with us.

In total, we are seeking to make available about $500 million in economic assistance and over $100 million in military assistance. More than 90% of this would be on a grant basis so as not to aggravate the country's debt problem. And in doing so, we will seek to give direct and vigorous support to private sector development.

However substantial any American effort, both the Philippine Government and we are convinced that it will have to be supplemented by broader assistance within a multilateral framework. When I was in Manila last month, I made a personal commitment to President Aquino that the Government of the United States will play a leading role in putting together a major package of financial assistance from free world resources.

At the same time, we recognize that if the export potential to the United States is shut off for countries such as the Philippines by protectionist pressures here at home, the benefits of this financial assistance will be sharply reduced. Today, I want to assure you once again of the President's resolve to resist such protectionism and keep the United States open to increased trade.

All of this is a measure of the trust which President Reagan and I have in the new administration in Manila. It reflects our confidence that the government of President Aquino has the talent and determination to deal with the tough problems now facing the Philippines. In the economic field, it is based on our assessment that the prospects for self-sustaining, market-oriented growth over the medium term are promising.

Let there be no mistake about the strength of our commitment to support and assist the Philippines during this crucial period. The President and I are determined to help the new government make the most of this opportunity to overcome the nation's problems. As the President said last February: "Our hearts and hands are with President Aquino and her new government as they set out to meet the challenges ahead."

The Response of the American Private Sector

This leads me to the third element necessary for a Philippine recovery—that of private sector initiative and the infusion of equity capital, both from within the Philippines and from overseas. The representatives of the American business and financial communities in our audience this afternoon have the potential to play an important role in this process.

Much of the initiative must come first from the Philippines' own private sector, including the large number of Filipinos with financial assets currently held abroad. I strongly agree with Finance Minister Ongpin—Philippine Finance Minister—and he said:

> As a Filipino, I must tell you that if we ourselves are unwilling to put our money where our mouths are, we have no right to ask foreign governments and foreign investors to risk their money in developing our own economy.

Laid it right on the line—for foreign companies considering investments in the Philippines, this issue—the confidence of Filipinos as shown by the return of their assets—is crucial. The Aquino government should develop plans and programs to lure such capital back home, and they are very well aware of it.

We are beginning to see the first signs that the confidence of domestic investors in the Philippines is firming up. Capital flight—which had become such a major problem during the last 2 years of President Marcos' administration—appears to have ended. There is a sense that the Philippine economy has bottomed out from the recession that began in 1983; and projections are for a resumption of positive growth in the second half of this year.

An important element in the Philippine recovery is dealing with the massive foreign debt. The U.S. Government is actively involved, through our Agency for International Development, in searching for creative solutions to this problem, including Philippine plans to support privatization of major companies and ways to convert some of the Philippine debt into equity—the so-called debt equity slot, which is an idea that is beginning to catch on, be helpful in many places.

Thus far, the international business community—while welcoming the change of government in Manila—has adopted a cautious, wait-and-see attitude toward investment decisions. If stability and development in the Philippines are to be attained, however, the American private sector must get off the dime and look aggressively at investment opportunities. Real money and attractive rates of return are involved.

As a former businessman, I know the calculus of potential risk and benefit that businessmen apply in making investment decisions. In the case of the Philippines, we have a country that traditionally has been one of our closest friends. It is a country in which American investment has done exceptionally well in the past. For the first time in a number of years, there is an administration in the Philippines with both the sound policies and the popular mandate necessary to attack the country's most substantial problems. That administration enjoys our strong confidence and support. It has positively impressed the international donor community.

In light of the Philippines' abundant human and natural resources, there is no reason why the Filipinos cannot now enjoy the same economic success achieved by many of their Asian neighbors. I believe that the American investors who come in early and for the long haul will reap large benefits.

Conclusion

So now it should be very clear where I stand: I am bullish on the Philippines. That would have seemed an especially rash statement to make only a year ago. But the manner in which the Filipino people and their new leaders have overcome nearly impossible odds to restore democracy within their country gives me good cause for optimism.

Americans were exhilarated last February over what the Filipino people had accomplished politically. I believe we should be equally excited about what the Filipinos are now trying to achieve in terms of stability and development: to restore a greater sense of democratic legitimacy to the governmental process; to bring an end to insurgent violence in the countryside; and to improve economic conditions for all Filipinos through steady, market-oriented growth.

For reasons of history, of friendship, and of our own self-interest, this is a time for Americans to get off the fence. We must give the Filipino people and their new government the support they need and deserve.

[1]Press release 124. The question-and-answer session following the address is not printed here. ■

The Church as a Force for Peaceful Change in South Africa

Secretary Shultz's address before the Conference on South Africa for American Religious Leaders on June 2, 1986.[1]

Welcome to the State Department. I want to extend my personal thanks to each of you for attending today's conference on "The Church as a Force for Peaceful Change in South Africa." This is a matter we take with great seriousness, and I know you do too. So I want to go through, rather carefully, some views about this subject for your consideration.

Moral leaders on both sides of the Atlantic are playing an important role in promoting the peaceful change that is essential to South Africa. We welcome your participation in today's conference because peaceful transition requires active participation by men and women of high moral principle.

I think we can take a leaf out of our own book, and I think, to me, the transition that we have made—not complete, but, nevertheless, very strong—particularly in the period immediately following World War II, was tremendously affected by the people of religion, by the spiritual leadership, by the literary community, as our own civil rights movement took place and gave force to the change that we have had and must continue to have in this country. So I put great store by the importance of looking at these issues as matters of morality.

All Americans condemn South Africa's policy of apartheid—institutionalized racial discrimination. Apartheid is wrong. It robs the blacks of South Africa of their fundamental human rights; it drains the country of its human potential; and it threatens the security and economic prospects of an entire subcontinent.

Our people and government have demonstrated that we oppose apartheid. Apartheid must go—and it must yield to a nonracial system based on the consent of all the governed. It must go soon. Let me be categorical on this point. Western interests—moral, strategic, economic, and political—will suffer if the process of constructive, peaceful change fails to deliver the goods in South Africa. Stated another way: an immoral system does not serve our interests; it offends our moral principles; and we must continue to seek to end it.

The Tragedy of Violence

The situation in South Africa today is a continuing tragedy. The death toll from official and factional violence continues to mount. Political polarization, fear, and hatred within South Africa's communities raise ominous prospects for all who care about humanitarian values. As normally decent people resort to barbaric methods, they make a mockery of the very moral and political principles they claim to support. I am speaking of *all* those guilty of these outrages: policemen and prison interrogators who abuse children and torture detainees; the comrades, so-called, with their obscene "necklace" burnings; vigilantes and hooded hit-men who kill political rivals and destroy their houses; guerrillas who use the terrorist tools of mines and plastic explosives against civilians.

Americans witnessing this tragic brutality are appalled. Our hearts go out to those millions of South Africans—black, white, and brown—who are caught in the middle. They are the overwhelming majority.

Just as immoral violence must be rejected by all those committed to a just society, so also must we question the political and moral vision of those who advocate economic destruction as the road to South Africa's salvation. Some would have us believe that the true foes of apartheid are the advocates of punitive economic sanctions and disinvestment. They have failed to make a convincing case.

In saying this, I fully recognize that there are few things as irresistible as the urge to do good deeds in support of a just cause. It is a powerful impulse for Americans, and we all share it, and we should be proud of it. But we have a moral responsibility to consider the consequences of our actions, for others and for ourselves. South Africa's Catholic bishops recognized this when they recently declared:

> . . . intensified [economic] pressure can only be justified if applied in such a way as not to destroy the country's economy and to reduce as far as possible any additional suffering to the oppressed through job loss.

In saying this, I fully recognize that the growing internal pressures for change and negotiation are, in important part, economic. Very high unemployment and inflation rates, the sharp drop in value of South Africa's rand currency, and the loss of confidence by foreign investors and bankers are all part of a downward economic climate that creates hardship and discontent among South Africans. In selected areas, black organizations have used consumer boycotts to bring pressure upon local authorities to meet their grievances.

The Reality of Change

This leads to my second point. Change is taking place in South Africa. It is occurring unevenly, slowly, sometimes reluctantly or by stealth. But it is simply inaccurate to view apartheid in South Africa as a static system. It is not monolithic. Our policy is based on the premise that South Africa is a society in transition.

The limited changes which have occurred in the basic structure of apartheid point logically and inexorably toward more fundamental change. This prospect is exciting violent minorities at both ends of the political spectrum, and, among other things, we saw those pictures of a violent white minority with their swastika-like insignia that turned us all off, I'm sure. The vast majority of South Africans are caught in the middle, where their fears and anxieties are exploited. Violence has escalated. None of us can permit ultimate victory—in the form of a democratic society for all

South Africans—to be wrenched from us by extremes of the left or right.

In my view, change in South Africa is occurring for many reasons: many South Africans of good will seek justice; the foes of apartheid have powerful arguments; the previous structure of society is no longer accepted or viable. Internal pressures are the principal factor. Basic social and economic pressures toward modernization of labor relations and rational urbanization are severely undermining apartheid.

Most recently, in the past 21 months of unrest and violence, we are witnessing a new level of domestic political pressure. The black community is making clear its unwillingness to passively accept continuing exclusion from the benefits of citizenship. They demand equal political and economic participation in their own land.

What about outside pressures? I believe they have a complementary role to play. Though U.S. influence is limited, it exists, and we are using it. Carefully targeted actions, statements, and signals from overseas can make a difference—both in encouraging change and channeling change so that it leads to something better, not something worse or equally bad.

There is a myth that U.S. policy toward South Africa consists of "quiet diplomacy" or "persuasion, not pressure." Those descriptions are simply wrong. We use both public and private channels for communicating our views to the South African Government and people. By the same token, we consider that pressures, appropriately designed, are an integral part of our diplomacy toward South Africa.

Let me give you just one example. When South African forces recently made cross-border raids into three neighboring countries, we strongly and promptly condemned this action. We expelled the senior South African military attache in this country and withdrew our own from Pretoria to protest these wrong-headed and self-destructive raids. We have taken other steps to leave no doubt in the minds of South Africa's leaders that their actions were unacceptable, unjustified, and will not assist the internal negotiations and regional diplomacy we believe are indispensable for all of southern Africa. They must know that such activity completely isolates them in the world community.

At the same time, we must recognize that in the past year the South African Government has begun meaningful reform. It has abolished laws against mixed marriages; it has expanded some forms of property rights for blacks; and it has reformed the pass laws, the tools of day-to-day control over the black population. But more—much more—remains to be done. Apartheid must be dismantled. Even the South African Government now acknowledges that the system is doomed. The question we now face is not *whether* apartheid will end but how and when it will go and what will replace it.

The Role of American Influence

American policy has consistently pressed for change in South Africa over several decades—and under both Republican and Democratic administrations. President Kennedy's 1962 embargo on military exports to South Africa has been followed by other steps as Americans of both parties have created the building blocks of a morally and strategically responsible policy.

Most recently, President Reagan's Executive Order of September 9, 1985, laid out our view of the careful application of pressures. In that decision, designed to send a clear signal that Americans are united about apartheid, we made every effort to distinguish clearly between constructive and destructive pressures.

At this time of renewed American attention to South Africa, let us remember our goal: we seek the end of apartheid, racism, and repression. Hence, our actions should target apartheid policies and institutions and dissociate us from them. Our aim is *not*—I repeat, *not*—to inflict random, indiscriminate damage on the South African people and their economy from abroad.

Americans must not be at all complacent or satisfied with the pace or content of such change to date. And we are not. Our moral abhorrence of racism and repression, to be effective, however, must be informed about the basic dynamics of the South African situation. We have a moral responsibility to understand how we can most effectively influence developments in South Africa in the direction of peaceful and constructive change.

So let me emphasize that the premise of President Reagan's policy is that we dare not ignore South Africa or merely strike a pose. We cannot play the part of a Pontius Pilate, washing our hands of a gross injustice that demands solution. But we must tailor our approach to those things that will really help end apartheid and promote a post-apartheid society that protects the individual liberties of all South Africans.

And there are other ways we can make our influence felt:

- We can, and we do, help stricken communities to rebuild themselves.
- Both public and nongovernmental U.S. groups can bring resources and counsel to bear to help build a post-apartheid society. Our rapidly growing assistance programs and grants are a start.

Apartheid must go—and it must yield to a nonracial system based on the consent of all the governed.

- South Africa's churches, many of them affiliated with U.S. counterparts, represent a major asset to help all those who wish to build rather than destroy their country. They represent voices of conciliation, decency, dialogue, and community service in the interest of the common humanity of all South Africans. They need your help. They need more—not less—American involvement.

A Time for Negotiations

The Bible tells us that there is a season for every change. There is a time to deliberate and a time to decide. In South Africa, now is the time to decide; now is the time for negotiation. Negotiation alone offers the prospect of peaceful change. Negotiation alone involves the black community in a process designed to make that country whole.

All of the people of South Africa must rise to the moral challenge that peaceful change demands. A week ago, at the UN Special Session on the Critical Economic Crisis in Africa, I saw delegates from virtually all countries of the continent rise to a different challenge: the challenge of discarding old

orthodoxies about development in favor of policies that work.

Turning to the broader African scene, we are so accustomed to bad news that we have a tendency to overlook major positive developments. One of the positive developments of the special session was its publication of a "Program of Action for African Economic Recovery and Development." This remarkable document recognizes the need for partnership between Africans and non-Africans. Africans recognize that they must set their houses in order—a difficult and often painful process. We need to support such African efforts by timely and appropriate assistance. As I mentioned in my speech to the special session, we are going to have to concentrate our foreign assistance in those countries which themselves are undertaking to establish the right policy framework. We are confident that concerned Americans like yourselves will want to lend their voice to strengthen chances for a sustained American compact with Africa.

Africa today is a continent searching for a better future; and South Africans now have it in their power to join that movement. But they will be left out if political instability continues and negotiations founder. That course would be a tragedy—not only for the people of South Africa itself but for the rest of the subcontinent which stands to benefit enormously and lose greatly without it; it stands to benefit enormously from a stable and just South Africa.

To be effective in our actions, we have to understand: our influence in South Africa is finite. We want to retain it, use it carefully, tailor it to evolving circumstances. Our investment is less than 1% of all fixed investment in South Africa, and our trade less than 15% of its foreign trade. Limited though our economic presence is, we are a force for decency and change.

Thus, the American private sector must remain involved. American companies in South Africa are the building blocks of our influence. That is why we oppose disinvestment. If American companies withdraw, we and the black majority of South Africa will be deprived of a major source of influence. American capitalism is an engine of peaceful change, integrating the workplace and giving black South Africans a greater stake in their country's future. Disinvestment undermines both these processes. It deprives employees of these companies of their daily wage; and it deprives them of institutions that play a vital role in integrating South African society.

Conclusion

You are moral leaders in America. Americans require your leadership to demonstrate that we do not need to become destroyers in order to fight against apartheid. There are constructive ways to exert pressure in support of our common goal of a democratic South Africa. Americans—by staying and building, not cutting and running—can help build a freer South Africa.

South Africa today is a wounded nation, but it is also a nation of great strengths. Its people are diverse, hard working, and talented; its economy is the most modern on the continent; and it is rich in aspirations for a better future. The vast majority of South Africans do not want violence, and they do not want to choose between a black or a white dictatorship. They want a democracy that knows no color and gives equal protection to both the majority and to minorities. That is what the South Africans want; that is what the American people want—especially those of you gathered here today. Together, we have a chance to help bring that future to life.

[1]Press relase 123. The question-and-answer session following the address is not printed here. ■

Secretary's Interview on "Meet the Press"

Secretary Shultz was interviewed on NBC-TV's "Meet the Press" on June 1, 1986, by Marvin Kalb, NBC News; John Wallach, foreign editor of the Hearst newspapers; and Strobe Talbott, Time *magazine.*[1]

Q. It is just a little over 6 months since President Reagan met with Soviet leader Mikhail Gorbachev in Geneva. They agreed to meet again this year in the United States and next year in the Soviet Union. Expectations for an overall improvement in relations were high. Now they are again seen as low.

What has happened that explains this change? The expectations were high. We were at Geneva with you. They are now low. What accounts for the change?

A. I don't know what accounts for the change. From our standpoint, our approach has been quite consistent and steady. We feel that it is very important to have this meeting. We think that important things can be done there that will be beneficial to us and the Soviet Union, and we are prepared to do the hard work necessary to make it a worthwhile meeting. That has been our approach all along, and that is where we are right now.

Q. By implication, are you suggesting that possibly Soviet leader Gorbachev might not be as interested in the meeting this year as he was?

A. I have no capacity to speak for him or speculate—don't care to speculate about it. All I can say is that President Reagan is ready to have the meeting and ready to have the really great preparatory work that must be done to make such a meeting a success go forward.

Q. Coming to this question of impending scrapping of the SALT II accords that dominated much of the news this week and dominated many of your discussions in Halifax, you have made a couple of statements during the week to the effect that the SALT II Treaty is obsolete. You have strongly implied that there is no relative military advantage for the United States to have the Soviets constrained in their strategic forces by the SALT II Treaty.

The Soviets have now threatened that if we break out of the numerical limits of the SALT II Treaty at the end of the year, they will do likewise. Is this a hollow threat? Is there really no additional military threat to the United States if the Soviets break out of SALT II?

A. The Soviets have broken out of SALT II—that's the point—and for some time.

Q. The numerical ceilings in SALT II?

A. They have deployed a second system which is prohibited by the treaty,

and they heavily encrypt their telemetry which impairs verification under the treaty. So to imply, as your question does, that somehow or other they are in conformance with it and we may not be is not correct. You have to take a treaty in all of its dimensions and not allow either side to decide selectively what it wants to conform to and what it doesn't.

I want to change the phraseology that you have all used. The President's statement was a very thoughtful statement, and it talked essentially about shifting gears in what represents appropriate restraint on the part of the United States.

What we have to remember is that we are responsible for the deterrence that keeps the peace, and so we have to look at Soviet behavior, at our own budget constraints and other constraints, and basically see what is necessary to maintain that deterrent posture, and that is what the President is doing.

Q. You spoke of the introduction of a second new type of ICBM [intercontinental ballistic missile]. The practical consequences of scrapping SALT II would mean, according to your own Pentagon—the Joint Chiefs' report, the Soviet military power report—that the 70-plus SS-11 silos that the Soviets have destroyed to make room for the new SS-25, that they would be able to go ahead with those; they wouldn't have to scrap them; that as many as 9,000 new warheads, new Soviet nuclear warheads, might be added to their arsenal without the restraint of SALT II. Doesn't that concern you?

A. One of the problems with SALT II, and a reason why I think it is increasingly obsolete—and here I'm only repeating what was said, for example, in the Scowcroft commission report—the problem with SALT II is that it is a treaty about limiting increases. And the warhead ceiling is something that the Soviets can add warheads to their arsenal by a considerable amount, basically double the amount that was there at the beginning and still be in conformity with it. So that is a problem about the treaty, and it only emphasizes the point the President has consistently made: namely, that what we need to do is get a radical reduction in the levels of these strategic forces.

Q. I'm not quite sure I understand what you were saying a moment ago when you took objection to the way we phrased the President's decision on SALT II. He has scrapped the constraints of SALT II, has he not?

A. I thought you might be asking me about this subject, and I brought along the language the President used. Perhaps I could read it to you. I don't want to paraphrase it. I think it is important to say what the President said, so I brought myself a prop.

"... I continue to hope that the Soviet Union will use this time"—that is, the time between now and around the end of the year—"to take the constructive steps necessary to alter the current situation. Should they do so, we will certainly take this into account....

"I do not anticipate any appreciable numerical growth in U.S. strategic offensive forces. Assuming no significant change in the threat we face as we implement the strategic modernization program, the United States will not deploy more strategic nuclear delivery vehicles than does the Soviet Union. Furthermore, the United States will not deploy more strategic ballistic missile warheads than does the Soviet Union.

"In sum, we will continue to exercise the utmost restraint, while protecting strategic deterrence, in order to help foster the necessary atmosphere for significant reductions in the strategic arsenals of both sides. This is the urgent task which faces us. I call on the Soviet Union to seize the opportunity to join us now in establishing an interim framework of truly *mutual* restraint."

And then he goes on to call for the radical reductions that we all seek.

So that is essentially saying there has been a regime of restraint based on a treaty that has been violated, that has run out of its terms, and has an increasingly obsolete concept in it; namely, that the launchers should be the unit of account. And he is moving to a different kind of restraint based on looking at what they can do to us, and what we can do to them in deterrence.

Q. You have twice used the term "increasingly obsolete." I have heard from Secretary Weinberger and other senior officials in this Administration that it's obsolete, it's over, it's dead, it's finished. It's a thing of the past, according to Mr. Adelman [Director, Arms Control and Disarmament Agency]. Are they all wrong?

A. I am describing why the President decided what he decided—that more and more, as we see a system based on launchers rather than warheads, what we encourage is putting on these launchers more and more warheads, and it is essentially destabilizing. The Scowcroft commission report made that point, I thought, very powerfully and correctly. That is what I mean by the word "obsolete."

Q. But no question that I asked earlier or either of my colleagues asked earlier implied that there are not dubious activities that the Soviets have been involved in under the name of arms control.

The fact of the matter is, though, no statement that the Administration has made implies that the Soviets have yet exceeded the numerical limits of SALT II. Those numerical limits prevent the Soviets from having more than 820 MIRVed [multiple, independently-targetable reentry vehicle] ICBMs. They prevent the Soviet Union from putting more than 10 warheads on their largest and most threatening rocket, the SS-18.

The statement that you just read by the President suggests that at the end of the year, we will, for the first time, go over the numerical limits of SALT—namely, the 1,320 ceiling—and the Soviets are saying that, if we do that, they will go over the numerical limits on their side.

My question to you originally, and I'd like to come back to it again, is: Will the United States be faced with a larger threat from the Soviet Union if they follow through on that promise?

A. You have to balance things here, and let me just come back to the point that you can't have a treaty that has a number of provisions in it and have one party to the treaty decide, "Well, I'll violate this, and I'll violate that, but I'll keep this, and by keeping this, I insist that the other side keep everything about the treaty." That is not an equitable way to go about it.

I think that the emergence of the new mobile second system, in violation of the treaty, is a militarily very significant violation, and we have to worry about it.

Q. The system that's a counterpart to Midgetman.

A. Midgetman is an idea, and it is not even settled down as a concept yet within the military circles that are working on it. The second system of the Soviet Union is a deployed system. I think they have around 70 deployed now.

Q. What would the Soviet Union have to do for the President to rescind his order, in effect, and not to go above the 1,320 ceiling at the end of the year?

A. I don't think there is any particular thing that should be pointed to. But, of course, what we would all like to see, I think—I know the President would, I would, and I think in general people all over the world would—is an agreement that would genuinely bring down drastically these huge arsenals of strategic nuclear weapons. They are a menace.

Q. For the course of this Administration we've pursued the interim restraint policy, the policy that we would not undercut SALT II if the Soviets didn't undercut it. Is that now over?

A. That is over.

Q. That is over. So we have, in a sense, abandoned the moral high position, have we not?

A. The President has decided that we will continue to follow a policy of thoughtful restraint, but rather than have that restraint be a derivative of a treaty that is increasingly obsolete in its concept, has been violated by the Soviet Union, has never been ratified by the U.S. Senate, and would have expired if it had been ratified, we will be guided by our observations of what the Soviet Union does.

Q. My point is, there is nothing the Soviets can do today or in the next 6 months that would breathe new life into the SALT II agreement itself, is that correct?

A. I think what we are looking for is a regime of restraint—that's the real point—and more than that, real progress in the reduction of these nuclear armaments.

Q. I was in Moscow last week, and I asked a Soviet Deputy Foreign Minister what he wanted out of a summit if a summit takes place. Number one on his list was strengthening the regimes of existing agreements, and he mentioned both SALT II and ABM [Anti-Ballistic Missile Treaty]. We have now, I guess, abandoned SALT I and SALT II. Is there any reason why the Soviets shouldn't think we're also going to abandon the ABM Treaty?

A. We have repeatedly stated our intent to observe the ABM Treaty terms, and we have called upon the Soviet Union to do so. They are in violation of that treaty by virtue of the building of the Krasnoyarsk radar.

Q. Would we begin talks with the Soviets on strengthening the regimes of, as they put it, "existing agreements?"

A. We have been trying to engage them in just that in Geneva, particularly as regards the ABM Treaty, and to say to them, "Here was this ABM Treaty, negotiated back in 1972. Let us create the conditions envisioned in that treaty which do not include the Krasnoyarsk radar."

Q. It is not clear to me, on the basis of your answer to John Wallach, whether the United States, in your view at this time as best you can forecast, intends to continue to abide by the ABM Treaty next year when it comes up for review.

A. We certainly intend to abide by the treaty. That is what we have said continuously.

Q. Do you feel that it is in the interest of this country, then, to publicly pledge that the United States will abide by the treaty for another 15 to 20 years, as seems to be at the heart of a new Soviet proposal in Geneva?

A. The ABM Treaty is a document, and it has certain terms in it, and that is what we are pledged to observe. As I said a minute ago, the fact that the Soviet Union is building a large phased-array radar pointed inward, in direct contravention of the treaty, constitutes a problem. And I think we have to face that problem.

Q. You've said in the past, when the terms of the SALT II Treaty were not going to be undercut by the Administration, that the Soviet Union was violating the terms of SALT II. Now the President comes in with a decision saying we won't be bound by the terms any longer. If you are saying that the Russians are violating, in a critical way, the ABM, why don't you simply come out and say that the United States won't be bound by the ABM?

A. We think it is important to keep calling attention to these violations and to keep working to curb them and to try to keep as much of this treaty structure in place as is appropriate to the circumstances.

In Geneva, in the space defense group where Max Kampelman is our negotiator, we have been consistently trying to engage the Soviets in a discussion of the ABM Treaty regime and to try to get it back where it ought to be. That's one step that we want to take.

Q. Haven't they come in with a proposal, and can you give us your response to it?

A. As far as I'm concerned, I don't have any comment on the reports of any proposal.

Q. But there has been some ambiguity on the American side over what we here in the United States mean by the ABM Treaty. Robert McFarlane, the former national security adviser, created quite a flap and made quite a bit of news on this program, "Meet the Press," last year when he promulgated what is called the "permissive interpretation" of the ABM Treaty under which the United States would be allowed to proceed with more or less an unfettered Strategic Defense Initiative.

You played an important part in working out a kind of Solomonic compromise within the Administration on that. Could you clarify as of today what the Administration policy is? When we say we're going to stay with the ABM Treaty, does that mean as restrictively interpreted?

A. I spoke on that subject authoritatively in the sense that what I said was carefully worked out and approved by the President, and there hasn't been any change in the President's view.

It is the case that when you study the treaty itself and all of the background material, and so on—which has been done carefully, including by my Legal Adviser, Judge Abe Sofaer—that you can make out a very good case that a much broader interpretation than has been adopted by the Strategic Defense Initiative office, and announced, could be made. But we have a policy, and that is our policy.

Q. I don't think there is any disagreement even among doves about Krasnoyarsk and the fact that the Soviets have built a radar that is countrywide, faces inward, and is designed to knock down incoming American missiles. You are saying in effect today, are you not, that unless they do something about that, the duration of the ABM Treaty itself will come into question within the not-too-distant future? Is that correct?

A. I don't want to step into that hole. I think what we need to do is continue to work to have that treaty be fully observed in all of its elements, and that is what we are doing, not only in the group where violations are discussed but in the direct negotiations in Geneva. So we are talking not only about that

but about their ballistic missile defense system about Moscow and some of its characteristics that give you pause.

Q. But in those very Geneva negotiations, the Soviets have reportedly said they want to strengthen the ABM Treaty, and in return they might cut some of their strategic forces. The ABM Treaty permits some research, development, and testing of a strategic defense, or "star wars," system. Isn't that a hopeful sign?

A. A hopeful sign will be when it is possible for the United States and the Soviet Union to negotiate carefully, officially, and privately about some of these difficult things. And to the extent that can happen in Geneva, that will be a big plus.

Q. Are you planning to go to the Middle East this month?

A. I am practically always ready to go to the Middle East if there is something worthwhile that has at least some chance of being accomplished. I don't say that I have to go out with a cold deck, and I'm willing to fail—and try. But if there is something to try at, we are always ready to go. But it is a question.

Judge Abe Sofaer has been out there for the last 2 weeks trying to see if he can't put together something on Taba, and it hasn't been possible to do it, and he is pretty good.

Q. Yet if it hasn't been possible to do Taba, does that mean you are wiping out the possibility of going to the Middle East this month?

A. I work on that problem of the Middle East practically continuously, and I don't intend to let up on work on that because if there is something constructive—if you can just move the ball along an inch—why, I think it is worthwhile.

King Hussein will be here a week from tomorrow. We will have a chance to meet with him, and we are continuously appraising the situation.

Q. People in our line of work—journalists—have been having a bit of a dust-off in the last few weeks with people in your line of work—that is, officials charged with keeping the secrets of the U.S. Government. I know this has been of concern to you; you have fired at least one member of the State Department for leaking.

The Director of Central Intelligence and others have talked about sending journalists to jail if they publish information which the Administration considers to be classified. What's your own view on the use of legal sanctions and the threat of jail against publications and journalists in this ongoing struggle.

A. I'm not going to pose here as a lawyer, but I think the law, whatever the law is, ought to be enforced, including when somebody in the U.S. Government puts out information that is classified and sensitive. That person is violating the oath of office that you solemnly take, and should be fired at a minimum, and anytime I can get my hands on people who do this, let me tell you if I have anything to do with it, they are going to be fired.

Q. What about the journalist and the publisher who receive the information and publish it?

A. As I say, I don't want to pose as a lawyer to know what the legal situation is. But if they violate a law—a legitimate, constitutional, proper law—they ought to be prosecuted. If they haven't, they shouldn't.

Q. And at this particular point, what does it look like? Do you think—

A. I think they can properly be talked to, and journalists are talked to regularly. And I think there is a tradition of responsibility in the journalistic community, and it still exists, and it should be encouraged. Nobody wants to undermine national security. Nobody does.

[1]Press release 122 of June 2, 1986. ■

South African Military Raids

WHITE HOUSE STATEMENT, MAY 19, 1986[1]

On the occasion of South African military strikes into Zambia, Zimbabwe, and Botswana, the United States stands with the governments and peoples of those countries in expressing our sense of outrage at these events and our condolences to the families of the victims.

We vigorously condemn these attacks by South Africa. Our diplomacy in South Africa has been aimed at stopping cross-border violence. Such efforts have had results. We would note that senior officials of South Africa and its neighbors have held regular and productive consultations on issues of security and respect for international borders.

We believe these military actions to be particularly inexplicable in the light of ongoing efforts among those neighbors to maintain good working relations and communication on security problems. The ongoing process had clearly not exhausted all possibilities for peaceful remedy of the issues.

We find the South African raids are all the more difficult to fathom, given current efforts of the Commonwealth's Eminent Persons Group, which is currently in the region, engaged in highly sensitive discussions to promote dialogue between blacks and whites in South Africa.

The United States has made clear for many years its strong opposition to, and condemnation of, violent means by any party as a method of resolving South Africa's problems. And we stand by the principle that political avenues should be given every opportunity.

[1]Text from Weekly Compilation of Presidential Documents of May 26, 1986. ■

U.S. Interim Restraint Policy: Responding to Soviet Arms Control Violations

PRESIDENT'S STATEMENT, MAY 27, 1986[1]

On the eve of the strategic arms reduction talks (START) in 1982, I decided that the United States would not undercut the expired SALT I [strategic arms limitation talks] interim offensive agreement or the unratified SALT II agreement as long as the Soviet Union exercised equal restraint. I took this action, despite my concerns about the flaws inherent in those agreements, to foster an atmosphere of mutual restraint conducive to serious negotiations on arms reductions. I made clear that our policy required reciprocity and that it must not adversely affect our national security interests in the face of the continuing Soviet military buildup.

Last June, I reviewed the status of U.S. interim restraint policy. I found that the United States had fully kept its part of the bargain. As I have documented in three detailed reports to the Congress, most recently in December 1985, the Soviet Union, regrettably, has not. I noted last June that the pattern of Soviet noncompliance with their existing arms control commitments increasingly affected our national security. This pattern also raised fundamental concerns about the integrity of the arms control process itself. A country simply cannot be serious about effective arms control unless it is equally serious about compliance.

In spite of the regrettable Soviet record, I concluded last June that it remained in the interest of the United States and its allies to try, once more, to establish an interim framework of truly mutual restraint on strategic offensive arms as we pursued, with renewed vigor, our objective of deep reductions in existing U.S. and Soviet nuclear arsenals through the Geneva negotiations. Therefore, I undertook to go the extra mile, dismantling a Poseidon submarine, U.S.S. *Sam Rayburn*, to give the Soviet Union adequate time to take the steps necessary to join us in establishing an interim framework of truly mutual restraint. However, I made it clear that, as subsequent U.S. deployment milestones were reached, I would assess the overall situation and determine future U.S. actions on a case-by-case basis in light of Soviet behavior in exercising restraint comparable to our own, correcting their noncompliance, reversing their unwarranted military buildup, and seriously pursuing equitable and verifiable arms reduction agreements.

Later this month, the eighth Trident submarine, U.S.S. *Nevada*, begins sea trials. In accordance with our announced policy, I have assessed our options with respect to that milestone. I have considered Soviet actions since my June 1985 decision and U.S. and allied security interests in light of both those actions and our programmatic options. The situation is not encouraging.

While we have seen some modest indications of improvement in one or two areas, there has been no real progress toward meeting U.S. concerns with respect to the general pattern of Soviet noncompliance with major arms control commitments, particularly in those areas of most obvious and direct Soviet noncompliance with the SALT and ABM [antiballistic missile] agreements. The deployment of the SS-25, a forbidden second new intercontinental ballistic missile (ICBM) type, continues apace. The Soviet Union continues to encrypt telemetry associated with its ballistic missile testing in a manner which impedes verification. The Krasnoyarsk radar remains a clear violation. We see no abatement of the Soviet strategic force buildup. Finally, since the November summit, we have yet to see the Soviets follow up constructively on the commitment made by General Secretary Gorbachev and myself to achieve early progress in the Geneva negotiations, in particular in areas where there is common ground, including the principle of 50% reductions in the strategic nuclear arms of both countries, appropriately applied, as well as an interim agreement on intermediate-range nuclear forces (INF).

Based on Soviet conduct since my June 1985 decision, I can only conclude that the Soviet Union has not, as yet, taken those actions that would indicate its readiness to join us in an interim framework of truly mutual restraint. At the same time, I have also considered the programmatic options available to the United States in terms of their overall net impact on U.S. and allied security.

When I issued guidance on U.S. policy on June 10, 1985, the military plans and programs for fiscal year 1986 were about to be implemented. The amount of flexibility that any nation has in the near term for altering its planning is modest at best. Our military planning will take more time to move out from under the shadow of previous assumptions, especially in the budgetary conditions which we now face. These budgetary conditions make it essential that we make the very best possible use of our resources.

The United States had long planned to retire and dismantle two of the oldest Poseidon submarines when their reactor cores were exhausted. Had I been persuaded that refueling and retaining these two Poseidon submarines would have contributed significantly and cost-effectively to the national security, I would have directed that these two Poseidon submarines not be dismantled but be overhauled and retained. However, in view of present circumstances, including current military and economic realities, I have directed their retirement and dismantlement as planned.

As part of the same decision last June, I also announced that we would take appropriate and proportionate responses when needed to protect our own security in the face of continuing Soviet noncompliance. It is my view that certain steps are now required by continued Soviet disregard of their obligations.

Needless to say, the most essential near-term response to Soviet noncompliance remains the implementation of our full strategic modernization program, to underwrite deterrence today, and the continued pursuit of the Strategic Defense Initiative (SDI) research program, to see if it is possible to provide a safer and more stable basis for our future security and that of our allies. The strategic modernization program, including the deployment of the second 50 Peacekeeper missiles, is the foundation for all future U.S. offensive force options. It provides a solid basis which can and will be adjusted over time to respond most efficiently to continued Soviet noncompliance. The SDI program represents our best hope for a future in

which our security can rest on the increasing contribution of defensive systems that threaten no one.

It is absolutely essential that we maintain full support for these programs. To fail to do so would be the worst response to Soviet noncompliance. It would immediately and seriously undercut our negotiators in Geneva by removing the leverage that they must have to negotiate equitable reductions in both U.S. and Soviet forces. It would send precisely the wrong signal to the leadership of the Soviet Union about the seriousness of our resolve concerning their noncompliance. And it would significantly increase the risk to our security for years to come. Therefore, our highest priority must remain the full implementation of these programs.

Secondly, the development by the Soviet Union of its massive ICBM forces continues to challenge seriously the essential balance which has deterred both conflict and coercion. Last June, I cited the Soviet Union's SS-25 missile, a second new type of ICBM prohibited under SALT II, as a clear and irreversible violation. With the number of deployed SS-25 mobile ICBMs growing, I now call upon the Congress to restore bipartisan support for a balanced, cost-effective, long-term program to restore both the survivability and effectiveness of the U.S. ICBM program. This program should include the full deployment of the 100 Peacekeeper ICBMs. But it must also look beyond the Peacekeeper and toward additional U.S. ICBM requirements in the future, including the small ICBM to complement Peacekeeper. Therefore, I have directed the Department of Defense to provide to me by November 1986 an assessment of the best options for carrying out such a comprehensive ICBM program. This assessment will address the basing of the second 50 Peacekeeper missiles and specific alternative configurations for the small ICBM in terms of size, number of warheads, and production rates.

Finally, I have also directed that the advanced cruise missile program be accelerated. This would not direct any increase in the total program procurement at this time but rather would establish a more efficient program that both saves money and accelerates the availability of additional options for the future.

This brings us to the question of the SALT agreements. SALT II was a fundamentally flawed and unratified treaty. Even if ratified, it would have expired on December 31, 1985. When presented to the U.S. Senate in 1979, it was considered by a broad range of critics, including the Senate Armed Services Committee, to be unequal and unverifiable in important provisions. It was, therefore, judged by many to be inimical to genuine arms control, to the security interests of the United States and its allies, and to global stability. The proposed treaty was clearly headed for defeat before my predecessor asked the Senate not to act on it.

The most basic problem with SALT II was that it codified major arms buildups rather than reductions. For example, even though at the time the treaty was signed in 1979, the United States had, and only planned for, 550 MIRVed [multiple independently-targetable reentry vehicle] ICBM launchers, and the Soviet Union possessed only about 600, SALT II permitted each side to increase the number of such launchers to 820. It also permitted a buildup to 1,200 MIRVed ballistic launchers (both ICBMs and submarine-launched ballistic missiles) even though the United States had only about 1,050 and the Soviet Union had only about 750 when the treaty was signed. It permitted the Soviet Union to retain all of its heavy ballistic missiles. Finally, it limited ballistic missile launchers, not the missiles or the warheads carried by the ballistic missiles. Since the signing of SALT II, Soviet ballistic missile forces have grown to within a few launchers of each of the 820 and 1,200 MIRVed limits and from about 5,000 to over 9,000 warheads today. What is worse, given the failure of SALT II to constrain ballistic missile warheads, the number of warheads on Soviet ballistic missiles will continue to grow very significantly, even under the treaty's limits, in the continued absence of Soviet restraint.

In 1982, on the eve of the START negotiations, I undertook not to undercut existing arms control agreements to the extent that the Soviet Union demonstrated comparable restraint. Unfortunately, the Soviet Union did not exercise comparable restraint, and uncorrected Soviet violations have seriously undermined the SALT structure. Last June, I once again laid out our legitimate concerns but decided to go the extra mile, dismantling a Poseidon submarine, not to comply with or abide by a flawed and unratified treaty but rather to give the Soviet Union one more chance and adequate time to take the steps necessary to join us in establishing an interim framework of truly mutual restraint. The Soviet Union has not used the past year for this purpose.

Given this situation, I have determined that, in the future, the United States must base decisions regarding its strategic force structure on the nature and magnitude of the threat posed by Soviet strategic forces and not on standards contained in the SALT structure, which has been undermined by Soviet noncompliance and especially in a flawed SALT II treaty which was never ratified, would have expired if it had been ratified, and has been violated by the Soviet Union.

Since the United States will retire and dismantle two Poseidon submarines this summer, we will remain technically in observance of the terms of the SALT II Treaty until the United States equips its 131st heavy bomber for cruise missile carriage near the end of this year. However, given the decision that I have been forced to make, I intend at that time to continue deployment of U.S. B-52 heavy bombers with cruise missiles beyond the 131st aircraft as an appropriate response without dismantling additional U.S. systems as compensation under the terms of the SALT II Treaty. Of course, since we will remain in technical compliance with the terms of the expired SALT II Treaty for some months, I continue to hope that the Soviet Union will use this time to take the constructive steps necessary to alter the current situation. Should they do so, we will certainly take this into account.

The United States seeks to meet its strategic needs, given the Soviet buildup, by means that minimize incentives for continuing Soviet offensive force growth. In the longer term, this is one of the major motives in our pursuit of the Strategic Defense Initiative. As we modernize, we will continue to retire older forces as our national security requirements permit. I do not anticipate any appreciable numerical growth in U.S. strategic offensive forces. Assuming no significant change in the threat we face, as we implement the strategic modernization program, the United States will not deploy more strategic nuclear delivery vehicles than does the Soviet Union. Furthermore, the United States will not deploy more strategic ballistic missile warheads than does the Soviet Union.

In sum, we will continue to exercise the utmost restraint, while protecting strategic deterrence, in order to help foster the necessary atmosphere for significant reductions in the strategic arsenals of both sides. This is the urgent

task which faces us. I call on the Soviet Union to seize the opportunity to join us now in establishing an interim framework of truly *mutual* restraint.

Finally, I want to emphasize that no policy of interim restraint is a substitute for an agreement on deep and equitable reductions in offensive nuclear arms, provided that we can be confident of Soviet compliance with it. Achieving such reductions has received, and continues to receive, my highest priority. I hope the Soviet Union will act to give substance to the agreement I reached with General Secretary Gorbachev in Geneva to achieve early progress, in particular in areas where there is common ground, including the principle of 50% reductions in the strategic nuclear arms of both countries, appropriately applied, as well as an interim INF agreement. If the Soviet Union carries out this agreement, we can move now to achieve greater stability and a safer world.

WHITE HOUSE FACT SHEET[2]

Summary

The United States has completed a comprehensive review of its interim restraint policy and of the required response to the continuing pattern of Soviet noncompliance with arms control agreements. Based on this review, and following consultations with the Congress and key allies, we have been forced to the conclusion that the Soviet Union has not, as yet, taken those actions that would indicate a readiness to join us in an interim framework of truly *mutual* restraint.

Given the lack of Soviet reciprocity, the President has decided that in the future the United States must base decisions regarding its strategic force structure on the nature and magnitude of the threat posed by Soviet strategic forces and not on standards contained in the SALT II agreement of 1979 or the SALT I interim offensive agreement of 1972. SALT II was a flawed agreement which was never ratified, which would have expired if it had been ratified, and which continues to be seriously violated by the Soviet Union. The SALT I interim offensive agreement of 1972 was unequal, has expired, and is also being violated by the Soviet Union.

After reviewing the programmatic options available to the United States, the President has decided to retire and dismantle two older Poseidon submarines this summer. The United States will thus remain technically in observance of the terms of the SALT II agreement until we equip our 131st heavy bomber for cruise missile carriage near the end of this year. The President has determined that, given the decision that he has been forced to make by lack of Soviet reciprocity, the United States will later this year continue deployment of B–52 heavy bombers with cruise missiles beyond the 131st aircraft, without dismantling additional U.S. systems as compensation under the terms of the SALT II agreement.

The President has also called for: renewed bipartisan support for the Administration's full strategic modernization program including all 100 Peacekeeper ICBMs; full funding of our research under the Strategic Defense Initiative; an assessment of options on future ICBM programs, including Peacekeeper basing and the small ICBM; and acceleration of the advanced cruise missile (ACM) program.

The President has determined that, in carrying out this policy, the United States will continue to exercise utmost restraint. We will seek to meet our strategic needs by means that minimize incentives for continuing Soviet offensive force growth. As we modernize, we will continue to retire older forces as our national security requirements permit. We do not anticipate any appreciable numerical growth in the number of U.S. strategic offensive forces. Furthermore, the President has emphasized that, assuming no significant change in the threat we face, as we implement the needed strategic modernization program, the United States will not deploy more strategic nuclear delivery vehicles or more strategic ballistic missile warheads than does the Soviet Union.

The President indicated that since the United States will remain in technical observance with the terms of the expired SALT II agreement for some months, the Soviet Union will have even more time to change the conditions that now exist. The President hopes that the Soviet Union will use this time constructively; if they do, the United States will certainly take this into account. (Concerning the SALT I agreement, even without any U.S. retirement of older systems, the United States could remain in technical observance of its terms for several years until the 10th Trident submarine begins sea trials in mid-1989.)

Finally, the President has reiterated that his highest priority in the nuclear arms control area is to obtain Soviet agreement to a new and more durable arms control framework—one built upon deep, equitable, and verifiable reductions in the offensive nuclear forces of the United States and the Soviet Union. He, therefore, calls upon the Soviet Union to carry out in the ongoing Geneva negotiations the agreement which he and General Secretary Gorbachev reached at the November summit, calling for 50% reductions, appropriately applied, in U.S. and Soviet strategic nuclear forces, and an interim agreement on intermediate nuclear forces. If Moscow instructs its negotiators to apply themselves seriously and flexibly toward these goals, as the U.S. negotiators are prepared to do, we can move together now to build a safer and more stable world.

Introduction

Over the past 2½ years, the President has sent three reports to the Congress detailing the serious realities of Soviet noncompliance with arms control agreements, including major agreements on strategic arms. The United States has unsuccessfully pressed the Soviet Union in the U.S.-Soviet Standing Consultative Commission (SCC) and through other diplomatic channels to resolve our concerns.

In spite of this pattern of Soviet noncompliance, the President decided last June to go the extra mile in dismantling a U.S. Poseidon submarine, U.S.S. *Sam Rayburn*, to give the Soviet Union adequate time to take the opportunity to join the United States in an interim framework of truly *mutual* restraint on strategic offensive arms. He stated that such a framework required that the Soviets correct their noncompliance, reverse their unwarranted military buildup, and make progress at the Geneva negotiations. In addition, he indicated that the United States, which has scrupulously complied with its arms control obligations and commitments, would be required to develop appropriate and proportionate responses to assure U.S. and allied security in the face of uncorrected Soviet noncompliance. He directed that all programmatic responses be kept open, and he requested specific programmatic recommendations of the Secretary of Defense and the Joint Chiefs of Staff.

In recent months, the President has reviewed these issues in great detail with his senior advisers and has consulted extensively with Members of

Congress and allied leaders. He announced his decision in the statement issued today. This fact sheet reports on the President's decision.

Background

1982 Decision. In 1982, on the eve of the strategic arms reduction talks, the President decided that the United States would not undercut the expired SALT I agreement or the unratified SALT II agreement as long as the Soviet Union exercised equal restraint. Despite his serious reservations about the inequities of the SALT I agreement and the serious flaws of the SALT II agreement, he took this action in order to foster an atmosphere of mutual restraint on force deployments conducive to serious negotiation as we entered START. He made clear that our policy required reciprocity and that it must not adversely affect our national security interests in the face of the continuing Soviet military buildup. The Soviet Union also made a policy commitment not to undercut these agreements.

1985 Decision. In a decision reported to the Congress on June 10, 1985, the President reviewed the status of U.S. interim restraint policy concerning strategic agreements in light of the continuing pattern of the Soviet Union's noncompliance with its arms control obligations and commitments. He found that the United States had fully kept its part of the bargain and had scrupulously complied with the terms of its obligations and commitments.

By contrast, he noted with regret that the Soviet Union had repeatedly violated several of its major arms control obligations and commitments. His three reports to the Congress on Soviet noncompliance in January 1984, February 1985, and December 1985 enumerate and document in detail the serious facts and U.S. concerns about Soviet violations. The overall judgment reached by the President in his June 1985 decision was that while the Soviets had observed some provisions of existing arms control agreements, they had violated important elements of those agreements and associated legal obligations and political commitments.

The President noted that these are very crucial issues, for to be serious about effective arms control is to be serious about compliance. The pattern of Soviet violations increasingly affects our national security. But, perhaps even more significant than the near-term military consequences of the violations themselves, they raise fundamental concerns about the integrity of the arms control process, concerns that, if uncorrected, undercut the integrity and viability of arms control as an instrument to assist in ensuring a secure and stable future world.

The President also noted that the United States had repeatedly raised our serious concerns with the Soviet Union in diplomatic channels, including the U.S.-Soviet Standing Consultative Commission. His assessment was that, despite long and repeated U.S. efforts to resolve these issues, the Soviet Union had neither provided satisfactory explanations nor undertaken corrective action. Instead, Soviet violations had expanded as the Soviets continued to modernize their strategic forces. U.S. interim restraint policy has always been conditioned on Soviet reciprocity. In his June assessment, the President was consequently forced to conclude that the Soviet Union was not exercising the equal restraint upon which U.S. interim restraint policy had been conditioned, that we could not accept a double standard of unilateral U.S. compliance coupled with Soviet noncompliance, and that such Soviet behavior was fundamentally inimical to the future of arms control and to the security of our country and that of our allies.

At the same time, given the goal of reducing the size of Soviet and U.S. nuclear arsenals, the President made the judgment that it remained in the interest of the United States to go the extra mile in seeking to persuade the Soviet Union to join us in establishing an interim framework of truly *mutual* restraint on strategic offensive arms, as we pursued with renewed vigor.

CD Negotiations Resume

WHITE HOUSE STATEMENT, JUNE 5, 1986[1]

The President met today with Ambassador Donald S. Lowitz, United States Representative to the 40-nation Conference on Disarmament in Geneva, which resumes its 1986 session on June 9. He expressed to Ambassador Lowitz the importance that he attaches to effective, multilateral arms control measures as a means of strengthening United States security as well as enhancing the security of other nations.

The President stressed, in particular, that at his November meeting in Geneva with General Secretary Gorbachev of the Soviet Union the two leaders had reaffirmed their support for a global ban on chemical weapons, which the United States is seeking at the Conference on Disarmament, and that they had agreed to accelerate efforts to conclude an effective and verifiable agreement. The President attaches great importance to this commitment and has, therefore, instructed the United States delegation to continue to seek mutually acceptable solutions to the outstanding issues in the negotiations on a chemical weapons ban, both in the Conference on Disarmament and in the accompanying bilateral talks with the Soviet Union.

At the President's request, Vice President Bush addressed the Conference on Disarmament in 1983 and 1984. On both occasions he introduced U.S. initiatives in the chemical weapons negotiations. The Vice President continues to take great interest in our efforts to successfully complete the negotiations on a treaty at an early date.

The President asked Ambassador Lowitz, in their meeting today, to continue to keep him fully informed on the progress of these negotiations as well as on other important issues under consideration in the Conference on Disarmament. He also requested that Ambassador Lowitz convey to the representatives of the other member states of the conference his sincere hope that a spirit of dedication and vigorous work would result in a successful agreement on a comprehensive chemical weapons ban and his conviction that the conference is fully capable of achieving such an agreement, which the peace-loving nations of the world greatly desire. He stated that, for its part, the United States again stands ready to intensify even further these negotiations when the conference reconvenes and called upon the other members of this unique body—the sole arms control negotiating forum in which all regions of the world participate—to do likewise.

[1]Text from Weekly Compilation of Presidential Documents of June 9, 1986. ■

through the negotiations in Geneva, our goal of deep, equitable, and verifiable reductions in existing U.S. and Soviet nuclear arsenals.

The President made clear, however, that the United States could not establish such a framework alone. Movement toward an acceptable framework required the Soviet Union to take the positive, concrete steps to correct its noncompliance, resolve our other compliance concerns, and reverse or substantially reduce its unparalleled and unwarranted military buildup. Although the Soviet Union had not demonstrated a willingness to move in this direction, the President announced that in the interest of ensuring that every opportunity to establish the secure, stable future we seek is fully explored, he was prepared to go the extra mile.

The President thus decided last June that to provide the Soviets a further opportunity to join us in establishing an interim framework of truly mutual restraint which could support ongoing negotiations, the United States would continue to refrain from undercutting existing strategic arms agreements to the extent that the Soviet Union exercised comparable restraint and provided that the Soviet Union actively pursued arms reductions agreements in the nuclear and space talks in Geneva. Further, he stated that the United States would constantly review the implications of this interim policy on the long-term security interests of the United States and its allies. He indicated that, in doing so, the United States would consider Soviet actions to resolve our concerns with the pattern of Soviet noncompliance, continued growth in the strategic force structure of the Soviet Union, and Soviet seriousness in the ongoing negotiations.

As an integral part of the implementation of this policy, the President announced that the United States would take those steps made necessary by Soviet noncompliance to assure U.S. national security and that of our allies. He noted that appropriate and proportionate responses to Soviet noncompliance are called for to make it perfectly clear to Moscow that violations of arms control arrangements entail real costs. He stated clearly that the United States would, therefore, develop appropriate and proportionate responses and would take those actions necessary in response to, and as a hedge against, the military consequences of uncorrected Soviet violations of existing arms control agreements.

The President decided last June that to provide still more time for the Soviet Union to demonstrate by its action a commitment to join us in an interim framework of truly mutual restraint, the United States would deactivate and dismantle, according to agreed procedures, an existing older Poseidon submarine as the seventh U.S. Ohio-class Trident submarine put to sea in August 1985. However, the President also directed that the United States keep open all future programmatic options for handling such strategic deployment milestones as they occurred in the future. He made it clear that, as these later milestones were reached, he would assess the overall situation and make a final determination of the U.S. course of action on a case-by-case basis in light of Soviet actions in meeting the criteria which he cited.

U.S. Compliance

In accordance with U.S. interim restraint policy and our efforts to build an interim framework of truly mutual restraint, the United States has not taken any actions which would undercut existing agreements. We have continued scrupulously to live within all arms control agreements, including the SALT I and II agreements. For example, we have fully dismantled one Poseidon and eight Polaris missile-carrying submarines and 27 Titan II ICBM launchers as new Trident missile-carrying submarines have been deployed. Unfortunately, while the United States has been attempting to hold to the structure of SALT through our policy of interim restraint, the Soviet Union, through its continued noncompliance, has undermined the very foundation of that structure.

Soviet Noncompliance

In the most recent of his three reports to the Congress on Soviet noncompliance with arms control agreements, issued on December 23, 1985, the President confirmed that the Administration's continuing studies supported the conclusion that the pattern of Soviet noncompliance continues largely uncorrected. As documented in the President's reports, particularly the detailed classified versions, the Soviet Union has violated its legal obligations under, or political commitments to, the SALT II agreement of 1979, the SALT I interim offensive agreement of 1972, the Anti-Ballistic Missile Treaty of 1972, the Limited Test Ban Treaty of 1963, the Biological Weapons Convention of 1972, the Geneva Protocol on chemical weapons of 1925, and the Helsinki Final Act of 1975. In addition, the U.S.S.R. has likely violated the Threshold Test Ban Treaty of 1974.

In his December 1985 report to the Congress, the President noted that through its noncompliance with arms control agreements, the Soviet Union has made military gains in the areas of strategic offensive arms as well as chemical, biological, and toxin weapons. The President added that in the area of strategic defense, the possible extent of the Soviet Union's military gains by virtue of its noncompliance with the ABM Treaty is also of increasing importance and serious concern to the United States.

The President noted in his December report that in a fundamental sense all deliberate Soviet violations are equally important. He made clear that as violations of legal obligations or political commitments, they cause grave concern regarding Soviet commitment to arms control and darken the atmosphere in which current negotiations are being conducted in Geneva and elsewhere.

In another sense, the President noted, Soviet violations are not of equal importance. Some Soviet violations are of significant military importance—like the illegal second type of new ICBM, telemetry encryption, and the Krasnoyarsk radar. While other violations are of little apparent military significance in their own right, such violations can acquire importance if, left unaddressed, they are permitted to become precedents for future, more threatening violations. Moreover, some Soviet actions that individually have little military significance could conceivably become significant when taken in their aggregate. Finally, even if a specific violation does not contain an inherent military threat, it still undermines the viability and integrity of the arms control process.

Specific Soviet Violations

Concerning SALT II, the President's December report, in addition to citing the Soviets' SS-25 ICBM development and extensive encryption of telemetry on ICBM missile flight tests as violations, also enumerated additional clear Soviet violations of SALT II, including exceeding the numerical limit of strategic nuclear delivery vehicles and concealment of the association between the SS-25 missile and its launcher. In addition, the President's report cited three

areas of ambiguous Soviet behavior as involving possible violations or inconsistencies with regard to SALT II—SS-16 ICBM activity, the Backfire bomber's intercontinental operating capability, and the Backfire bomber's production rate.

Concerning the SALT I interim offensive agreement of 1972, the President's December 1985 report cited a violation in Soviet use of former SS-7 ICBM facilities in support of the deployment and operation of the SS-25 mobile ICBMs.

Concerning the ABM Treaty of 1972, the President's December 1985 report indicated that in addition to illegal construction of the ballistic missile detection and tracking radar at Krasnoyarsk, the combination of other Soviet ABM-related activities involving mobility of ABM system components, concurrent testing, rapid reload, etc., also suggested that the Soviets might be preparing an ABM defense of their national territory, which is prohibited by the ABM Treaty. Such an action, if left without a U.S. response, would have serious adverse consequences for the East-West balance that has kept the peace.

Three key Soviet violations of strategic arms agreements enumerated below are particularly disturbing—the SS-25 ICBM, encryption of telemetry, and the Krasnoyarsk radar.

• *SALT II: SS-25 ICBM.* The President stated in his December 1985 report that the SS-25 mobile ICBM is a clear and irreversible violation of the Soviet Union's SALT II commitment and has important political and military implications. Testing and deployment of this missile violates a central provision of the SALT II agreement, which was intended to limit the number of new ICBMs. The agreement permits only one new type of ICBM for each party. The Soviets have informed us that their one new ICBM type will be the SS-X-24, which is now undergoing testing, and have falsely asserted that the SS-25 is a permitted modernization of their old silo-based SS-13 ICBM. The President also concluded that the technical argument by which the Soviets sought to justify the SS-25, calling it "permitted modernization," is also troublesome as a potential precedent, as the Soviets might seek to apply it to additional prohibited new types of ICBMs in the future.

• *SALT II: Telemetry Encryption.* The President stated in his December report that Soviet use of encryption impedes U.S. verification of Soviet compliance and thus contravenes the provision of the SALT II Treaty which prohibits use of deliberate concealment measures, including encryption, which impede verification of compliance by national technical means. This deliberate Soviet concealment activity, he explained, impedes our ability to know whether a type of missile is in compliance with SALT II requirements. It could also make it more difficult for the United States to assess accurately the critical parameters of any future missile.

Since the SALT I agreement of 1972, the President reported, Soviet encryption practices have become more extensive and disturbing. The President noted that these Soviet practices, Soviet responses on this issue, and Soviet failure to take corrective actions which the United States has repeatedly requested, demonstrate a Soviet attitude contrary to the fundamentals of sound arms control agreements, undermine the political confidence necessary for concluding new agreements, and underscore the necessity that any new agreement be effectively verifiable.

• *ABM Treaty: Krasnoyarsk Radar.* The President stated in his December 1985 report that the radar under construction near Krasnoyarsk in Siberia is disturbing for both political and military reasons. First, it violates the 1972 ABM Treaty, which prohibits the siting of an ABM radar, or the siting and orienting of a ballistic missile detection and tracking radar, in the way the Krasnoyarsk radar is sited and oriented. Politically, he said, the radar demonstrates that the Soviets are capable of violating arms control obligations and commitments even when they are negotiating with the United States or when they know we will detect a violation.

Militarily, he noted, the Krasnoyarsk radar violation goes to the heart of the ABM Treaty. Large phased-array radars (LPARs), like that under construction near Krasnoyarsk, were recognized during the ABM Treaty negotiations as the critical, long lead-time element of a nationwide ABM defense.

When considered as a part of a Soviet network of new LPARs, the President concluded, the Krasnoyarsk radar has the inherent potential to contribute to ABM radar coverage of a significant portion of the central U.S.S.R. Moreover, the Krasnoyarsk radar closes the remaining gap in Soviet ballistic missile detection and tracking coverage. Together with other Soviet ABM-related activities, it suggests, as noted above, that the Soviets might be preparing an ABM defense of its national territory, which is prohibited by the treaty and would have serious adverse consequences for the East-West balance that has kept the peace.

The Current U.S. Deployment Milestone

On May 28, the eighth U.S. Trident submarine, U.S.S. *Nevada,* begins its sea trials. As called for by the U.S. interim restraint policy announced last June, the President has carefully assessed our options with respect to that milestone. He has considered Soviet behavior since his June 1985 decision to go the extra mile, and he has considered U.S. and allied security interests in light of that Soviet behavior and our own programmatic options.

Since the President made his decision in June 1985 to dismantle a Poseidon, U.S.S. *Sam Rayburn,* in order to give the Soviets adequate time to join us in establishing a truly mutual framework of interim restraint, the situation has not been encouraging with respect to the three criteria that the President established for gauging constructive Soviet action—i.e., 1) correction of Soviet noncompliance, 2) reversal of the Soviet military buildup, and 3) promoting progress in the Geneva negotiations.

While we have seen some modest indications of improvement in one or two areas of U.S. concern—for example, with respect to the production rate of Backfire bombers—there has been no real progress by the Soviets in meeting the most serious U.S. concerns. The deployment of the SS-25, a second new ICBM type forbidden by SALT II, continues. The Soviet Union continues to encrypt telemetry associated with its ballistic missile testing and impedes SALT II verification. The Krasnoyarsk radar remains a clear violation. We see no abatement of the Soviet strategic force buildup. Finally, after a hopeful meeting in Geneva last November between the President and General Secretary Gorbachev, we have yet to see the Soviet Union follow up in negotiations on the commitment made in the joint statement issued by the two leaders to seek common ground, especially through the principle of 50% strategic arms reductions, appropriately applied, and through an agreement on intermediate nuclear forces. In light of these circumstances, it is the President's judgment that the Soviet Union has not, as yet,

taken those actions that would indicate by deed its readiness to join us in a framework of truly *mutual* interim restraint.

As the President has considered options associated with the current deployment milestone with the sea trials of the eighth Trident, he has also carefully reviewed the military programmatic options available to the United States in terms of their overall net impact on U.S. and allied security. It should be noted in this context that when the President issued guidance on U.S. policy in June of last year, the military plans and programs for fiscal year 1986 were about to be implemented. The amount of flexibility that any nation has in the near term for altering its planning is modest at best, and our military planning will take more time to move out from under the shadow of previous assumptions. This shadow lengthens and darkens with each reduction made in the funds available for our defense. Operating under such a shadow, especially in the budgetary conditions which we now face, makes it essential that we make the very best possible use of our resources.

It had long been planned to retire and dismantle two of the oldest Poseidon submarines. The President indicated in the decision announced today that had he been persuaded that refueling and retaining these particular two Poseidon submarines would have contributed significantly and cost-effectively to the national security, he would have directed their overhaul and retention. However, in view of present circumstances, including current military and economic realities, it is the President's judgment that, at this particular juncture, the proper course with respect to these two older Poseidon submarines is to retire and dismantle them, according to agreed procedures.

Proportionate U.S. Responses

In announcing his decision last June, the President made clear at the same time that the United States would take appropriate and proportionate actions when needed to assure U.S. and allied security in the face of Soviet noncompliance. It is the President's view that, while two Poseidon submarines should be dismantled for military and economic reasons, certain new programmatic U.S. steps focused on the Administration's strategic modernization program are now necessitated by the continued lack of Soviet action up to this point in meeting the criteria established by the President's interim restraint policy decision last June.

Strategic Modernization Program. The Administration's highest priority in the strategic programs area remains the full implementation of the U.S. strategic modernization program to underwrite deterrence today and the full pursuit of the Strategic Defense Initiative research program to seek to provide better alternatives in the future. The President's decision to retire the two older Poseidon submarines at this point is fully in accordance with that program. Under any set of assumptions, our modernization program is, and will always be, designed to guarantee that our nation always has modern forces in sufficient quantities to underwrite our security and that of our allies—nothing more and nothing less. This goal ensures that the appropriate, best, and proper use is made of our national resources.

The U.S. strategic modernization program, including the deployment of the second 50 Peacekeeper missiles to the full program of 100 missiles, which was called for in 1983 by the Scowcroft commission, is fully supported by our military leadership. The Administration's full strategic modernization program has been very carefully crafted by our best defense planners. It is the foundation for all future U.S. strategic program options and provides a solid basis which can and will be adjusted over time to respond most efficiently to continued Soviet noncompliance. The President believes it is absolutely critical that this program not be permitted to erode. That would be the worst way to respond to the continuing pattern of Soviet noncompliance, would increase the risk to our security and that of our allies, and would undercut our ability to negotiate the reductions in existing arsenals that we seek. It, therefore, would send precisely the wrong signal to the Soviet leadership.

• *Bipartisan Support for the U.S. ICBM Program.* Soviet actions to continue the accelerated development of their ICBM force are of great concern. Last June, the President cited the Soviet Union's flight-testing of the SS-25 missile, a second new type of ICBM prohibited under the SALT II agreement, as a clear and irreversible violation and noted that deployment would constitute a further violation. He noted that since the noncompliance associated with the development of this missile cannot, at this point, be corrected by the Soviet Union, the United States reserved the right to respond proportionately and appropriately. At that time, he also noted that the U.S. small ICBM program was particularly relevant in this regard. Given the events that have occurred since last June, including the Soviet Union's deployment of over 70 SS-25 mobile ICBMs, the President calls upon the Congress to join with him in restoring bipartisan support for a balanced, cost-effective, long-term program to restore both the survivability and effectiveness of our own ICBM program.

• *Peacekeeper (MX).* The program we require should include the full 100-missile deployment of the Peacekeeper ICBM. It is sometimes forgotten by critics of the Administration's 100-missile Peacekeeper program that this represents a number only one-half that requested by the previous Administration. The Peacekeeper missile has just completed another flawless flight test. It makes both good military and economic sense fully to exploit the great technical success that we have had with this missile.

• *Small ICBM.* The President believes that our ICBM program must also look beyond the Peacekeeper and toward additional U.S. ICBM requirements in the future. Our small ICBM program makes a significant contribution not only in this regard but also as an appropriate and proportionate U.S. response to the irreversible Soviet violation associated with their SS-25 mobile ICBM.

• *A Comprehensive Program.* To ensure that he has a more robust range of options as he approaches future milestones, the President has, in the decision announced today, directed the Department of Defense to provide to him by November 1986 an assessment of the best options for carrying out a comprehensive ICBM program.

• *Advanced Cruise Missile.* Finally, the President has also directed the Secretary of Defense to take the steps necessary, working with the Congress, to accelerate the production of the advanced cruise missile (ACM) program. The President is not, at this time, directing any increase in the total ACM program procurement but rather is establishing a more efficient program that both saves money and accelerates the availability of additional options for the future.

The U.S. and SALT

Having completed a comprehensive review of U.S. interim restraint policy and of the required response to the continuing pattern of Soviet noncompliance with arms control agreements, and following consultations with the Congress and key allies, the President has been forced to conclude that the Soviet Union has not, as yet, taken those actions that would indicate a readiness to join us in an interim framework of truly mutual restraint.

Given the lack of Soviet reciprocity, the President has decided that in the future the United States must base decisions regarding its strategic force structure on the nature and magnitude of the threat posed by Soviet strategic forces and not on standards contained in the SALT II agreement of 1979 or the SALT I interim offensive agreement of 1972. SALT II was a flawed agreement which was never ratified, which would have expired if it had been ratified, and which continues to be seriously violated by the Soviet Union. The SALT I interim offensive agreement of 1972 was unequal, has expired, and is also being violated by the Soviet Union.

After reviewing the programmatic options available to the United States, the President has decided to retire and dismantle two older Poseidon submarines this summer. The United States will thus remain technically in observance of the terms of the SALT II agreement until we equip our 131st heavy bomber for cruise missile carriage near the end of this year. The President has determined that, given the decision that he has been forced to make by lack of Soviet reciprocity, the United States will later this year continue deployment of B-52 heavy bombers with cruise missiles beyond the 131st aircraft, without dismantling additional U.S. systems as compensation under the terms of the SALT II agreement.

Continued U.S. Restraint

The President emphasized that the United States will continue to seek to meet its strategic needs, in response to the Soviet buildup, by means that minimize incentives for continuing Soviet offensive force growth. In the longer term, this is one of the major motives in our pursuit of the Strategic Defense Initiative. The President pointed out that, as the United States modernizes, it will continue to retire older forces as our national security requirements permit. Therefore, he does not anticipate any appreciable numerical growth in U.S. strategic offensive forces. The President also emphasized that, assuming no significant change in the threat that we face, as we implement the needed strategic modernization program, the United States will not deploy more strategic nuclear delivery vehicles or more strategic ballistic missile warheads than does the Soviet Union.

Since the United States will retire and dismantle two Poseidon submarines this summer, we will remain technically in observance of the terms of the SALT II agreement until the United States equips its 131st heavy bomber for cruise missile carriage near the end of this year. However, given the decision that the President has been forced to make, he announced today that, at that time, he intends to continue deployment of U.S. B-52 heavy bombers with cruise missiles beyond the 131st aircraft without dismantling additional U.S. systems as compensation under the terms of the SALT II agreement. Of course, since the United States will remain in technical observance of the terms of the expired SALT II agreement for some months, the President continues to hope that the Soviet Union will use this time to take the constructive steps necessary to alter the current situation. Should they do so, the President noted that the United States will certainly take this into account.

Our attempt to use the structure of SALT as the basis for interim restraint until a START agreement can be achieved has always been based on the assumption of Soviet reciprocity. It makes no sense for the United States to continue to hold up the SALT structure while the Soviet Union undermines the foundation of SALT by its continued, uncorrected noncompliance. Therefore, the President believes we must now look to the future, not to the past. The primary task we now face is to build a new structure, one based on significant, equitable, and verifiable reductions in the size of existing U.S. and Soviet nuclear arsenals. This is what we are proposing in the ongoing Geneva negotiations.

Until this is achieved, the United States will continue to exercise the utmost restraint. Assuming no significant change in the threat we face, as we implement the strategic modernization program, the United States will not deploy more strategic nuclear delivery vehicles or strategic ballistic missile warheads than the Soviet Union.

It is high time that the Soviets honor their obligations, match U.S. restraint, and get down to negotiating seriously in Geneva. If they do, we can move together now to build a safer and more secure world.

In sum, the United States will continue to exercise the utmost restraint, while ensuring the credibility of our strategic deterrent, in order to help foster the necessary atmosphere for significant reductions in the offensive nuclear arsenals of both sides. This is the urgent task that faces us.

The ABM Treaty

Our obligations under the ABM Treaty remain unchanged. The President has made it clear that U.S. programs are, and will continue to be, in compliance with our obligations under the ABM Treaty. The President's statement today also makes it clear that we remain deeply concerned over Soviet violation of the ABM Treaty. In contrast with SALT I and SALT II, however, the ABM Treaty is not an expired or unratified agreement. One of our priority objectives remains to have the Soviet Union return to compliance with their obligations under this treaty.

Hope for Progress in Geneva Negotiations

Time has not altered the basic truth that a policy of interim restraint is not a substitute for an agreement on deep, equitable, and verifiable reductions in offensive nuclear arms. Achieving such reductions has received, and continues to receive, our highest priority.

It, therefore, remains our hope that the Soviet Union will take the necessary steps to give substance to the agreement which President Reagan reached with General Secretary Gorbachev in Geneva to negotiate 50% reductions in strategic nuclear arms, appropriately applied, and an interim agreement on intermediate-range nuclear arms. If the Soviets agree to take those steps with us, we can together achieve greater stability and a safer world.

[1]Text from Weekly Compilation of June 2, 1986.

[2]Text from White House press release. ■

SDI, Arms Control, and Stability: Toward a New Synthesis

by Paul H. Nitze

Address before the Time *magazine conference on the Strategic Defense Initiative (SDI) in Washington, D.C., on June 3, 1986. Ambassador Nitze is special adviser to the President and the Secretary of State on arms control matters.*

The primary security objective of the United States is to reduce the risk of war while preserving our liberty and democratic political system. Over the past 25 years, the United States has pursued this objective through two related means. We have sought to deter war by maintaining a force structure adequate to convince potential adversaries that the risks and costs of aggression would far outweigh any possible gains. Simultaneously, we have sought to limit the nature and extent of the threat to the United States and to stabilize the strategic relationship with our principal adversary, the Soviet Union, through arms control agreements.

The United States is now engaged in research to find out if new technologies could provide a more stable basis to deter war in the future by a shift to a greater reliance on strategic defenses. Arms control could also play an important role in designing a more stable strategic regime in the future. Tonight, I propose to examine the relationship among SDI, arms control, and stability. I hope to show that our SDI research and arms control policies, as currently defined, provide a cohesive and firm basis for enhancing strategic stability in the future and ultimately for reducing the risk of war.

Arms Control and Stability

Two important corollaries to the objective of reducing the risk of war are the objectives of assuring overall functional equality between the capabilities of the two sides and of assuring crisis stability. Crisis stability implies a situation in which no nation has an incentive to execute a first strike in a serious crisis or, in peacetime, to provoke a crisis that might lead to a military confrontation. This situation obtains if no significant advantage can be achieved by initiating conflict. Equivalently, crisis stability also implies that a potential aggressor perceives that he could end up in no better a military position after expending a major portion of his forces in executing the attack and then absorbing a retaliation than would the defender after absorbing the attack and retaliating. These two goals—assuring overall functional equality and crisis stability—are closely interrelated. The United States cannot tolerate either significant inequality or substantial crisis instability.

Trends in the strategic balance over the past 15 years lend new meaning and importance to these classical goals. The growth of Soviet capability to destroy hardened targets—such as ICBM [intercontinental ballistic missile] silos in an initial strike, with their large, land-based, MIRVed [multiple independently-targetable reentry vehicle] ballistic missiles—has created a serious force structure asymmetry and a growing danger of instability in a crisis. Soviet strategic defense activities, coupled with a military doctrine that stresses the importance of offensive and defensive force interactions to achieve Soviet aims in any conflict, have likewise been threatening.

Both the United States and the Soviet Union recognize that it is the balance between the offense-defense mixes of both sides that determines the strategic nuclear relationship. The Soviet Union must realize that a successful "creepout" or "breakout" in its strategic defense capabilities, or conversely, unilateral restraint by the United States in this area, would further shift the strategic nuclear balance in its favor and potentially undermine the value to the United States and its allies of U.S. deterrent forces. Through its ongoing overt and covert defense activities and its arms control policies, the Soviet Union has been attempting to foster such a shift. Currently, in the arms control arena, the Soviet Union seeks to protect the gains that it has achieved in the strategic nuclear balance by limiting and delaying U.S. defense programs, especially SDI. This focus on SDI reflects Soviet concern over the fact that they are no longer alone in their exploration of the defensive potential of advanced technologies and over the prospect of having to divert resources from proven ballistic missile programs to high-technology programs in fields where we are likely to have a competitive advantage.

U.S. arms control efforts are oriented toward achieving strategically significant and stabilizing reductions. For example, we seek to lower the ratio of accurate warheads to strategic aimpoints and reduce a potential attacker's confidence in his ability to eliminate effective retaliation. I should note that while the role of arms control in enhancing U.S. security and in bringing about a more stable strategic relationship is important, it is secondary to what we are able and willing to do for ourselves. U.S. strategic modernization programs provide the necessary foundation on which our deterrence and arms control policies must rest. SDI should be understood in the context of the goals of our modernization and arms control policies and the dangers inherent in the future possibility of having deterrent forces inadequate to respond to, and thus deter, the threat.

We should make no mistake about the fact that Soviet offensive and defensive capabilities pose real threats to the security of the West. Our work in SDI is, in part, a reaction to the unabated growth of this threat, especially during the last 15 years. Through SDI, we seek both new capabilities and a new approach to rectify the deteriorating strategic balance.

The ABM Treaty and the Origins of SDI

The President's March 1983 speech expressed his strongly held belief that we should reexamine the basis of our deterrent posture to see if we could deter aggression through a greater reliance on defense rather than relying so heavily on the threat of devastating nuclear retaliation. This belief reflects both our disappointment in the deterioration of the strategic balance since the signing of the SALT I [strategic arms limitation talks] agreements and our hope that new defensive technologies can mitigate adverse developments in the area of strategic offensive weaponry.

The United States in the early 1970s had proceeded from the assumption that the strict limitation of defenses in the ABM [Anti-Ballistic Missile] Treaty would provide the basis for significant reductions in offensive weaponry. The theory was simple: if both sides had survivable retaliatory nuclear forces at

about the same level of capability and both sides were otherwise effectively defenseless against the nuclear capability of the other, then neither side would have an incentive to strike first, regardless of the circumstances. Therefore, significant reductions to equal levels of capability, tailored so as to enhance security, would improve the security of both sides.

However, the Soviets showed little readiness during the SALT negotiations to agree to measures which would result in meaningful limits or cuts in offensive nuclear forces. Within the framework of the SALT I interim agreement and SALT II, the Soviets deployed large numbers of MIRVed ballistic missiles of sufficient throw-weight and accuracy to pose an evident threat to the survivability of the entire land-based portion of U.S. retaliatory forces. This violated a basic premise of the SALT process. The growth in Soviet nuclear capabilities, in general, and in the asymmetry in counterforce capabilities, in particular, is fundamentally inimical to the security of the United States and its allies.

Despite erosion of the value of the ABM Treaty through Soviet noncompliance and through the absence of comparable Soviet restraints on offensive systems, the United States is and will continue to remain in full compliance with its ABM Treaty obligations. A principal factor leading to that accord was the conclusion reached in the United States during the ABM debate of the late 1960s that defenses, at the then-existing level of technology, could be overwhelmed at less cost by additional offensive systems than would be required to add balancing defenses. Therefore, we were concerned that the deployment of a relatively ineffective territorial ABM system on either side could prompt a proliferation of offensive nuclear forces and cheap but effective countermeasures. An ABM system based on then-current technology would not have been militarily effective, survivable, or cost-effective at the margin.

By contrast, our interest in SDI research is premised on the judgment that new technologies may now be available that could reverse our judgments of the late 1960s about the military ineffectiveness, vulnerability, and cost-ineffectiveness of strategic defenses. It is important to keep in mind that these three requirements are as relevant today as they were 16 years ago; it is the capabilities of the technologies that may have changed.

The SDI Decision Criteria: A Path to Stability

The President's Strategic Defense Initiative, published in January 1985 as the most authoritative description of the President's vision, discussed these requirements for an effective defense. These criteria are posited as necessary for maintaining stability.

To achieve the benefits which advanced technologies may be able to offer, defenses must be militarily effective. Defenses must be able, at a minimum, to destroy a sufficient portion of an aggressor's attacking forces to deny him confidence in the attack's outcome, in general, and, in particular, to deny him the ability to destroy a significant portion of the military target sets he would need to destroy.

The exact level of defense system capability required to achieve these ends cannot be determined at this time, since it depends on the size, composition, effectiveness, and inherent survivability of U.S. forces relative to those of the Soviet Union at the time that defenses are introduced. However, in addition to the requirement of military effectiveness, two other necessary characteristics of an effective defense have been identified and constitute current presidential policy as put forth in a recent National Security Decision Directive. They are survivability and cost-effectiveness at the margin.

Survivability is defined not in terms of system invulnerability but the ability of a system "to maintain a sufficient degree of effectiveness to fulfill its mission, even in the face of determined attacks against it." The President's analysis characterizes survivability as "essential not only to maintain the effectiveness of a defense system, but to maintain stability." Vulnerable defenses could, in a crisis, provide the offense with incentives to initiate defense suppression attacks to gain a favorable shift in the offense-defense balance as a prelude to a first strike.

Similarly, in the interest of discouraging the proliferation of ballistic missile forces, the defensive system must be able to maintain its effectiveness against the offense at less cost than it would take to develop offensive countermeasures and proliferate the ballistic missiles necessary to overcome it. This is the concept of cost-effectiveness at the margin. It describes the stability of the competitive relationship between one side's defensive forces and the other side's offensive forces—that is, whether one side has major incentives to add additional offensive forces in an effort to overcome the other side's defenses.

The term cost-effectiveness is expressed in economic terms. While this concept has valid application not only for strategic defenses but for other military systems as well, the United States understands the criterion of cost-effectiveness at the margin to be more than an economic concept.

In particular, we need to be concerned, in our evaluation of options generated by SDI research, with the degree to which certain types of defensive systems encourage or discourage an adversary to attempt to overwhelm them with additional offensive systems and countermeasures. We seek defensive options which provide clear disincentives to attempts to counter them with additional offensive forces.

Our continued adherence to these criteria indicates the deep interest that the United States has in maintaining and enhancing stability. The United States is demonstrating this interest in other ways as well. In particular, our goals related to a possible transition to greater reliance on defenses, together with our view of SDI as a means of enhancing deterrence and stabilizing the U.S.-Soviet balance and not as a means of achieving superiority, underscore our concern for stability.

Assuring Confidence in Our SDI Research

President Reagan personally assured General Secretary Gorbachev at last November's summit that the United States seeks to enhance peace and that we are pursuing SDI as part of our effort to enhance deterrence and global stability. In this regard, as we have repeatedly made clear, the United States is conducting research only on defensive systems, with primary emphasis on non-nuclear technologies. While it is difficult to be certain of capabilities of potential systems based on technologies not yet developed, defenses based on the new technologies we are investigating would not have the role of striking targets on the ground.

Despite Soviet unwillingness during the first four rounds of the nuclear and space talks to engage in meaningful dialogue in the defense and space negotiating group, the United States has consistently demonstrated in our statements and actions that we do not seek to gain a unilateral advantage from

strategic defense. This openness stands in marked contrast to the closed nature of Soviet strategic defensive activities, the intentions of which we must extrapolate from an operationally offensive Soviet military doctrine with heavy emphasis on strategic defense and from the unabated growth in Soviet nuclear weapons capabilities.

Consistent with our traditional emphasis on verification, the United States does not expect the Soviet Union to accept our assurances on faith alone. On the contrary, in Geneva we have made concrete proposals which would enable the United States and the Soviet Union to assess the defensive nature of the research being conducted by each side.

If and when our research criteria are met, and following close consultation with our allies, we intend to consult and negotiate, as appropriate, with the Soviets pursuant to the terms of the ABM Treaty, which provide for such consultations on how deterrence could be enhanced through a greater reliance by both sides on new defensive systems. It is our intention and our hope that, if new defensive technologies prove feasible, we—in close and continuing consultation with our allies—and the Soviets will jointly manage a transition to a more defense-reliant balance. A jointly managed transition would be designed to maintain, at all times, control over the mix of offensive and defensive systems, thereby assuring both sides of the stability of the evolving strategic balance. An implicit goal of a jointly managed transition would be to identify in advance potential problems in, for example, the stability of the mix of offense and defense and to act to resolve such problems.

Of course, arms control would play an important role in such a transition. Properly structured cuts in offensive arms are not only worthwhile in their own right but they could also facilitate the shift to a more defense-reliant posture. Unilateral modernization measures can enhance transition stability. Improving the survivability of our offensive forces, for example, would especially contribute to stability in an early transition phase.

Our interest in pursuing a cooperative transition with the Soviets should not be seen, however, as granting them veto power over U.S. decisionmaking. Any U.S. decision to develop and deploy defenses would still reflect the same goals of peace and enhanced deterrence through a stable transition, even if our good faith efforts to engage the Soviets in a cooperative transition were to fail. I am convinced, however, that a successful SDI research phase proving the feasibility of survivable and cost-effective defenses would provide compelling incentives for the Soviets to consider seriously the advantages of a jointly managed transition. In Geneva, we seek to provide a forum for such consideration.

Balancing Offense and Defense in Geneva

The Soviet approach in Geneva has been to advance the self-serving and unacceptable concepts of "a ban on space-strike arms" and "a ban on purposeful research," both impossible to define in meaningful and verifiable terms. They would like to limit U.S. capabilities and stop U.S. research while avoiding constraints on their own weapon systems and research through definitional ploys.

The United States is committed to the SDI research program, which is being carried out in full compliance with all of our treaty obligations, including the ABM Treaty. Indeed, the United States seeks to reverse the erosion of existing agreements, including the ABM Treaty, caused by Soviet violations. In seeking to stop or delay SDI, the Soviet Union also talks about strengthening the ABM Treaty. However, their approach for doing so has so far been based on artificial distinctions such as that between "purposeful" and "fundamental" research.

The Soviets maintain that deep cuts are only possible, and that stability can only be preserved, if the United States agrees to halt substantive work on SDI. The United States cannot accept this thesis. We propose, instead, a serious discussion on the offense-defense relationship and the outlines of the future offense-defense balance. Were the Soviets to work with us in a meaningful exploration of significant reductions in START [strategic arms reduction talks] and INF [intermediate-range nuclear forces], we could examine how the level of defense would logically be affected by the level and nature of offensive arms.

The ABM Treaty marked the beginning of an arms control process which, in retrospect, has been profoundly disappointing. The offensive reductions which were supposed to accompany it have not materialized, and the Soviets are in fundamental violation of one or more of the treaty's key provisions. Consequently, we are working to halt the treaty's erosion by the Soviet Union and persuade them that full compliance with its terms by both sides is in our mutual interest.

The United States does not believe that there is reason now to change the ABM Treaty. Through our SDI research, we wish to determine whether or not there is a better way to ensure long-term stability than to rely on the ever more dangerous threat of devastating nuclear retaliation to deter war and assure peace. If we find there is, and if at some future time the United States, in close consultation with its allies, decides to proceed with deployment of defensive systems, we intend to utilize mechanisms for U.S.-Soviet consultations provided for in the ABM Treaty. Through such mechanisms, and taking full account of the Soviet Union's own expansive defensive systems research program, we will seek to proceed in a stable fashion with the Soviet Union. In this context, we must remember that the ABM Treaty is a living document.

Articles XIII and XIV provide for consultation with the aim of appropriate amendment of the treaty to take account of future considerations, such as the possibility of a new—and more stable—strategic balance.

Toward A New Synthesis

Current U.S. SDI research activities and arms control policies are designed to provide a basis for securing stability in a future strategic regime. The goal of stability can be guaranteed only if we maintain our commitment to the standards and criteria consistent with it.

The United States is committed to achieving strategic stability and, therefore, to a predictable and stable arms control process to complement our strategic programs to assure our primary security objective of reducing the risk of war. ■

Is Arms Control at a Dead End?

by Kenneth L. Adelman

Address before the Commonwealth Club in San Francisco on May 16, 1986. Mr. Adelman is Director of the U.S. Arms Control and Disarmament Agency.

For some time now, people on both sides of the arms control debate have been wondering whether arms control has somehow hit a dead end. The reasons people feel this way vary, but if you read the foreign policy and arms control journals, you will often run across articles suggesting that arms control is in a funk. The idea crops up again and again.

This evening I would like to do three things.

First, I want to suggest the reasons why some people now imagine that arms control has hit a dead end.

Second, I want to show you how the current pessimism about arms control stems mainly from the fact that our definition of arms control has become terribly narrow and inadequate. A lot of conventional thinking about arms control is afflicted, I would argue, by a kind of tunnel vision.

Finally, I want to suggest to you this evening that we need to broaden our definition of arms control to take into account *all* the factors that affect stability and security. When we look at the world through the lens of this broader—and, it seems to me, much more accurate—definition of arms control, we will find that the outlook for stability and peace is not at all pessimistic but, indeed, extremely hopeful.

Reasons for Pessimism

First, why the pessimism about arms control? Several reasons.

In the first place, there has been a growing acknowledgment that the Soviet Union is violating agreements. It is important to recognize how our thinking about these matters has changed over the years. At the beginning of the SALT [strategic arms limitation talks] negotiations 16 years ago, there was a widespread expectation that the first strategic arms agreements would build confidence for successive talks. There was hope that each step in the process would lead to more ambitious steps, that agreements on specific issues would lead to generalized mutual restraint. This hasn't happened.

I think history will show very plainly that the United States kept its side of the bargain; after we signed SALT I, our rate of force modernization slowed down—at least partly because we believed in the future of arms control. It is not that we did nothing. But we did considerably less than we had done before and considerably less than we could do. We MIRVed [multiple independently-targetable reentry vehicle] our missiles. But we fielded no new ICBM [intercontinental ballistic missile] after we began to deploy the Minuteman III in 1970; we built no new SSBMs [strategic submarine ballistic missile] between 1966 and 1981; we built no new strategic bombers after 1962. In addition, the Carter Administration canceled the B-1 bomber, canceled the enhanced radiation weapon, and stretched out a number of other key strategic programs—e.g., Trident SSBMs.

Now, suppose that back in 1972, at the time the SALT I Treaty was signed, you had been a U.S. Senator, and somebody had told you, as you considered whether to ratify the agreement, that under the terms of the SALT I Treaty the Soviets during the next decade were going to deploy four new types of ICBM, five new classes of ballistic missile submarines, two new bombers, and that they were going to add 5,000 new ballistic missile warheads to their arsenal. My guess is that if somebody had told you that, you might have had some doubts and questions about such an arms control agreement. You might have been less eager to ratify the treaty than you otherwise had been. The point is that at the time of SALT I, nobody really expected this kind of outcome.

In short, while we did considerably less in the way of modernizing and expanding our forces than the arms agreements permitted—partly out of our hopes for arms control—the Soviets, on the contrary, built to the very limits of the agreements. And now, on certain important provisions of the treaties, they are actually in violation. These violations have cast a pall over the arms control process; they have undermined the confidence in arms control of people on both sides of the political spectrum, both here and in Europe.

A second reason for gloom is that since the Geneva summit we have not seen from Soviet negotiators the kind of followthrough in confidential negotiations that the summit led us to expect. The summit meeting raised expectations about the possibility of a fresh start in U.S.-Soviet relations and about reaching an arms agreement—especially in the area of intermediate-range nuclear forces (INF). Because of a lack of followthrough on the Soviet side, these expectations haven't been fulfilled. We have seen a lot of Soviet activity in the press room, but behind the closed doors of the negotiating room, I can assure you, we have seen virtually nothing of the engagement on the issues, virtually nothing of the narrowing of gaps or serious negotiation on verification problems that Gorbachev pledged at Geneva. Again, I think there has been a growing awareness among most serious participants in the arms control debate here in the United States that the Soviets, for whatever reason, are more preoccupied at the moment with the propaganda opportunities presented by arms control negotiations and projected summits than with prospects for genuine arms control.

Third—and this is very troubling—the Soviet Union has been willing to sacrifice progress in our dialogue to make what amounts to a gesture of support for state-sponsored terrorism, postponing the scheduled meeting between our foreign ministers to signal its support for the indefensible policies of Libya. This has thrown another quite unnecessary obstacle in the way of our already halting progress on arms control and other issues.

Fourth, even assuming that we get down to serious negotiations, the fact remains that there are large substantive differences between the two sides. The differences over SDI [Strategic Defense Initiative] are well known. But beyond that, there are fundamental disagreements on how to reduce both strategic and intermediate-range systems, on the role of our allies, on the very definition of strategic systems.

Even on INF, where we have felt an agreement might be possible, there are crucial differences. The Soviets still insist, very unreasonably, that we end our 40-year nuclear cooperation with Great Britain as the price for an agreement covering Soviet SS-20s. They still insist that Britain and France cease adding to their nuclear forces, in exchange for an agreement that would cover only one class of Soviet missiles that

threaten them. There is still no adequate provision in Soviet proposals for the SS-20s in Asia, nor is there appropriate coverage for short-range INF forces. These positions are all unacceptable on their face and, while we continue to hope for movement in these and the START [strategic arms reduction talks] and space systems negotiations, we have not seen such movement yet.

Fifth, arms control continues to be limited, in the long run, by our capacities for verification—a problem made more acute by the problem of Soviet noncompliance. Let's not forget that we are dealing in arms negotiations with a closed society obsessed with secrecy—especially with regard to nuclear issues. National technical means go only so far; unless the Soviets are willing both to respond seriously to the current noncompliance problem and eventually, in the long run, to allow more intrusive verification procedures, there are real limits on how far the writ of arms control may extend. While the Soviet Union has offered public hints from time to time about the possibility of genuine on-site inspection—such hints, which are apparently made for propaganda purposes, go back as far as 1946 and have recurred throughout the years—there is no serious indication so far that such arrangements are going to be forthcoming. We hope the Soviets will back up their public initiatives with real movement.

Finally, most experts now recognize that technology itself is moving in directions that will make traditional arms control increasingly difficult to achieve—though not necessarily in directions that will make the strategic balance less stable or the world more dangerous. The move toward smaller and more mobile systems like the air-launched cruise missile and small mobile ICBMs will make the traditional tallying and tracking of launchers—the basic verification process that has been at the center of arms control treaties—harder and harder to implement.

A Broader Definition of Arms Control

All these reasons are cited by various people to suggest that arms control is at an impasse. And I think there is something to this perception, at least when one is speaking about arms control as it has traditionally been defined: that is, agreements involving the totals of delivery systems on each side—what we sometimes call "bean counting"—along with negotiations leading to a summit meeting where an agreement is signed. This is pretty much how we came to understand the arms control process in the 1970s.

But—and here is my second point—while such agreements and negotiations, handled well, can be beneficial, this is a rather narrow definition of arms control. Arms control ought to mean more than this, and, in fact, it always has. Arms control in the true sense means working—by the whole range of means at our disposal—for a safer, more stable world; it means working to reduce the risk of war in general as well as working to reduce the risks inherent in the kinds of weapons deployed on each side.

Now let me rephrase the question: is arms control in this larger sense at a dead end? The answer to this question, it seems to me, is clearly "no."

Why not? Because despite all the problems I just mentioned, despite all the barriers to agreement, from the standpoint of U.S.-Soviet conflict, the world has become a safer place and is on the way to becoming a still safer place. Despite all the problems we face, stability has, in fact, been strengthened over the past 5 years. Step by step, we are moving toward a safer, more stable world. And that, in the largest perspective, is precisely the goal that arms control is trying to achieve.

Look around you, and think back to 1979. From the standpoint of arms control in the narrow sense, 1979 ought to have been a banner year. President Carter met Brezhnev at a summit meeting in Vienna in June. The SALT II Treaty was signed. A major arms agreement was concluded. But was there a feeling of stability in 1979? Was there a widespread sense that the world situation was moving in the direction of greater safety and greater stability? Hardly. Throughout the late 1970s, regional conflicts were multiplying everywhere around the globe. In Southeast Asia, the world witnessed some of the worst horrors humanity had seen since the Stalinist purges or the Nazi depredations in Germany and Eastern Europe—the horrifying flight of the boat people from Vietnam; the systematic, genocidal slaughter of millions of the Cambodian people by their own fanatical Marxist government.

At the same time, the Soviet Union was beginning to make its presence felt where it had never been before. In the 1970s Cuban troops appeared for the first time on the Continent of Africa—in Ethiopia and Angola; Vietnam, a Soviet client, invaded Cambodia. Between 1975 and 1980, virtually a nation a year fell to invasion by communist forces—South Vietnam in 1975, Angola in 1975–76, Ethiopia in 1977, Cambodia in 1978.

By the end of 1979, in fact, things were looking very bleak. In November, Iranian militants poured into the American Embassy in Tehran; and in December and January, 85,000 Soviet troops rolled into Afghanistan.

Six months after signing SALT II, in other words, the United States faced a major setback in its relations with the Soviet Union and an international crisis of serious proportions.

Now at that time, in January 1980, the National Security Adviser to the President, Zbigniew Brzezinski, jotted in his diary a short remark that I think is worth reading today:

> Had we been tougher sooner, had we drawn the line more clearly, had we engaged in the kind of consultations that I had so many times advocated, maybe the Soviets would have not engaged in this act of miscalculation [i.e., the invasion of Afghanistan]. As it is, American-Soviet relations will have been set back for a long time to come. What was done had to be done [i.e., U.S. sanctions], but it would have been better if the Soviets had been deterred first through a better understanding of our determination.

This, you will remember, was the situation we inherited in 1980. In approaching arms control and all our problems around the world since then—at bottom, the same problems faced by every American administration from Truman to Kennedy to Reagan—we have done many of the things that Brzezinski said ought to have been done before 1979 and 1980.

For example, we have made discussion of regional issues a priority in our dialogue with the Soviet Union alongside nuclear arms negotiations. This is not something we have done out of perversity. On the contrary, as the experience of the late 1970s showed, such dialogue on regional issues is essential to East-West relations, the work of peacekeeping, and even to successful arms negotiations. Although SALT II was in trouble in the Senate before December 1979, you will recall, it was the Soviet invasion of Afghanistan that led the Carter Administration to withdraw the treaty from Senate consideration. So regional conflict and arms control are directly related at a very practical level.

At the same time that we have made clear to the Soviets our interests around the world and our resolve to

hold the line against the advance of tyranny, chaos, and terrorism, we have rebuilt our military strength. And in doing so, we have—I think this should be obvious—introduced and element of stability into our relations with the Soviets that was conspicuously missing in 1979. Regional conflict has been scaled down to the point where it does not appear these days, as it sometimes did in the late 1970s, to threaten to erupt in a larger U.S.-Soviet confrontation. And, in fact, what we see around the world are the efforts of freedom-loving people to resist tyrannical Marxist-Leninist governments.

Here is the crux of what I am saying: in working on a broad front to advance the cause of stability and freedom, it seems to me we have simultaneously advanced the cause of arms control and war prevention in the large sense.

The Technological Trend Toward Stability

There is another hopeful development to be seen, if we take this larger perspective on arms control. At present, we are witnessing a technological movement on both sides toward weapons that may prove inherently more stabilizing.

Stability is served when each side possesses secure retaliatory forces—when neither side's retaliatory force is threatened by a preemptive first strike. In the 1970s, the technological trend was clearly toward instability—particularly on the Soviet side. The Soviets moved deliberately toward the accumulation of heavy land-based missiles with accurate warheads, capable of striking preemptively at hard targets in the United States. They moved, in other words, in the direction of accumulating sufficient numbers of such weapons to have a first-strike arsenal that threatens our retaliatory force.

But at present, the technological trend seems to be in a different direction. Systems like the air-launched cruise missile are effective mainly as second-strike systems. These missiles fly slower; they are easy to disperse and conceal; they are useful largely for retaliation.

There is a third hopeful development, and that is the Strategic Defense Initiative. Here is another field where technology holds out great hope for a more stable world. The fact is that in the 10 years or so since we last debated the subject of defensive systems in this country, we have witnessed a technological revolution whose consequences and implications we simply cannot ignore. No one in this city needs to be reminded of the astonishing transformation in our lives that has been sparked by circuits etched on chips of silicon. It seems to me that it is only reasonable to ask—as the President asked in his speech of March 23, 1983—whether, in the wake of this technological revolution, we are condemned to live in a permament state of vulnerability to nuclear destruction. It seems to me we are obliged to ask whether the same discoveries which have allowed us, even in the past 10 years, to shrink room-size computers down to laptop scale may not make it possible one day to erect a system of defenses capable of shielding us from preemptive attack. Ten years ago, such an idea seemed implausible; but anyone who takes an honest view of the new technologies we have at our disposal has to wonder whether such an idea is so implausible today.

We do not yet have a definitive answer to these questions, but the outlook is optimistic—and it is imperative that we continue investigating.

SDI's Contribution to Arms Control

Now I'm aware, of course, that some people argue that the interests of SDI and arms control are opposed. This argument seems to me to rest on a fundamental misunderstanding both of the Strategic Defense Initiative and of arms control. Once again, people are afflicted by a kind of tunnel vision.

We don't yet know exactly how effective a defensive system we may be able to deploy. But if you return to the broad, basic concepts of arms control and to the precise definition of "stability," you will see very quickly that a survivable, cost-effective system—even an imperfect one—will enhance stability. How? By making preemptive attack more complicated, more difficult to execute. That, remember, is the essence of technical "stability"—to reduce the incentives for surprise attack. An attacker bent on preempting has to have confidence in his ability to destroy a large percentage of the defender's retaliatory force and other military assets. Planning of this kind is vastly complicated and confused when reasonably effective defenses are in place. Survivable defenses would enhance stability by making a preemptive attack a lot more difficult to execute. In fact, if you think about it, you will realize that it would be difficult to design such defenses that failed to enhance stability in this fashion.

But what about the argument that SDI will accelerate the arms race? This argument, too, is based on some questionable premises. In the first place, let's be clear about something. In 40 years of arms control negotiations, the Soviet Union has yet to reduce its offensive arsenal. In 40 years of arms control negotiations, the Soviet offensive arsenal has continued to grow. Why? Part of the reason may be that the Soviets have never had a real incentive to reduce their offensive weapons; they have always calculated that they would gain more by building offensive weapons than by not building them. So even when we conspicuously slowed down our modernization program in the 1970s, hoping the Soviets would do the same, implicitly inviting the Soviets to do the same, the Soviet program continued to increase—indeed, for a while it speeded up.

Now, it seems to me that defensive systems, if they prove survivable and cost-effective in this way, may provide just the incentive that has been missing, just the incentive that is necessary to bring about reductions in offensive arsenals. Why? Because in the presence of effective defenses, offensive weapons become considerably less valuable. If defenses prove technologically feasible and both sides were to move to a mixture of defensive and offensive systems, both sides would be faced with a choice: they could invest in expanding their offenses, or they could invest in expanding their defenses. Both sides will be faced with the same question: they will have to ask themselves which contributes more to their security—a better offense or a better defense?

The point is that if defensive technologies are comparatively effective, there will be a strong incentive to shift resources into defensive systems, since that is where security would lie. If resources are shifted into defenses and out of offenses, it follows that the world is going to become a safer place. The cause of arms control—of stability in the broad sense—will be served. With effective defenses in place, it may become possible—we hope it would become possible—finally to convince the Soviets to make the real reductions in arsenals we have wanted all along.

There's another problem that we have tried to solve with arms control negotiations that SDI may alleviate, and that is the problem of accidental launch.

We have done a great deal by means of technology and negotiation to attempt to minimize the chances of a purely accidental launch. But it seems to me we all would feel a bit safer if there were a system capable of intercepting a missile accidentally launched at one of our cities.

Broadening Our Arms Control Dialogue and Understanding

There is a fourth and final development that bodes well for arms control in the larger sense. Under this Administration, there has been a deliberate broadening of our arms control dialogue with the Soviet Union. In addition to the traditional discussion of the bean count of weapons on both sides, we have tried to explore with the Soviets some of the underlying concepts of our strategic relationship—the relation between offense and defense, the concept of stability, the kinds of circumstances that could contribute to war, and the spread and use of chemical weapons. These are all important issues. In recent years there has been an unhealthy, almost monomaniacal focus on the significance of weapons totals, on the numbers. The broader areas I mention must remain a part of the arms control picture.

None of this is to suggest that we should be any less serious in our efforts to negotiate specific agreements with the Soviets to reduce weapons and stabilize the nuclear balance. But let's not forget that an agreement requires serious bargaining by both sides. To achieve progress at this point, the Soviets need to reorient themselves away from the press room toward the confidential negotiations. We need to see some serious bargaining on the issues; we need to see from the Soviets new positions that take the security needs of both sides into account instead of the one-sided positions they have put forward so far. Diligence and flexibility on the part of our negotiators will avail nothing until the Soviets engage in serious negotiation where the action is—and that is in the conference room, behind closed doors. The ball is in their court; and frankly, it would be nice if, instead of giving press conferences and making announcements all the time, they would play a little more tennis.

But while the success of arms control may be advanced by new agreements, it obviously depends upon more than agreements. We Americans need to broaden our understanding of arms control. That is the message I would like to leave you with today. We need to take into account *all* the factors that affect stability and the preservation of peace—not only the agreements we conclude with the Soviets but the level of regional conflict, the overall strength of deterrence, the cohesion and confidence of our alliances, the promise of technology itself.

Viewed in this broad light, the prospects of arms control, of long-run stability, are not at all dark but, indeed, quite optimistic. Look around you. The tide of history is turning in favor of peace, of global stability, and of the prosperity of free peoples. Most of the insurgencies in the world today are not, as was true a decade ago, communist insurgencies that are the seedbeds of tyranny and persecution but democratic uprisings that are the fountainheads of freedom. The economies setting the pace of world growth and development today are free economies. Freedom is on the march—not on the run. In every corner of the globe, new democracies are flowering. In the West, where formerly there was Spenglerian doom, there is a renewal of confidence and of hope.

History is with us. If we are prudent about the requirements of stability, about arms control in both the narrow and the largest senses, there is no doubt that we can control the nuclear menace; if we are ingenious enough technologically, perhaps some day we can radically reduce it. But we must keep our eyes attuned to the broad vision—not simply parchment security, but real security. It is in these broad terms that we must evaluate the future, for it is in these broad terms that the foreign policy legacy of this Administration will be judged. ■

Proposed Sale of Aircraft Avionics Components to China

by James R. Lilley

Statement before the Senate Foreign Relations Committee on April 29, 1986. Mr. Lilley is Deputy Assistant Secretary for East Asian and Pacific Affairs.[1]

I am pleased to be here today to discuss the proposed sale of aircraft avionics components to the People's Republic of China (P.R.C.) for use in the modernization of the F–8 high altitude air defense interceptor.

This proposed sale has focused attention on our military cooperation with China. Much has been said about this cooperation. As the Congress considers this issue, it is important to maintain our perspective as to what our cooperation is and what it is not and to base our discussion on how this issue fits into both our broader policy toward China and developments in the region.

The last four Administrations have worked to develop stronger relations with the People's Republic of China. Since the establishment of diplomatic relations in 1979, U.S.-China ties have broadened significantly. The strengthening of our bilateral relationship has resulted in many benefits to the United States, including increased trade, extensive contact between the peoples of our nations, cooperation in educational and cultural spheres, and a wide-ranging exchange of views on regional and global issues during high-level visits. Although we do not always agree on international issues, our dialogue has increased understanding of our respective positions and, we believe, reduced potential areas of disagreement between us. Moreover, friendly relations between the United States and China have contributed to a reduction of tensions in the Asia-Pacific region.

U.S. Military Cooperation

A part of our growing relationship is the increased cooperation in the military sphere, including sales of some defensive arms to China. This limited military cooperation is based on the assessment that the United States and China share certain important parallel interests. Foremost among these is a common security concern—the threat posed to both of our countries and the entire Asia-Pacific region by the Soviet Union. The willingness of the United States to sell specific defensive weapons or technologies to the P.R.C. is based on a thorough analysis of each item's utility for enhancing Chinese defensive capabil-

ities, taking into full consideration the political-military environment and the interests and concerns of our other friends and allies in the region.

The proposed program for an upgrade of 50 F-8 air defense interceptor aircraft, to be completed about 1995 or 1996, will contribute to China's ability to defend its airspace against the threat from the Soviet Union. The program was very carefully reviewed to insure that the upgrade would not provide an offensive capability that could be threatening to allies and friends, including Taiwan, in the region.

Our military cooperation with China is proceeding cautiously and deliberately. We believe that the proposed program to assist with the upgrade of the F-8 defensive interceptor aircraft is an area where cooperation to strengthen China's defensive capabilities will not concomitantly jeopardize the security of other Asian friends and allies. We believe strongly that our interests are better served by developing cooperative economic, trade, political, and military ties with the P.R.C. than by refusing to assist them in their modernization efforts in all appropriate areas of activity. The current trend in U.S.-China relations is a positive trend which is aimed at contributing to the security not only of China and the United States but our other friends and allies as well.

For nearly a decade, China has sought to modernize four key sectors—industry, agriculture, science and technology, and military. A key element in these modernizations is the acquisition of foreign technology. The military element is the fourth priority and has been severely constrained by budget limitations despite having to face 49 Soviet divisions comprising half a million men on the Sino-Soviet border as well as up to 44 Vietnamese divisions in the south. Major efforts are underway to reduce the number of soldiers by 1 million men as well as to reform leadership, organization, training, and military doctrine. The goal is a leaner, better equipped, better trained and organized, and better led armed force so as to meet China's main security threats. The budget constraints, however, have delayed procurement and production of new equipment, and China's defense industries have increasingly been civilianized to produce nonmilitary consumer goods. The hope is to obtain needed defensive equipment from abroad, although such procurement will continue to be limited by the increasing lack of foreign exchange.

Regional Considerations

As we consider our military cooperation with China, we have carefully considered the opinions of our friends and allies in East and Southeast Asia. We have made it clear that our cooperation is limited to defensive equipment. We believe these countries understand our rationale and appreciate our caution. While some of them still are concerned that we will move beyond our well-defined limitations, their reactions have been muted.

There has been concern expressed about the impact of this sale on Taiwan. It is, indeed, true that Taiwan is distressed about U.S. military assistance to the P.R.C. and support for the F-8 in particular. However, we believe that if this single program of assistance to a small number of aircraft is put into the proper perspective it will be difficult to claim that it potentially constitutes a significantly increased threat to Taiwan. Taiwan is a dynamic, vigorous society. It has a rapidly growing economy and a stable political system, and these two factors are key deterrents to efforts by anyone seeking to alter the course of developments there by force. I need cite only a few statistics.

Taiwan's per capita gross national product is currently over $3,000 a year and there is every reason to believe that by the end of the century it will rise to $12,000. In addition, every increase in prosperity is equitably distributed, further encouraging economic development and reducing social tensions. Taiwan's total trade was $50.8 billion in 1985, putting it into the top 15 trading entities in the world. Taiwan is the fifth largest trading partner of the United States with a total trade in 1985 of $22.8 billion. Taiwan's foreign exchange holdings are $28 billion.

By many other yardsticks also, Taiwan is a significant actor on the Asian scene. Taiwan's economy is now graduating into the high technology manufacturers which should permit its export economy to grow. Although understandably concerned by the military situation, Taiwan remains confident in maintaining the growth of its economy and in continuing its political progress with stability. Foreign as well as domestic investors give the practical vote of confidence on which Taiwan's prosperity and stability rest. We, therefore, think that there are good grounds for Taiwan to continue to act with confidence.

Even though the situation has occasionally been tense in the Taiwan Strait, it has been basically peaceful for nearly 30 years. This can only be explained by a complex of factors—political, economic, and psychological, as well as military. We believe that this realistic appraisal is shared by the government in Beijing. It has authoritatively stated that its fundamental and consistent policy is peaceful reunification. That policy was at the center of the negotiations which led to the August 17, 1982, joint communique. In that document, the United States acknowledged this fundamental Chinese policy. As stated in then Assistant Secretary [of East Asian and Pacific Affairs John H.] Holdridge's August 18, 1982, statement before the House Foreign Affairs Committee, our willingness to make "adjustments in our arms sales to Taiwan had to be premised on a continuation of China's peaceful policy." He went on to say that "while we have no reason to believe that China's policy will change, an inescapable corollary to these mutually interdependent policies is that should that happen, we will reassess ours."

Although there have been occasional, troubling remarks suggesting possible future military actions and Beijing declines to renounce formally the use of force to resolve what it considers to be an internal matter, we believe that Beijing shares our view that the use or threat of force could complicate this issue rather than facilitate its settlement.

Taipei has responded negatively to Beijing's overtures for formal talks about reunification, beginning with political talks about three areas of interim contacts (trade, visits, and communications) on the grounds that Beijing's proposals are not sincere. However, the substance about which Beijing wishes interim talks has been developing. Trade over the years has been increasing, and 1985 trade nearly doubled over the previous year to a level of $1.1 billion in two-way trade, much of it Taiwan exports. There are increasing contacts between individuals and private organizations in key areas such as science, technology, and culture. While direct communications are opposed by Taiwan, indirect communications assure that the positions of each side is understood by the other. There may eventually be an interest in greater contacts provided they are to their mutual advantage.

A key aspect of Taiwan's confidence is the U.S. commitment. The Taiwan Relations Act is a fundamental affirmation of the strong support which the United States gives to Taiwan and of the interest which the United States has

in having any resolution of the future of Taiwan by the Chinese themselves be peaceful. Lest this support be seen merely as verbal and moral, the Taiwan Relations Act specifies that "the United States will make available to Taiwan such defense articles and services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." This has been a consistent policy since the enactment of that legislation in 1979, and we see no sentiment for changing that policy. In 1982 at the signing of the joint communique, the United States realized that this complicated statement, arrived at after extensive negotiations, gave grounds for concerns on Taiwan, and six reassurances were given to Taiwan. In addition to stating that the United States "had no intention whatsoever to revise the Taiwan Relations Act" and "had not agreed to hold prior consultations with the People's Republic of China on arms sales and military items to be sold to Taiwan," there were assurances that the United States would "not exert pressure on Taiwan to enter into negotiations with the People's Republic of China." We believe that Taipei and Beijing both understand the firmness of the United States in implementing the Taiwan Relations Act. Our arms sales have been significant. Although decreasing gradually as agreed to in the August 17, 1982, communique, they have remained adequate given the current situation in the Taiwan Strait. In addition, Taiwan is increasing its reliance on indigenous efforts for reasons of national pride as well as sound economic grounds. We have, for many years, supported this Taiwan policy, and we will continue to do so.

This Administration seeks the continuation of our growing ties with China while maintaining our firm commitment under the Taiwan Relations Act to the security of the people on Taiwan. We remain optimistic about the future and believe our willingness to cooperate with China in its modernization efforts—including cautious and prudent cooperation in the field of military modernization—will provide stability and peace in the East Asia region in the years ahead.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Imports from the European Economic Community

WHITE HOUSE STATEMENT, MAY 15, 1986[1]

The President today proclaimed quotas on agricultural imports from the European Community (EC) in response to the EC's quotas on U.S. agricultural exports to Portugal.[2]

We have been assured by the EC that their quotas will have no immediate impact on our trade. As long as that remains the case, our quotas will be similarly nonrestrictive. However, should the EC's quantitative restrictions begin to restrict U.S. exports, the U.S. quotas will be adjusted to have a comparable effect, or the President may substitute tariff increases for the quotas.

This action follows the President's announcement on March 31 that the United States would respond in kind to the EC's import restrictions on grains and oilseeds imposed in Portugal following that country's accession to the EC.

The U.S. quotas will be effective May 19 on EC white wine with a value of more than $4.00 per gallon, chocolate, candy, apple or pear juice, and beer.

The President indicated his willingness to suspend these measures and refer the matter to the General Agreement on Tariffs and Trade (GATT) if the EC will agree to do the same.

The President has also decided to suspend certain tariff concessions, effective in 30 days. The action will not increase tariffs, however, and the decision on any duty increases will be deferred until July to allow time for negotiation of compensation for EC tariff action affecting U.S. exports of feedgrains to Spain.

This is a dispute the United States sought to avoid. But we cannot overlook the EC's unilateral actions which clearly violate GATT rules and affect some of our most sensitive exports. Our response is fair and measured. We hope the EC will respond in a way that will help us settle this disagreement without further damaging our trading relationship.

[1]Text from Weekly Compilation of Presidential Documents of May 19, 1986.
[2]Proclamation 5478.■

World Trade Week, 1986

PROCLAMATION 5482, MAY 19, 1986[1]

Each year, World Trade Week provides an opportunity to celebrate the importance of international trade to our present prosperity and our future prospects. Indeed, it benefits us and all the nations with whom we do business.

American business initiative and ingenuity have never stopped at our borders. Since the birth of our Nation, we have been a dynamic force in international trade. That trade has helped us build the most productive economy in the history of mankind.

Today, America's prosperity depends as never before on our ability to compete in international markets. Our exports make a major contribution to domestic growth and employment. The United States is today the world's leading exporter. We export nearly 16 percent more goods to the world than our nearest competitor, yet we export far less of our total production than many other trading nations. We need to increase our exports to further strengthen our economy.

American companies need the same free and fair access to foreign markets that the United States offers to its trading partners. My Administration has stepped up its efforts to counter unfair trade practices and to open foreign markets that have raised barriers to American products. We will continue to do so.

Today, we are preparing for a new round of multilateral trade negotiations. Through those negotiations we will continue to press for open markets for the products of our manufacturing firms. We will also press for greater market access for the products of America's farms and the products of our fast-growing service industries.

In multilateral negotiations, and at home, we will continue to resist proposals for protectionist measures for the simple reason, proved by history and bitter experience, that they just do not work.

Export expansion also requires a sound, stable dollar and reliable exchange rates around the world. We have already achieved a great deal through our efforts to coordinate

economic and monetary policies with our major trading partners. Upward revaluations of foreign currencies against the dollar are making American products more competitive around the world. We are continuing our policy discussions with America's major trading partners to enhance America's trading opportunities.

Government can only set the stage for increased trading. It is the job of American private enterprise to make trade grow. Over the past year, government actions have vastly improved the climate for trade. Aggressive exporters in our business community are calling today's trading climate an opportunity for a "renaissance in American competitiveness." Translating that golden opportunity into a reality depends upon all of America's businesses.

Given fair competitive conditions, American industry and labor can and will meet this challenge with renewed determination—reaching out to fulfill our potential as a great exporting nation.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States, do hereby proclaim the week beginning May 18, 1986, as World Trade Week. I invite the people of the United States to join in appropriate observances to reaffirm the enormous potential of international trade for creating jobs and stimulating economic activity here while it helps to generate prosperity for all.

IN WITNESS WHEREOF, I have hereunto set my hand this nineteenth day of May, in the year of our Lord nineteen hundred and eighty-six, and of the Independence of the United States of America the two hundred and tenth.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of May 26, 1986.■

NATO Ministers Meet in Canada

Secretary Shultz attended the regular semiannual session of the North Atlantic Council ministerial meeting in Halifax, Nova Scotia, on May 29–30, 1986. Following are the texts of the two statements issued by the ministers and the Secretary's news conference.

NORTH ATLANTIC COUNCIL STATEMENT, MAY 30, 1986[1]

At Halifax, we have reviewed all aspects of East-West relations. We conclude that obstacles to agreement, however serious, should not prevent both sides from building on areas of common interest. We remain ready to cooperate where common ground exists. We will continue our efforts to narrow differences elsewhere.

We remain united in our resolve to maintain adequate forces and to seek a more constructive relationship with the countries of the East. However, the conventional imbalance in Europe and the sustained build-up and modernization of all categories of Soviet military power continue to be of concern. In order to preserve peace and to prevent any kind of war, we will maintain the Alliance's strategy of deterrence.

We are determined to pursue our efforts for progress in arms control and disarmament. We aim at a lower and more balanced level of armaments. We support US efforts to achieve deep reductions in Soviet and US nuclear forces. We seek a treaty totally eliminating chemical weapons. Reductions in conventional forces are also crucial in order to correct the present conventional imbalance between the Alliance and the Warsaw Pact. Beyond this, we aim at conventional stability throughout Europe. We have today made a separate statement on conventional arms control.

In all negotiating fora in which they are engaged, the participating Allies have presented detailed proposals directed at enhancing stability and security. We now await an equally constructive response at the negotiating table from the Soviet Union and the other members of the Warsaw Pact. Public statements alone are not enough.

Adequate verification measures are the key to progress in all the present negotiations and essential for building trust and openness. Any agreement should enhance confidence of compliance and strengthen the existing treaty regime. We are prepared to accept comprehensive verification measures, on a fully reciprocal basis, including systematic on-site inspections.

But the development of peaceful and realistic East-West relations requires more than arms control. The human dimension remains crucial: this embraces respect for human rights and encouragement of individual contacts. Moreover, a more co-operative East-West relationship, including political dialogue, trade, and cultural exchanges, in which all states participate on equal terms, is needed.

We reaffirm the importance each of us attaches to the CSCE [Conference on Security and Cooperation in Europe] process in all its aspects. At Stockholm we are pressing for agreement on a substantial set of confidence and security building measures by September 1986. We are determined to further the CSCE process at the Vienna CSCE Follow-up meeting in November, which should be opened at a political level.

We underline the importance of the continued observance of the Quadripartite Agreement on Berlin and, particularly in view of the current situation, of maintaining freedom of circulation in the city.

Terrorism is a serious concern to us all. It poses an intolerable threat to our citizens and to the conduct of normal international relations. We are resolved to work together to eradicate this scourge. We urge closer international co-operation in this effort.

The purpose of our Alliance is to enable our peoples to live in peace and freedom, free from any threat to their security. We seek a productive East-West dialogue. This will enhance stability in our relations with the members of the Warsaw Pact. We call upon the Soviet Union and the other Eastern European countries to join us in this endeavour.

NORTH ATLANTIC COUNCIL STATEMENT ON CONVENTIONAL ARMS CONTROL, MAY 30, 1986[2]

Within the Alliance, we cherish the ideal that all the peoples of Europe, from the Atlantic to the Urals, should live in peace, freedom and security. To achieve that ideal, bold new steps are required in the field of conventional arms control.

Our objective is the strengthening of stability and security in the whole of Europe, through increased openness and the establishment of a verifiable, comprehensive and stable balance of conventional forces at lower levels.

To work urgently towards the achievement of this objective, we have decided to set up a high level task force on conventional arms control.

It will build on the Western proposals at the CDE [Conference on Confidence- and Security-Building Measures and Disarmament in Europe] conference in Stockholm and at the MBFR [mutual and balanced force reductions] negotiations in Vienna, in both of which participating Allied countries are determined to achieve early agreement.

It will take account of Mr. Gorbachev's statement of 18th April expressing, in particular, Soviet readiness to pursue conventional

force reductions from the Atlantic to the Urals.

An interim report will be presented to the Council in October, and a final report will be discussed at our next meeting in December.

Our aim is a radical improvement in East-West relations in which more confidence, greater openness and increased security will benefit all.

SECRETARY SHULTZ'S NEWS CONFERENCE, MAY 30, 1986[3]

Q. Is there any truth to the reports in the U.S. press today suggesting a rift in the alliance following the decision of the President announced Tuesday concerning SALT II? Are those headlines accurate?

A. No.

Q. Could you say whether any of the allies supported the idea of a U.S. breakout from SALT II?

A. It's not so much a question of a breakout. I don't think it is being described properly. What we are talking about here is a shift of gears from a form of restraint under a treaty that was never ratified and was being violated, and, for that matter, has become increasingly obsolete, since its most fundamental unit of account, launchers—not exclusive unit of account, but fundamental unit of account—is not the right one. The right units of account are warheads and the capacity to deliver that power. You have a form of restraint that has been becoming more and more obsolete, that is unratified, that is being violated.

The President is saying, let us shift away from that to a form of restraint that looks at behavior by the Soviet Union and looks at the responsibilities that the United States has, and the alliance has, for the maintenance of our defensive deterrent capability. That's what we have to keep our eye on. And [he] says that, broadly speaking, what we need for deterrence is a reflection of what the Soviet Union has aimed at us.

We will have to take into account, in our own behavior, what they do. And beyond that, in a period of budgetary constraints, we have to look at our own resources and use them most effectively.

The fact of the matter is that, in terms of the limits of SALT II, the United States is within those limits, and the Soviet Union is the country that is not. However, we put that all behind us and look at the future and say there can be a *de facto* form of mutual restraint. We hope so; the President flatly calls for it. However, the most important thing is that we have to get on with the business of what was called for in the basic SALT and ABM agreements to begin with, namely, let's get the levels of these nuclear weapons down. That is what the President has been proposing all along, and that is what the President and Mr. Gorbachev agreed in Geneva to try to do. And there is an important forum in Geneva where we have major positions on the table calling for radical reductions—not limits on the increases but radical reductions—in these nuclear arsenals. And that's what we need to do.

Q. Can you comment on the apparent illogic of suggesting substitute restraints while promising to abandon the restraint that we already have at a time when new restraints are obviously very difficult to negotiate?

A. The so-called restraints that we already have are obsolete, unratified, and being violated. The fact that they are increasingly obsolete shows that you need to point your attention to different things, and that is what, in effect, we are doing. But obviously, just to restate it, the United States has a responsibility to itself and to its allies to maintain the effectiveness of our deterrent capability and not have it erode; and that is what the President intends to do.

Q. Did the allied opposition you ran into here make any differences whatsoever in your decision to move on from SALT?

A. There have been extensive discussions with the allies, going back over a period of years, very formally about a year ago in Portugal, and in connection with this decision. Their views are known and have been taken into account. I think that the very strong allied view that we have to maintain deterrence, that we should be watching Soviet behavior, and that we need to negotiate radical reductions in nuclear weapons comes through loud and clear, and we are all on the same wavelength there. We have a disagreement with some countries, not necessarily all, on the President's most recent decision. To

26th Report on Cyprus

MESSAGE TO THE CONGRESS, APR. 14, 1986[1]

In accordance with Public Law 95-384, I am submitting to you a bimonthly report on progress toward a negotiated settlement of the Cyprus question.

Since my last report, the United Nations Secretary General has taken a further important step in his initiative to achieve a Cyprus settlement. This initiative was launched in August 1984 and since that time has involved extensive discussions between UN officials and negotiators for the two Cypriot communities. On March 29, the Secretary General provided to Greek and Turkish Cypriot representatives in New York a draft agreement incorporating a framework for a future Federal Republic of Cyprus and establishing a negotiating process for working toward an overall settlement. If accepted by the parties, the agreement would lead to direct negotiations on such fundamental issues as troop withdrawals, international guarantees, and freedom of movement, freedom of settlement, and right to property; and to further elaboration of constitutional and territorial arrangements essential to a fair and final settlement.

Under the agreement's terms, the Secretary General would convene periodic summit meetings between the leaders of the two Cypriot communities and, under their guidance, working groups would address the issues in detail.

While the Secretary General's document would commit the two Cypriot sides to a process aimed at achieving an overall settlement within an accepted framework, it is our understanding that, under his "integrated-whole" approach, the positions taken by the parties at any stage in the course of negotiations would not be final until all issues were resolved, to their mutual satisfaction.

During his recent trip to Turkey and Greece, Secretary Shultz expressed the strong support of the United States for the current effort of the UN Secretary General and encouraged those governments to do the same.

The Secretary General's initiative presents the leaders of the two Cypriot communities with a historic opportunity to begin a process toward peace and reconciliation. The United States hopes the parties will embark on this path and that their leaders will work with the Secretary General in this effort to achieve a just and lasting Cyprus settlement.

Sincerely,

RONALD REAGAN

[Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Richard G. Lugar, chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of Apr. 21, 1986). ■

a certain extent, at least in listening to the discussion, there was more argument about the imagery than the content. And I think we have to be careful in all of this propaganda war, so to speak, that we do the right thing; that we don't do wrong things because we think it will sound better.

Q. [NATO Secretary General] Mr. Carrington just said that the ministers who emerged from this meeting are a little bit wiser. How wiser are you, and how would you define that?

A. I don't know, you'll have to ask Mr. Carrington about that. [Laughter]

Q. I am asking you if you feel you are wiser today than Monday?

A. I haven't really thought about it that way. I would say this, that in diplomatic lingo, frankness is a synonym for criticism, and at the opening of this session the President, Mr. Carrington, called for frank discussion, and we had a lot of it. But it was good. At one point somebody reflected, "I wonder if they talk like this in the Warsaw Pact," and there was a great round of laughter. But I think that differences and shades of differences on a great variety of subjects, out-of-area as well as directly NATO-related subjects, were talked about, and that's the purpose of this kind of meeting. It is also important to see the broad nature of our agreements and the positive and cohesive and unified feel there is to the alliance. I don't know whether that's wise or not.

Q. Did you seek some show of support from NATO here, a public show of support, for the U.S. position on SALT? And the fact that you do not have one, or there is not one, is that a setback in the propaganda war, do you think?

A. We had extensive consultations before we got here, so we were quite aware of the positions of governments because they sent them to us, and we had discussions in other fora. I think it was an opportunity—at least I welcomed it as an opportunity—to explain carefully and thoroughly the President's rationale, why he decided what he did. I was told by quite a number of people that the explanation was very helpful. And we didn't take a poll, obviously; many—some have expressed their differences with the decision. That's their privilege to do. On the other hand, the main point is that on the key and important matters here, there is a continued, strong, unified, and vigorous position.

Q. When you and the President say you will take Soviet behavior into account by the end of the year, does this mean that you will postpone moving above the SALT II limits in some way, or is there some other taking into account?

A. I think the term is a broad one. And we want to get away from the sort of technicalities, so to speak, of what this unratified and increasingly obsolete treaty may or may not have called for and into the realities of what is the Soviet posture, and what does it take for the United States to have a strong and secure deterrent. And so, taking it into account means we have to look broadly across the board, their board and our board.

The President has made a number of flat statements in his statement about things that we would not do. Just to give examples, I will read them off to you. Have you read this statement? I asked that question and then offered to distribute copies to those who hadn't, and nobody picked up a copy. He says, "I do not anticipate any appreciable numerical growth in U.S. strategic offensive forces. The United States will not deploy more strategic nuclear delivery vehicles, than does the Soviet Union.

Those are flat, unqualified statements that represent statements of restraint in ways that we think are relevant to our responsibility, along with our allies, to maintain the quality of our deterrent capability.

Q. In your meeting with the Icelandic Foreign Minister, you told him you would explore new avenues in the so-called rainbow navigation affair. Could you be a little more detailed in this respect? More simply,

U.S.-Spanish Council Meets

JOINT COMMUNIQUE, MAY 27, 1986

The U.S.-Spanish Council held its fifteenth meeting in Washington on Tuesday, May 27, 1986, under the co-chairmanship of the Minister of Foreign Affairs of Spain and the Secretary of State of the United States. The previous meeting was held in Madrid on May 7, 1985.

In accordance with Complementary Agreement 1 of the Agreement on Friendship, Defense, and Cooperation between Spain and the United States, the Council reviewed the activities of the six joint committees which were constituted as specialized management bodies under the Agreement.

In the military field the plans for exercises and maneuvers and the status of and prospects for FMS [foreign military sales] and IMET [international military education and training] funds were examined, and emphasis was placed on the usefulness of meetings between the general staffs of both countries.

The report of the Committee on Politico-Military Administrative Affairs made reference to agreements reached in many areas, particularly in the solution to the problem of the Territorial Command Network.

In its report, the Committee for Defense Industrial Cooperation reaffirmed the commitment of the United States and Spain to reaching the goals set forth in Complementary Agreement 4, and expressed its hope that existing differences will be resolved in accordance with the principles stated in the Preamble of the Agreement, in a manner which will reduce the existing imbalance.

Similarly, the activities of the Joint Economic Committee were reviewed, and emphasis was placed on each side's desire to continue working together to fulfill the objectives described in Complementary Agreement 7, thereby making possible an improvement in the trade balance.

The reports of the Joint Committees on Science and Technology and Cultural and Educational Affairs also showed significant success in their respective fields.

At the end of the meeting, the Spanish Minister of Foreign Affairs and the United States Secretary of State, as co-chairmen, expressed their satisfaction with the work carried out and, underlining the cooperative nature of the achievements, agreed that each side would work to prepare for the negotiation of a legal framework to replace the 1982 Agreement in 1988, to open a new process that reflects the realities arising from Spain's membership in the European Community and the Atlantic Alliance.

In a separate meeting the Minister and the Secretary of State discussed security matters, including the opening of negotiations aimed at the phased reduction of the U.S. military presence in Spain, based on the assumption by the Spanish armed forces of specific responsibilities and missions currently undertaken by U.S. forces in Spain, while maintaining the overall defensive capabilities and level of security for both countries and their allies, in accordance with the agreement reached on December 10, 1985.

During the meeting they also dealt with current international affairs, including the situation in Central America, the fight against terrorism, East-West relations, etc. ■

beyond asking [Defense Secretary] Weinberger to look at the issue, am I correct in understanding that you are not offering any details at this point?

A. We have some thoughts about how to get at it. It's quite an unsatisfactory situation, we believe, and so does the Government of Iceland. We have been working on it for about 2 years. We made one effort which failed in the courts. I have discussed it extensively with Secretary Weinberger. We share exactly the same concerns, and we think we have some new ways of getting at this that may or may not work. We will proceed with them. I have assigned Ed Derwinski, Counselor to the Department, and one of our outstanding people and a great problemsolver, to be working on this, and he will be doing some more meeting about it. We hope we will find our way to a satisfactory resolution. I don't know precisely what that will be, and I consider the situation as it stands to be quite unsatisfactory, and we are trying to do something about it.

Q. Earlier in talking about the SALT II situation, you spoke about the difference between imagery and content, and obviously you came out on the side of content from your answer.

A. We think that the imagery is right, that is, the imagery of a responsible ally holding up our end of the responsibility for deterrence and calling attention to the problems presented by the obsolescence, the unratified nature, and the violations of an existing arrangement that is increasingly unworkable, and pointing to a different way to go about it and pointing to the importance of keeping our eye on the main point, namely, let us agree on the radical reductions that the two leaders said we should agree on in Geneva. That's the right imagery, and that's the right content. I am a believer that the two tend to go together, myself.

Q. But if this is apparently not well understood among public opinion in Europe, do you think you can get that message across over there?

A. That is what we have to try to do. I think the job of political leadership is to put across what that leadership believes is right, and it's sometimes difficult. But one of the things I have noticed in the European elections is that the people who seem to stand up to these issues manage to get the most votes. So that's been an interesting thing to observe.

Q. Given the difficulty of making progress in Geneva and also given your statement on the necessity to really have a more sophisticated view of matching Soviet power with American power where necessary, do you think there really has been too much emphasis perhaps in the East-West dialogue on the arms control talks as such, and is perhaps the concept of having a stabler relationship through arms control agreements obsolescent?

A. I think it is of great importance to do everything we can to reduce these nuclear arsenals—drastically reduce them. And the most promising way of doing so that I know of is arms control negotiations. So we do have a forum in Geneva that has the stated objective, agreed to by both sides, of doing just that. So I would, under no circumstances, underestimate the importance of that, and we give full effort behind it.

However, the President has also always had the view that we have to look at the East-West relationship and at the U.S.-Soviet relationship across a broad spectrum, because there are many things that are important in it. We place great importance on the problems in the human rights area. We place great importance on the problems caused by aggressive behavior around the world, such as in Afghanistan, in Nicaragua, in Cambodia, and elsewhere. Regional issues which can be affected in varying degrees by the two countries are important.

And then there are a variety of bilateral matters that we are working on that also have real significance, among other reasons because they cause an interaction between the people of the Soviet Union and the people of the United States, and we think that that basically is something that is positive.

But the history of all of this is that regional eruptions in particular, and human rights problems, have been the greatest causes of problems. But that isn't to, in any way, derogate the importance of arms control, and we place that as a very important element in the picture and have an extraordinarily capable negotiating group in Geneva and intend to continue to give it full thrust.

Q. There have been a number of reports recently being very specific about your travel plans for the Middle East. Could we get, in your words, an unqualified, flat statement on whether you will go to the Middle East between now and, let's say, the middle of August?

A. No, you can't get a flat statement out of me.

Q. But what are your travel plans with regard to the Middle East?

A. I don't have any explicit travel plan. I have the desire, always, to contribute in every measure that I can toward even the tiniest increments of progress toward peace in the Middle East. It's very important to us and to the people of the Middle East, and if there's any opportunity to do that, I'll want to do it. But that's something that is being evaluated—it continuously is, particularly intensively right now. But I don't have any plan to announce.

Q. Can I just follow that and just ask whether you would consider a resolution of the Taba issue to be among those issues that you just specified that would cause you to go to—

A. It's a very important issue and, of course, what is involved is Taba, but also it's the Israeli-Egyptian relationship and the quality of the peace and the warmth of the peace that is of great importance.

Q. One of your colleagues, a couple of minutes ago, called the declaration the signal of Halifax. The question is, would you consider it the same way, and if so, would you explain a bit what it means?

A. I don't know what my colleague said, but I think it's a signal of continued basic cohesion, continued determination to maintain the deterrent capability of the alliance, continued readiness to have a more constructive dialogue with the Soviet Union and its allies and a readiness to engage, and an assertion that in all of the important fields of interaction with the East, we have very good proposals on the table. And we'd like to see them responded to, and we'd like to see agreements come about that would be good agreements that would help everybody.

Beyond the overall declaration that states these propositions, the special statement on conventional arms control shows the continued readiness of the alliance to examine what we're doing and in particular, if there is an opportunity to conceive of conventional arms control as going from the Atlantic to the Urals, that is, over a broader geographic scope than has been envisaged before, then we want to take advantage of it. And so we're going to study it very carefully, and that's what Peter Carrington will be setting up here shortly.

Q. Could you explain why the President has slapped a 35% tariff on

some Canadian cedar goods at a time when the two countries are sitting down to talk free trade?

A. Because the American industry that produces shakes and shingles has been injured, according to the finding of the International Trade Commission. And the evidence of that is in the volume of the total market that Canadian firms now have—it's most of it—and what's happened to employment and so forth in the U.S. industry. And under our law, GATT—consistent law, in cases of injury, when you make such a determination, then a tariff level can be set, and so that's what's been done.

Q. But does it not fly in the face of what those leaders say they are trying to achieve?

A. I believe both leaders are trying to achieve a freer trade regime, and I certainly support that, and I think they both do. The path to getting there is full of twists and turns, and this is one of them.

Q. On this free trade thing, since the Quebec summit, when the President and the Prime Minister of Canada decided that they would enter into discussions for free trade, three times Canada has been hit with countervailing duties on some kind of fish, some kind of meat, and some kind of wood. How serious are the States in wanting to discuss free trade with Canada?

A. The United States is absolutely serious, and we feel that it will be in our interest and your interest and, of course, if it isn't in our mutual interest, it won't happen. But we think it's very much in our interest to beat down all the barriers to trade and have as open a market between us as possible.

In the meantime, there are laws on the books, and you have to enforce those laws. Countervailing duty law is one of them, and so when there are cases that come up, under which people have rights, those will be gone through. In the meantime, these talks which should result in something to our mutual advantage go on.

I might say that the United States gets its belief in this by an observation of what's happened to us. We have a gigantic internal open market that's been that way for centuries and has been very much to the profit of the standard of living and quality of life in the United States, and we think it will help us further to broaden it, and we think it helps Canada as well. So it's an objective that we intend to work for very hard. We have a first-class negotiator who's been named, and it has started. Trade negotiations are extremely difficult and contentious at every step of the way, and you don't undertake them without knowing that, and we're seeing some of that contention. But I believe, knowing both leaders, that their basic perspective is to see those impediments, but basically keep a strong eye on the main objective, which is to continue to free up trade between the two countries.

Q. On the shakes and shingles issues, I believe that you will be meeting [Canadian Foreign Secretary] Mr. Clark later, and one of the things that you will discuss will be the shakes and shingles issue, I think.

A. Can you assure me of that? I don't intend to bring it up.

Q. It's a pretty safe bet. In the U.S. view on this issue, is there anything that you can give on it, or in your view, is this a closed issue?

A. It is in the nature of the case that got submitted some time ago—I don't have the dates all in my mind—but it's been working along in the system for quite a period of time. So it was well-known that it was there, and it came about as a result of a determination by the International Trade Commission which was allowed to go into effect, and so there it is. It's a determination.

Q. A senior Soviet official today said that he does not believe that there will be a summit by the end of the year because of the President's stand on SALT II. What is your comment on the Soviet response?

A. I don't have any particular comment on it. The reason why the President felt it was important to take the

Baltic Freedom Day, 1986

PROCLAMATION 5501, JUNE 12, 1986[1]

The United States was born in a War of Independence against an oppressive rule. We stood up for inalienable rights given by God and declared that governments that systematically violate these rights lose their claim to legitimacy.

It is a tragedy of our time that many peoples continue to live under the brutal totalitarian rule of the Soviet empire. We will expose the inhumanity of the oppressors and speak out on behalf of the oppressed. We will denounce tyranny and champion the cause of its victims.

Baltic Freedom Day provides these opportunities. On this day, we observe the anniversary of the callous and treacherous subjugation of three independent and freedom-loving states. Forty-six years ago, invading Soviet armies, in collusion with the Nazi regime, overran and occupied the Republics of Estonia, Latvia, and Lithuania. Through police-state tactics, the occupation and subjugation continue. Soviet outrages against these peoples have included massive deportations from their native soil to concentration camps in Siberia and elsewhere. At the same time masses of Russians have been uprooted from their homes and relocated in the Baltic nations in an effort to eradicate the cultural and ethnic heritage of the Baltic peoples. Against all recognized principles of international law, justice, and humanity, the Soviets have continued their domination over Lithuania, Latvia, and Estonia. The United States has never recognized their forced incorporation into the U.S.S.R. It is illegal, indefensible, and iniquitous.

We are engaged in a very real struggle to focus the world's attention on one of the gravest wrongs of our age—the heroic Baltic nations we honor today. To do less is to acquiesce in injustice and to betray our heritage as champions of human freedom.

As a Nation, we are the standard-bearers of freedom and a beacon of hope to the oppressed. Ours is the mission of the prophet Isaiah, "to bind up the brokenhearted, proclaim liberty to the captives, and the opening of the prison to them that are bound."

The Congress of the United States, by Senate Joint Resolution 271, has designated June 14, 1986, as "Baltic Freedom Day" and authorized and requested the President to issue a proclamation in observance of this event.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim June 14, 1986, as Baltic Freedom Day. I call upon the people of the United States to observe this day with appropriate remembrances and ceremonies and to reaffirm their commitment to the principles of liberty and self-determination for all peoples.

IN WITNESS WHEREOF, I have hereunto set my hand this twelfth day of June, in the year of our Lord nineteen hundred and eighty-six, and of the Independence of the United States of America the two hundred and tenth.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of June 16, 1986. ■

decision he took, I've explained. I think it's a very strong rationale, and so you have to do the things that must be done.

As far as the summit meeting is concerned, we continue to think, and have all along, that it's important to have it because there are issues of great importance that can be discussed. Potentially, there are matters that can be agreed upon that will be worthwhile. And we need to get busy with all of the homework involved in having this kind of meeting and see it come off successfully. That's our view. We hope that the Soviet Union shares that view, but we can't control what they do. I don't want to try to make predictions about what the Soviets will do. I can only tell you, from the standpoint of the United States, we think that it is potentially a very significant meeting, and we hope it takes place. We're ready to work on it.

Q. There are critics who say that the Soviets really stand to gain if the U.S. decides to break out of SALT, that they will no longer be constrained at all and are financially and militarily better prepared to build up their armaments than we are. What do you say to them?

A. I just have to go back to what I said. We have to maintain the capability for deterrence, and the fact that we have been successful in doing that is one of the reasons why the Soviet Union is interested in talking about arms control. Just as their capability of maintaining a very impressive strategic nuclear ballistic missile arsenal is one of the reasons why we want to talk to them about reducing it. If they didn't have it, there wouldn't be any need to talk about it. So, that's what we have to do. The United States, with all of our budgetary problems, is a very capable country. And we can do what we must do to maintain our security, and I'm sure we will.

Q. The U.S. Ambassador to Canada described Canada's reaction as overreacting [inaudible]. Do you agree with that?

A. Oh, I always agree with my ambassadors.

[1]NATO press communique M-1(86)16.
[2]NATO press communique M-1(86)17.
[3]Press release 121 of June 2, 1986. ■

NATO Defense Planning Committee Meeting

The Defense M nisters of the North Atlantic Treaty Organization (NATO) met in Brussels May 22, 1986. The United States was represented by Secretary of Defense Caspar W. Weinberger. Following is the text of the final communique.

The Defense Planning Committee of the North Atlantic Treaty Organization met in ministerial session in Brussels on 22nd May 1986, and agreed to the following:

2. A strong and united Alliance is essential for the maintenance of peace and freedom in face of the continuous build-up of Warsaw Pact conventional and nuclear forces. Our strategy of flexible response and forward defense continues to provide the most effective formula for ensuring security and stability at the lowest possible level of forces. Nuclear weapons are an essential component of this strategy. But we are determined to avoid an undue reliance on the early use of nuclear weapons by making a special effort to improve our conventional capabilities.

3. We are already moving ahead. The action plan for conventional defense improvements (CDI) we agreed last May was an important first step. It set in motion several positive developments. The most significant are the 1987–1992 force goals which reflect the priorities we have identified for improving conventional defense. This is where our resources are most needed. We are determined to make a special effort to fulfil the force goals, particularly those singled out as most relevant to improving our conventional posture. We recognize that sustained commitment will be required.

4. Progress has been made already; for example, improvements in plans which would further increase stocks of selected priority ammunition. We are confident that substantial conventional defense improvements are now firmly in national plans and will materialize in the mid-term. We have also laid the groundwork for real improvements in long-term planning. We have made a good start and laid the foundation for achieving more credible conventional forces; we must build on it.

5. We are taking other actions which will contribute to strengthening our conventional forces. These include:

- Improvements in the sustainability of our forces;
- Consideration of ways of enhancing NATO's integrated air defense to enable it to deal with the full spectrum of the Warsaw Pact air threat including tactical missiles;
- The accelerated implementation of infrastructure projects, particularly reinforcement support facilities including hardened aircraft shelters; roughly 90 percent of the increased budget for 1985–1990 is being spent on projects related to CDI;
- The continued and cost-effective exploitation of emerging technologies;
- A fresh emphasis on the need to provide more assistance, and by more nations, to Greece, Portugal and Turkey in order to help them overcome known deficiencies in their forces and carry out their missions more effectively to the advantage of the Alliance.

6. We have also agreed to improvements in the Alliance planning procedures. These are more effective co-ordination between the various planning areas of the Alliance and the provision of more effective long-term planning guidance on our military requirements through regular updating of the conceptual military framework and the development of long-term planning guidelines by our military authorities.

7. Achieving the objective of better conventional forces will not be easy. The provision of adequate resources in accordance with the 1985 Ministerial guidance, which reaffirmed the aim of a 3 percent real increase as a general guide, will continue to be a serious challenge for all nations. Improving conventional forces will also require an even greater emphasis on making better use of resources and on improved co-operation and sharing of technology between the European and North American and the developed and developing members of the Alliance are vital parts of this process, as is the continued protection of militarily relevant technology.

8. We emphasized the major contribution which co-operation in the research, development and production of armaments can make to the strengthening of conventional defenses in the context of the current CDI effort. Several promising initiatives are underway on both sides of the Atlantic. We underlined the importance of fully implementing NATO's armaments co-operation improvement strategy, agreed by Ministers in December 1985 and in this respect we welcomed the useful impetus provided by the Nunn amendment, which has already resulted in agreement on statements of intent for seven collaborative projects.

9. Recalling the documents in the 1982 Bonn Summit we reaffirm the position adopted in previous communiques concerning developments outside the NATO Treaty area that might threaten the vital interests of members of the Alliance. Against the background of United States planning for its rapidly deployable forces, measures necessary to maintain deterrence and defense within the NATO area have been included in the new force goals. We will ensure that NATO defense planning continues to take account of the need for compensatory measures.

10. As part of Alliance security policy, we confirmed our objective of seeking balanced, equitable and effectively verifiable arms control agreements involving United States and Soviet nuclear forces. We welcomed the commitment by the United States and the Soviet

Union to seek early progress in Geneva in areas of common ground, including 50 percent reductions in offensive nuclear arms, appropriately applied, and the idea of a separate INF [intermediate-range nuclear forces] agreement. In this context, we expressed strong support for the United States stance concerning intermediate-range, strategic and defense and space systems. We welcomed the willingness of the United States to consult with its allies on these issues. Alliance solidarity and cohesion have played an important role in bringing these developments about and will remain equally vital for future progress.

11. We stressed the need for progress in the various multilateral conventional arms control negotiations. We noted that in face of the imbalances which exist with regard to conventional forces throughout Europe progress towards balanced and verifiable reductions of these forces would contribute to strengthening of peace and security in Europe. We expressed the hope that recent Soviet statements on this subject will be transformed into deeds at the negotiating table. We also confirmed our resolve to seek an early conclusion of a worldwide ban on chemical weapons. In this context we called upon the Soviet Union to take a more constructive attitude towards effective verification provisions.

12. Terrorism is a serious concern to all our governments. We are not prepared to tolerate this threat to our citizens and to the conduct of normal international relations. Our governments are resolved to work together to eradicate this scourge and urge closer international co-operation in this effort.

Greece reserves its position on the INF and space system issues.

Norway reserves its position on the defense and space systems.

Denmark reserves its position on INF and the defense and space system issues. ■

FY 1987 Request for Foreign Assistance Programs

by M. Peter McPherson

Statement before the Subcommittee on Foreign Operations of the Senate Appropriations Committee on April 15, 1986. Mr. McPherson is Administrator of the Agency for International Development (AID).[1]

I am very pleased to appear again before the Senate Appropriations Committee to discuss the Administration's FY 1987 proposed program in foreign economic assistance. We welcome this opportunity to present the program of development and economic aid to this committee which has taken such a keen interest in our assistance efforts throughout the world.

The budget that we are submitting this year has been prepared within the context of the Gramm-Rudman-Hollings legislation and the effort by the Congress and the Administration to address effectively the deficit problems which face this country. A strong U.S. economy is essential to economic progress throughout the developing world. Our request, as part of the President's budget, is consistent with the plan that the Federal deficit shall not exceed $144 billion in FY 1987. The development assistance part of our request, at $2.1 billion, is a 4% increase over the FY 1986 postsequestration level under Gramm-Rudman-Hollings, but 1% below the FY 1986 request level, and approximately 13% below the FY 1985 level. For PL 480, an important part of the development effort, levels in the President's budget are below those in FY 1986, but we expect to be able to ship approximately the same amount of food as contained in our FY 1986 request. The economic support funds (ESF) level of $4.1 billion represents an increase over FY 1986 postsequestration levels to help provide needed assistance to countries in Central America and Africa which were reduced as a consequence of reduced appropriations, earmarks for other countries and Gramm-Rudman-Hollings sequestration in FY 1986.

The economic assistance proposal we have submitted is carefully structured. It was developed with full recognition of the important and difficult challenges which this country faces in getting its economic house in order. We believe the program we are submitting is consistent with our best national interests—in political, economic, and humanitarian terms.

We have brought about changes in the AID program through a greater emphasis upon the use of market forces and the private sector, through a strong dedication to policy reform, through increased attention to technology transfer, and through a heightened awareness of institutional development—four pillars of change—which have improved America's effort in the task of helping countries meet basic human needs and achieve growth that is self-sustaining and equitable. In addition, during the past year, we finalized and published our first strategic plan which focuses the agency's attention on the following development problems: inadequate income growth; hunger; health deficiencies, especially infant and child mortality; illiteracy and lack of education; and unmanageable population pressures. This country can be proud of its important role in development efforts. It is something unparalleled in history. The assistance we are providing is affecting millions of lives throughout the world.

A strong justification is required for a substantial foreign assistance program this year, particularly in the face of cutbacks that will take place in other areas. We are fully prepared to make that justification. We believe that what we are submitting is a minimum program. The United States continues to be faced with difficult challenges throughout the world, and the economic assistance program is a critical part of America's response to those challenges.

The program levels that we are proposing were carefully developed as part of an integrated budget process working with the State Department and other agencies. We have cut back and streamlined. In fact one of the major themes I have emphasized during my tenure as Administrator of this agency is the need to find ways of carrying out our business more efficiently. We have emphasized important contributions that can be made in technical areas to bring about fundamental change in the economies and institutions of many of the developing countries. In many countries, however, the economic situation is such that balance-of-payments assistance through commodity import programs and other nonproject assistance programs is essential to help stabilize economies while structural reforms are taking place. A lasting impact on basic human needs of poor people in developing countries cannot be achieved if their economies retrogress.

We have emphasized in our request the major foreign policy priorities of this Administration. The Middle East peace process continues to be an essential and critical part of our government's foreign policy, and a substantial amount of the economic aid request is directed toward that objective. We are providing strong support to efforts in Central America to strengthen democracy and establish healthy economies and peaceful societies. We are supporting the emerging

democracies of South America. Assistance is also directed to countries of strategic importance to the United States in the Persian Gulf and Southeast Asia. And we continue to provide strong support to those portions of the globe where basic human needs are greatest—in Africa and South Asia.

Private Sector Involvement

This Administration has given greatly increased attention to market forces and the private sector. We have established a Private Enterprise Bureau, and in our request we have increased funds for that bureau. We are requesting funding for the revolving loan fund to bring it to the full authorized level. But, of course, our private sector initiative is more than just financing the programs of one specialized bureau, it involves a strong emphasis upon private enterprise in our total program.

In many countries, we have seen progress toward greater privatization with increased emphasis upon the marketplace. In fact, privatization of government services is a growing theme in the developing world. Last year the Asian Development Bank (ADB) held a conference on privatization. In May the African Development Bank (AFDB) will do the same. And earlier this month, AID sponsored its own International Conference on Privatization where over 500 participants discussed many techniques of transferring economic power from the state to the people, while improving economic productivity at the same time. AID currently is helping recipient countries design privatization programs and will increase our assistance in this area during 1986 and 1987.

In Bangladesh the efforts that we have made have led to a much greater involvement of private enterprise in the agriculture area. A key element has been the increased reliance upon the private sector in distribution of fertilizer to the farmers.

We also have made a concerted effort to encourage private enterprise development in Egypt through projects providing credit to businesses for start-up and improvement of facilities. The first use of fund resources was a $5 million loan to General Motors Egypt for construction, equipment, and technical services needed to manufacture light- and medium-duty trucks and buses. Local banks cofinanced a local currency loan of $30 million. When the plant reaches full production capacity, it will produce 18,000 vehicles per year and employ 1,400 Egyptians in management, technical, and blue-collar jobs.

As part of our privatization efforts, we have given a great deal of attention to encouraging recipient country governments to move away from reliance on parastatals and to give a greater role to the private sector.

One such example is in Costa Rica, where AID is assisting the government to divest the assets of CODESA, the Costa Rica parastatal holding company. The holding company, with 18 subsidiaries running huge losses with the Central Bank, reached a point where it was draining one-third of Costa Rica's public sector credit, while generating less than 1½% of GNP, and less than one-half of the country's employment. The privatization process of CODESA was begun under President Monge, complete with legislation and a Bipartisan National Commission established to put the CODESA companies up for public bid. The process is fully underway, with a group of private buyers now being identified to purchase the largest company, the aluminum company, within approximately 90 days. We are confident that this is merely the beginning of the entire divestiture, and we expect the bulk of CODESA's assets to be privatized or liquidated by the end of this year.

Policy Reform

The emphasis on the private sector is closely related to the question of policy reform. This Administration has stressed the importance of policies which are consistent with economic progress. The policy climate must be such that market forces can effectively interact—that there is an increasing reliance on the indigenous private sector and on foreign investment. Great strides have been made in this area. We, of course, work with other donors and with the multilateral institutions as appropriate. The concept of policy reform has grown through the past few years so that it is fully accepted within the international development community, whereas in the past, it was a much more isolated phenomenon. I think this is real progress that we can report to this committee and to the American people.

As a part of our emphasis on policy reform, we have in our ESF request $75 million for a continuation of the economic policy reform program in Africa, which is designed to help bring about policy changes. Some specific examples are our program in support of agricultural marketing liberalization in Zambia, which is allowing private traders to participate in maize marketing on a broad scale and which, coupled with recent increases in producer prices, will help move Zambia from being a maize importer to self-sufficiency. Another example is in Malawi, where as part of a multidonor effort in structural adjustment, we are supporting the removal of fertilizer subsidies while simultaneously shifting to more cost-efficient, concentrated fertilizers so that agricultural production does not decline. And in Costa Rica, our policy dialogue has supported a major turnaround in that country's economic policies. The government budget deficit has been reduced from 14% of GDP to 1.5%, while a more favorable exchange rate system has sharply increased incentives for exports. As a result, exports to the United States of nontraditional products increased from $114 million in 1983 to an estimated $172 million in 1985.

We are also using our PL 480 resources to provide leverage for our policy dialogue efforts. In Tunisia the mission has encouraged the distribution of fertilizers by private agricultural input dealers. Traditionally, fertilizer was sold by inefficient parastatals, with little private sector involvement due to the narrow margin on sales. As a result of successful dialogue in conjunction with a PL 480 Title I, self-help agreement, the Tunisian Government increased the sales margin on fertilizers so that by 1984 there were some 168 private enterprises involved. Recent increases in agriculture production, including the 1984–85 record cereals harvests, can be directly traced to farmers now having fertilizer on time.

Technological Transfer

Technological transfer is also an area which this Administration has strongly emphasized. I am personally committed to emphasizing biomedical research to bring about scientific breakthroughs in the field of health. Simple techniques such as oral rehydration therapy (ORT) can have a tremendous impact on child survival. We are making breakthroughs in the development of a malaria vaccine and in the development of other new and improved vaccines and technologies for delivering immunizations.

We continue strong support for agriculture research efforts through the international research institutions. There are particularly pressing needs in Africa, where food production must be

increased to prevent the type of disastrous and tragic famine conditions that we witnessed over the past 2 years.

AID continues to support operational research to test alternative means of delivering proven, effective child survival interventions such as ORT, immunization, child spacing, and breastfeeding promotion. We have documented dramatic changes in health practices and outcomes as a result of effective application of familiar advertising techniques and other modern communication practices.

Institutional Development

Finally, we are providing strong support to institutional development. In one sense this is not new, because development of institutions has been a key part of the AID program since its beginning. American universities have played a critical role as have the private voluntary organizations. We have many examples of institutions developed by American assistance through the joint efforts of host countries and American counterparts, for example, the Indian Institutes of Technology. In recent years, we can point to the development of more effective national agriculture research efforts in such African countries as Cameroon, Kenya, and Malawi.

We can point to many other cases of successful institutional development efforts in which we have played a key role. For example, in El Salvador, we have supported FUSADES—a nonprofit development organization providing nonpartisan solutions to El Salvador's economic and social problems. FUSADES has been instrumental in supporting trade and investment promotion through a trade and investment service that promotes private investment in production of nontraditional exports, supplying technical assistance and market access information; an agricultural diversification program; a program aimed at enhancing private sector organizations' effectiveness; and small business development program supplying credit, training, and technical assistance.

Program Administration

Along with these basic means, or pillars, of assistance which this Administration has emphasized, we have strived for more effective administration of the program through:

- Greater decentralization to the field coupled with more effective management oversight procedures to monitor performance. The Deputy Administrator has been charged with an effort to bring about much greater delegation of authority to the field missions. This process is continuing;
- Trimming down of missions where possible and in some cases transforming programs from comprehensive approaches to a single focus, such as participant training, which makes for greater ease in administration; and
- Streamlining of the agency's planning process.

These are some of the means by which we have attempted to bring about fundamental changes in our aid program, and I think we have had a considerable measure of success.

The need for this proposed FY 1987 economic assistance program is evident—both in terms of basic elements of self-interest and U.S. foreign policy objectives and also in terms of the conditions of poverty and the need for change in so many countries. The World Bank has estimated that there are 1 billion people living in absolute poverty, "a condition of life so characterized by malnutrition, illiteracy and disease to be beneath any reasonable definition of human decency." This is fundamentally at the core of what this country is attempting to attack through our economic assistance efforts.

Key Areas for Assistance

Some of the key functional areas that we have emphasized are those that this committee has given particular attention to.

One is **health and child survival**, which is a very high priority within this agency. In FY 1986 we received $50 million from the Congress, and we have made a tentative allocation of those funds to various countries and central programs. Many of our previous initiated health programs also include child survival components, and we expect that there will be considerably more funding for child survival activities in FY 1987. We have a specific request for $25 million in the budget, but that will only be a portion of our total response. Child survival activities will be funded from the health, child survival, and Sahel accounts and from PL 480 local currency and ESF funds.

ORT and immunization are the two most important interventions for child survival. They are the twin engines that can save lives and help build a delivery system for other health efforts. A great deal has been said about immunization lately and appropriately so. However, we should keep in mind that ORT can save as many if not more lives. These "twin engines," as Jim Grant [Executive Director of UNICEF] and I have been calling them, should indeed go together. At the International Conference on Oral Rehydration Therapy in December, I proposed that by 1990, 2 million children could be saved from death from dehydration by the use of ORT. AID is also pledged to collaborate in an international effort to provide immunizations for all the world's children, with specific coverage goals to be defined at the country levels. The dimensions of the task are monumental—15 million children die each year in AID-assisted countries, and about half of these deaths are preventable through ORT and immunization. Through careful coordination among donors to conserve available resources for child survival, and through effective programming of these funds, we expect to be able to achieve these ambitious goals. We are currently developing a long-term child survival strategy for the agency to guide allocation and programming decisions in this area.

Another very important priority is the area of **agriculture.** Increased food production continues to be a critical priority. It is essential to continue agriculture research. It is important to carry out policy changes and to provide technical assistance in agriculture which will bring about fundamental change. The needs in Africa for increased food production are paramount, but agricultural productivity and distribution must be improved throughout most of the developing world in order to improve nutrition and ensure the availability of essential foods for a still rapidly growing population. We have included in our budget additional funds in agriculture beyond what we received in FY 1986. Africa will receive approximately 20% of the proposed FY 1987 agriculture budget request.

We plan to continue to emphasize technical assistance in agriculture, one of our areas of comparative advantage in development assistance where we have had particular success in the past. For example, as a result of our assistance, the national cereals research and extension project in Cameroon is developing an institutional capacity that will provide high-quality research on maize, rice, sorghum, and millet for use by small farmers. Another example is the regional Strengthening African agricultural research project, through

which we are participating with other donor nations in major initiatives to reorient and strengthen national and regional research institutions which have the potential to help increase smallholder productivity. This long-term program, in collaboration with International Agricultural Reseach Centers, is supporting farming systems research, strengthening research linkages to extension, providing technical and administrative training, and helping establish regional networks of scientists to spread research results among sub-Saharan African countries.

Family planning is also an area of high priority area in our assistance program. Support for voluntary family planning efforts continues to receive considerable attention in AID. The demand for family planning services has increased as modernization has made smaller families more desirable for a great many couples in most developing countries. An increasing number of countries have become concerned about their ability to feed, educate, and productively employ growing numbers of people as a result of high population growth rates, in some areas as high as 4%. The rationale of AID population assistance is not to reduce population growth rates *per se*, but because family planning services allow choices which directly benefit individual families in a number of ways.

One important reason for our continued commitment to family planning is that it allows couples to achieve their own family decisions about the number and spacing of their children. Fewer children are an option which American families take for granted. It is not an option for millions of families in the Third World where family planning services are not available. Today improvements in health services, urban lifestyles, and better educated mothers mean that families everywhere want fewer children. These families deserve the freedom to achieve their own family decisions.

Maternal and child health is a second important reason for family planning. A child born within 2 years of an earlier birth is twice as likely to die as a child born after an interval of 2 or more years. Family planning saves lives and is one of the four primary interventions in the agency's child survival strategy.

The Administration is strongly opposed to the practice of abortion as a method of family planning, and AID has taken steps to enforce the policy of dissociation of U.S. funds from abortion-related activities. I believe that we must not only oppose abortion but also provide the means by which to reduce the incidence of abortion. We know that family planning is an alternative to abortion, and as such it is important to increase its accessibility throughout the developing world as a means of preventing abortion.

Details of FY 1987 Request

Our request for the functional development assistance accounts, including the Sahel, is $1.627 billion. It compares to $1.554 billion appropriated in FY 1986 after sequestration. The request, in total, is below the $1.754 billion authorized by this committee.

- In agriculture we are requesting $709 million, less than the authorization level of $760 million but an increase from the considerably reduced appropriation of $670 million in FY 1986. Agriculture remains a key element of AID's development efforts worldwide, and any major reduction seriously affects our ability to maintain effective agriculture research efforts and to provide policy and technical assistance to a host of countries where food production increases are mandatory.
- For population we are requesting $250 million, the amount authorized and a straightline of FY 1986 levels pre-sequestration. The request reflects our continued commitment to the provision of voluntary family planning services.
- In health we are requesting $151 million, compared to an authorized level of $205 million. In addition, as part of the general health effort, we are specifically requesting $25 million for child survival. The combined health and child survival request represents an increase of $30 million from the FY 1986 request, reflecting the priority we have accorded to this area. At the same time, the AID budget is clearly going to get only so much money and other accounts, perhaps less emotionally appealing than health, must be addressed for real improvement of lives. For example, we must provide money to agriculture in order to produce food, the only permanent means to achieve health.
- Our request for education and human resources is $179 million, which is within the authorized level of $180 million, to maintain our emphasis on education and training. As part of that continuing emphasis, I am pleased to be able to report that we are making excellent strides in participant training—which is funded out of several of the functional accounts. We began giving greater emphasis to participant training in 1982. Since then, the number of AID participants in training in this country has grown dramatically. In FY 1982, we trained about 8,000 participants. By FY 1985 the number had risen to more than 12,500—a 56% increase—and I expect that trend to continue.
- Selected development activities, at $231 million including $14 million for the Office of the Science Adviser, is the one area in the functional accounts where our request exceeds the authorized level ($207 million) because of our increasing reliance upon development of market force institutions. The reduction to $166 million in FY 1986 has sharply curtailed many private sector emphases within the agency. Furthermore, since roughly half of the selected development activities account is spent in Latin America and the Caribbean, the 1986 reduction meant we had to substantially alter our emphases in these regions. Yet the specific needs in Central America mean that the availability of funds for selected development activities is especially important.
- For the Sahel development program, we are requesting $80 million, essentially the same as the FY 1986 appropriation. We are proposing that this program be funded under the functional development assistance program.
- We have requested $10 million for the American schools and hospitals program, the same as our FY 1986 request.
- We have requested $10 million to replenish the housing guaranty reserves, depleted as a result of increased rescheduling of outstanding loans. The Administration proposes to terminate the housing guaranty program in FY 1987 because market rate loans with an AID guarantee have not proven to be appropriate for all poor countries and because housing guaranties are not consistent with Federal credit policy.
- Our request also includes $389 million in AID operating expenses, plus $21 million for the Inspector General. The AID request is the minimum amount necessary to adequately manage the agency's planned program for FY 1987. This level will provide for an AID staffing level of 4,825—which will represent a reduction of 1,000 positions during the 6 years since I took office in 1981. In addition to reducing staff and carefully managing the use of our remaining personnel, we have introduced a number of other management improvements to cut costs and increase efficiency. These include greater use of automation, introduction of a standardized overseas

accounting system, improved work space management, better training for project implementers, better cash management, and introduction of productivity review studies.

• For the economic support fund, we are requesting just over $4 billion—essentially the same as our request last year. The FY 1986 ESF appropriation was reduced after sequestration to $3.5 billion, of which $2.3 billion was earmarked. As a result, we had to cut back considerably in many countries in Central America and in Africa. Our request this year helps to regain some of the lost momentum.

From a geographic standpoint, the allocation of development assistance and ESF represents some shifts among countries and regions compared to the amounts we currently have budgeted for FY 1986.

In **Africa**, the request for development assistance and ESF totals $750 million, up a total of $125 million over current FY 1986 levels, principally in ESF. The increase is distributed among several countries including Somalia, Sudan, Liberia, and Kenya. The request also includes funding for the third year of the African economic policy reform program at a level of $75 million, the same as the request for the prior 2 years, although it is an increase over the amount we allocated in FY 1986 following reductions in the ESF appropriation.

For the **Asia and Near East** region, we are requesting a total of $3.1 billion in development assistance and ESF, compared to the $4.1 billion we expect to obligate in FY 1986. Development assistance levels are essentially the same as in FY 1986, at about a 2% decrease, and shifts in country levels are mostly nominal. The ESF request represents less than a 1% increase over the FY 1986 request levels and is about $1 billion less than ESF obligations in FY 1986—which includes funds from the FY 1985 Middle East supplemental. The ESF request contains increases over FY 1986 levels for Jordan, Morocco, Oman, Turkey, and the regional program but these increases in almost all cases would only return ESF assistance to about pre-FY 1986 levels. ESF allocations for Israel and Egypt reflect no change from the FY 1986 earmarks of $1.2 billion and $815 million, respectively. For humanitarian assistance to the Afghan freedom fighters, $15 million is requested. This mirrors the FY 1986 earmark.

In **Latin America**, the total development assistance and ESF request is $1.4 billion, compared to $1.1 billion in FY 1986. The increase is primarily due to increased ESF funding principally for Central America but also for South America and the Caribbean countries. We must underscore the priority we are attributing to the Central America Initiative this year in view of the overwhelming progress toward democratization in the region and the tremendous need for acceleration of economic recovery in order to sustain those young democracies and stabilize their economies. This assistance is even more crucial since armed struggle in the region continues. The requested levels come close to those which were recommended by the National Bipartisan Commission on Central America, however, we have fallen far short of those recommendations in prior years, and unless we begin to devote the level of resources which we are proposing to the economic and social problems there, we have little hope of achieving our objectives.

In the case of South America, we are supplying ESF funds for balance-of-payments support in Ecuador, Bolivia, Peru, and Uruguay. New, democratically elected governments have instituted significant economic policy reforms in Ecuador, Bolivia, and Uruguay, and U.S. Government support is essential if these countries are to be able to import the necessary inputs for increased production and stimulation of private sector growth.

Increases in funding for Latin America also are important if we are to continue assisting governments to move toward implementing enlightened policies on narcotics control which is a major U.S. concern. In addition, administration of justice and judicial reform efforts are new areas in which we must do everything possible so that the democratization process will not falter.

Another key element of our program in Latin America is our support for narcotics education programs. A critical element of the Administration's strategy for dealing with the international narcotics problem is to make governments, opinion leaders, and the general public of key producing and transiting countries better informed as to the hazards that narcotics production and trafficking pose to their own societies. AID plans to commit a total of $5 million in development assistance funds to such narcotics awareness activities in five Latin American countries—Bolivia, Ecuador, Peru, Belize, and Jamaica. Our assistance will serve to complement or expand narcotics awareness and education initiatives being funded by the U.S. Information Agency and the State Department's international narcotics programs and will support activities of both private and public indigenous institutions concerned with narcotics abuse.

Centrally funded development assistance programs total $467 million, a $4.3 million reduction from the FY 1986 level. These funds support a wide variety of activities with a worldwide focus, including basic and applied research, development and testing of appropriate technology, private enterprise activities, grants to private voluntary organizations, support for International Agricultural Research Centers, women-in-development activities, and support for cooperative activities with the Peace Corps. These programs are funded centrally because of their global focus and because of efficiencies possible from consolidated central management. The programs do have an impact on those living in the developing countries. As our congressional presentation reflects for the first time, $183 million of these funds are directly attributable to programs in recipient countries. The centrally funded portion of our request also includes $25 million for the international disaster assistance program in which we are actively participating with dozens of developing countries in mitigating the effects of disasters which tragically took so many lives through famine, earthquakes, and cyclones last year.

• For **PL 480** the total budget authority request is $1.164 billion. The Title I request of $564 million in budget authority will support a program level of $944 million, sufficient to provide 5.3 million metric tons to 31 countries. For Title II we are requesting $600 million, which we project will enable us to provide just over 1.9 million metric tons (grain equivalent) of food. We intend to continue the expansion of private voluntary organizations' programs in Africa that began in FY 1986 to assist the recovery from the effects of the Africa drought. Portions of some private voluntary organizations' programs will be monetized in order to provide necessary resources for successful program implementation.

• For the **trade and development program**, we are requesting $18 million, essentially the same as the FY 1986 level after sequestration

• Under **multilateral assistance**, the Administration is requesting a total of $1.39 billion for existing commitments to the multilateral development banks and for funding of the new Multilateral Investment Guaranty Agency (MIGA). This new organization can have a very useful impact on developing country policies toward foreign investment and on encouraging increases in investment.

• For **international organizations and programs**, we are requesting $186 million.

• The Administration is also requesting $126 million for the **Peace Corps.** May I note that over the past few years, the extent of cooperation between AID and the Peace Corps has increased greatly, leading to a much better joint effort by the two agencies in carrying out American foreign policy objectives and in helping to meet basic development needs.

AID's ultimate goal is a world in which economic growth and development are self-sustaining and extremes of poverty have been eliminated. The long-range foreign policy objectives of the United States are best served by a world of sustained economic development and general human well-being. Our task is to help poor people to help themselves through enhanced opportunity. This is a governing philosophy of the assistance program that we are submitting to you. We believe this program worthy of your continued strong support.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Regional Security, Collective Security, and American Security

by John M. Poindexter

Address before the 1986 Armed Forces Day dinner sponsored by the National Defense Committee and the Chamber of Commerce in Indianapolis on May 16, 1986. Admiral Poindexter is assistant to the President for national security affairs.

For a son of Indiana, it's a pleasure to speak here tonight. As we commemorate Armed Forces Day, I am pleased to address this audience in particular. I know that many of you have a keen interest in the national security issues I want to put before you.

U.S. Involvement in International Security

America has now had a leading role on the world stage for more than two generations. It is a role of which we can be proud. We have matched power with responsibility in a way that few others ever have. Yet, as our responsibilities have grown in the past half-century, we have constantly reraised those questions that, during our entire life as a nation, have dominated our debate on our relations with the rest of the world.

Perhaps the oldest of the questions that we Americans have debated is this: how—and how much—should we cooperate with other nations to maintain international security? How—and how much—should America engage in the affairs of the outside world? All of you here will recognize the long history of this issue. It is the same question that President Washington raised in his farewell address, when he warned his fellow citizens against "entangling alliances."

After World War II, of course, our national aversion to "entanglement" was fundamentally altered. Within 4 years of V-E Day, America made historic decisions on aid to Greece and Turkey, the Marshall Plan, and the North Atlantic alliance. We had come to consider our own security to be inseparable from that of Western Europe.

In the same fashion, we bound ourselves to Japan with a security treaty. After the invasion of South Korea, we kept armed forces of the United States stationed there to demonstrate our continuing readiness to defend that country. And every U.S. President since the founding of the State of Israel has reiterated our commitment to its security.

Commitments of this kind marked a revolution in America's foreign policy and in American history as a whole. Yet there has been much more controversy about the kind of role that America should have beyond these basic relationships. In particular, what should we do to help maintain the security and stability of unstable regions of the developing world? Our most intense—and debilitating—foreign policy debate of the past 40 years has turned on just such a question: the security—in fact, the national existence—of South Vietnam.

The Vietnam experience produced a difficult reexamination of our foreign policy. Yet Americans continue to believe—correctly—that many of our vital national interests can only be protected by cooperating with others. This is not simply an altruistic belief. By helping others in their defense, we contribute to our own. By joining their strength to ours, we move closer to our common goals. By preserving an open and growing world economy, we defend our own prosperity and freedoms.

Collective Security v. Global Unilateralism

I have begun my remarks by discussing "collective security" because lately the debate over this concept has been reopened—overseas, in the Congress, in the media, and elsewhere. You've probably been hearing that in the future America will—and, some say, probably should—"go it alone." Even some of the most consistent supporters of our alliance ties express concern, as Henry Kissinger did this week when he proposed that we move some of our longer range aircraft from Britain back home to the United States.

One of the newest buzzwords describing this apparent change in outlook is "global unilateralism." The phrase conjures up a truculent policy of acting now and asking questions later, of impatience with compromise, and of disregarding established relationships if they don't suit us as much as they once did. As one journalist has put it, "Being a superpower often means not having to say either please or sorry."

Obviously, the President's firm policies toward Libya have done much to revive this discussion. In announcing last month's military actions against Libyan-supported terrorism, the President did say that in dealing with this problem the United States would act "with others, if possible, and alone, if necessary." It was a strong statement that deserves considerable thought and attention.

Nevertheless, it seems to me that much of the recent analysis and com-

mentary on this issue has been completely misplaced. "Going it alone" does not describe either the concepts or the conduct of the Reagan Administration.

Last week, as you know, the President returned from the Tokyo economic summit, where we discussed common problems, interests, and approaches with our key allies. The President believes it was a very successful meeting, the most successful of the six he has attended. The joint statements that resulted demonstrated what he had in mind when he wrote—in his message to Congress of 2 months ago, entitled "Freedom, Regional Security, and Global Peace"—that "the pursuit of American goals has always required cooperation with like-minded partners."

This is true, in part, because America's resources are limited. But it would be true at any level of resources. The most secure peace—the kind we seek—is one that is protected not by a distant superpower but by the efforts of free peoples working together on problems that affect them directly. To achieve such a goal, we need strong partners.

America wants to cooperate with others because that's what works—because that is the best way of protecting the regional peace and freedom that serve both our interests and theirs. What President Reagan has called the "democratic revolution" is at the heart of his commitment to collective security. Around the world we see that the ranks of those who share our broad interests are growing. This gives us confidence that together we can succeed.

The President's actions in Libya are no exception to the outlook I have described. Over the long run, they will be seen to have given the strongest and most convincing possible support to the principle of "collective security." Far from weakening the foundations of cooperation between America and others, they have, in fact, encouraged others to work with us. And the President's policies make it more credible that we will help them in the ways that count most to them.

Decisive action by the United States reassures others that we are ready, willing, able, and wise enough to defend vital interests under pressure. It is a crucial message to our friends. When they need help, they won't have to worry that America will wait to see which way the wind is blowing before deciding whether or not to help.

It should be clear that the Tokyo summit has already shown some of these positive effects. Publicly and privately, we are seeing more and more support for cooperative actions. The President has demonstrated leadership, and it is paying off.

The real issue, then, is not whether the United States has abandoned collective security. It has not. It cannot. Doing so would hurt our interests. But there is an important issue here that does need to be addressed. And that is: how can we make collective security work best today?

Making Collective Security Work

I want to take up this question in two ways.

First, by looking at the elements of the Reagan Administration's approach to "regional security," particularly to those security issues that lie beyond the core commitments of our foreign policy.

Second, and equally important, I want to suggest some of the questions other countries should be asking as they consider what kind of U.S. role in the world they would like to encourage. For, needless to say, our role is not decided by our own actions alone. What other countries do has a great influence on the kind of cooperation that America pursues with them.

Let me begin with an issue that has been in the headlines this week and last: the Administration's proposed delivery of additional air-to-air missiles and other military systems to improve Saudi Arabia's air-defense capabilities. This initiative reflects a goal that has been part of our national strategy since the late 1940s—to help friendly countries acquire the means to defend themselves.

Whether a friendly country can pay for the help or we have to provide some resources of our own, we reap a huge benefit from security assistance. Other nations' dependence on America is reduced if they are strong enough to meet threats from hostile neighbors. At the same time we build a firm foundation on which we can, if necessary, work with them to meet greater threats in the future. You may know that it costs our NATO ally, Turkey, only one-tenth as much a year to keep a well-equipped soldier in the field as it costs the United States. That's one reason President Reagan has called our investment in security assistance a true national security bargain.

In this light, charges that this Administration is "going it alone" seem especially ironic. Those who take a meat ax to our security assistance budget are making it far harder for us to meet common dangers through cooperation. As Secretary Shultz said earlier this week, there is a real, a dangerous world out there, and our capacity to conduct foreign policy cannot be treated as just another domestic program. Doing so, he said, would "threaten nothing less than the reversal of 40 years of constructive American leadership for peace and freedom." This is why national security spending must not be made to bear a disproportionate share of the burden of much-needed budget cutting.

Let us also recall that Saudi Arabia—which will, I should note, pay cash for every penny of the equipment it has requested—has a dangerous war going on right on its doorstep, between Iran and Iraq. Just two summers ago, the Saudi Air Force had to counter Iranian threats to shipping and oil facilities in the Persian Gulf, which remain vital to the free world's energy supply. When Saudi planes acted, American planes did not have to.

This war is again at a crucial stage. Violence could spill across the Persian Gulf again at any time. In the last month, there have been three further Iranian attacks on Saudi tankers in the gulf already. The closing of the gulf would "shock" the global economy. Oil prices would start to rise again.

So when the Congress acts to weaken our close cooperation with Saudi Arabia, which every President since F.D.R. has strongly supported, I believe that the members of the House and Senate ought to ask themselves some hard questions.

- *Who* is promoting a sound policy of collective security?
- *Who* is making it harder for the United States to contribute to the peace of the Middle East and Persian Gulf?
- *Who,* in short, are the real "global unilateralists?"

Congress has also tried to push us further toward unilateralism in refusing to provide aid to the brave Nicaraguans who are fighting Soviet- and Cuban-backed communism in Central America. When it refuses to apply the best means we have to pressure the communist government in Managua to negotiate, Congress ensures that no negotiated solution can be achieved which would meet the concerns of Nicaragua's neighbors and of the United States. That makes it more likely that, sometime in the future, the United States will have to act by itself—under far less favorable circumstances and at a far higher cost.

Promoting Negotiated Solutions

So the first key element of the President's approach to regional conflict is security assistance—helping those who share our interests and principles. And the second element involves the promotion of negotiated solutions, in Central America and elsewhere. Here, too, it is our belief that the most successful policy has to be built on the solid foundations of collective security.

Strong U.S. support for allies and friends means that they can have more confidence in pursuing any possible opportunities for peace. It also means that the Soviet Union and its clients cannot expect time to be on their side. They cannot comfort themselves with hopes that America will be distracted by other concerns and eventually forget its friends.

In other words, regional peacemaking is only possible if it rests on collective effort. The United States can hardly impose peace, and we cannot be its only supporter. We are, after all, generally not a direct participant in the talks among the warring parties. What we can do is try to contribute to an environment favorable to negotiation. We make this contribution in many ways.

In southern Africa, for example, we have worked to promote a regional diplomatic settlement involving Angola, Namibia, and South Africa. Recently, we saw a small step foward when South Africa, in response to an Angolan request, agreed to set a date for Namibian independence.

This is the kind of movement, I might add, that would be much harder to bring about if—as some have advocated—the U.S. policy were simply to break off all contacts with South Africa. Although many supporters of such a course might not like to think of it in this way, that would be "going it alone." It might be a satisfying symbol of how strongly we oppose apartheid, but it would make it harder for us to achieve our goals. It would make diplomatic progress harder to attain. It would make regional security more shaky.

To take another example, we believe that consistent U.S. backing for Pakistan is a prerequisite for progress in the talks on Afghanistan that are now taking place in Geneva under the aegis of the United Nations. There has been considerable speculation in the past several months about a possible change in Soviet policy leading to a withdrawal. We hope that this is true and certainly believe that an early withdrawal would serve Soviet interests well.

Unfortunately, we see little evidence that Moscow is moving in this direction. Soviet leaders claim a sincere desire to pull out of Afghanistan, and yet the war continues with increased ferocity and brutality. If the Soviets truly desire an end to the war, let them consider three steps that would do more to establish their true intentions than any expressions of sincerity.

First, let them announce a timeframe for withdrawal. There is no reason it should take more than 3-6 months.

Second, let them show that they understand the need to take the wishes of the Afghan people into account. This is the reason that President Reagan, in the regional initiative that he put forward at the United Nations last year, called for talks among the warring parties as the first step in resolving regional conflicts.

Third, let the Soviets commit themselves to respect fully the neutrality of Afghanistan in the future. There should be no search for pretexts to allow Soviet forces to return.

The Soviet Union, if it moves in this direction, can be sure that the United States will do nothing to stand in its way.

Economic Growth and Stability

The other elements of the Administration's approach to regional security have the same emphasis on collective measures that I have described above.

With respect to economic growth, the United States has taken the lead in multilateral efforts for coping with the debt problems of the developing world. Treasury Secretary Jim Baker's initiative brings together the public and private sectors of the world's strongest economies to share in helping debtor states to reignite growth. These problems are not purely economic in their impact: if Brazil and Argentina, for example, succeed in putting their economies back on the road to health, it will be a powerful boost to democracy throughout our hemisphere.

Similarly, the governments participating in the Tokyo summit have discussed the possible advantages of a "Middle East economic development plan." The drop in energy prices has given a substantial boost to the economies of most of our summit partners. Yet all retain a strong interest in the stability of the Middle East. We want to explore ways in which the seven summit nations might increase the resources set aside for this area. Working with the governments of the region, we would also hope to see private sector investment increase. The key will be to create a productive infrastructure and meaningful employment opportunities. Given the scope of the problem, a collective effort has much to be said for it.

Nuclear Proliferation and International Terrorism

I have spoken of many dimensions of collective regional security: the importance of democratic partners, the military safety that our friends need, the diplomatic processes that can break through a tangle of disputes, and the economic foundations of stable relations among nations.

Let me add two further dimensions, which cannot be ignored in this age of advanced weaponry and radical ideologies—nuclear proliferation and international terrorism.

Like the other elements of regional security that I have mentioned, slowing the spread of nuclear-weapons capabilities requires an effective multilateral effort. Because the technology and materials needed to manufacture nuclear weapons are widely available, we need agreement among all potential suppliers to regulate the flow of these items.

Similarly, we believe that only a multilateral approach can increase the incentives of potential nuclear powers to reject a nuclear course. To do this, our policy realistically addresses the insecurities that drive states to consider their nuclear options in the first place. With this problem in mind, we have encouraged a process of reconciliation among traditional regional adversaries and urged our friends to do likewise. We believe that regional reconciliation is an essential element of preventing an expansion of the "nuclear club."

As for terrorism, it continues to know fewer and fewer boundaries, either within or among regions. In the past 2 years, a growing number of terrorist attacks have been mounted in Latin America, often aimed at American citizens. Our allies face similar problems—for example, radical groups in Western Europe and continuing violence in Northern Ireland threaten all the people of the United Kingdom.

As part of our broader effort to combat terrorism, we and our partners agreed at the Tokyo summit to improve extradition procedures. The Senate Foreign Relations Committee has before it

right now a proposed supplement to our extradition treaty with the United Kingdom. It would remove specific violent crimes from the so-called political offense exception. The Reagan Administration is strongly committed to ratification of this treaty amendment. Without it, America would remain a safe haven for terrorists from Northern Ireland.

We know we can't fight terrorism alone. We saw the value of Mrs. Thatcher's help when we had to act against Qadhafi, and we are seeking to extradite those involved in last year's *Achille Lauro* hijacking and the murder of Leon Klinghoffer. Strengthening the extradition treaty will help us beat the terrorists. It will increase our collective security.

The Need for International Cooperation

I have spoken at length about this Administration's approach to regional security, to demonstrate that it is nonsense to think that it is unilateralist. Our approach remains multilateral because we believe this is the most promising path. No one country has the resources, the answers, or the power to address all the issues of regional security. And it is also multifaceted because no single instrument of policy can capture the problem of regional security in its complexity.

These are issues that we continue to debate. Our history suggests that the debate will never end, and it should not. Nevertheless, I believe that there are elements of this debate that other countries should also take very seriously. Their own policies shape the environment in which we make our basic decisions about foreign policy. What they do determines how effectively we can work together. Because of this, our debate on the issues of regional security cannot be completely separated from theirs.

To take the most obvious recent example, it is hard for Americans to understand the attitude of many countries toward the problem of international terrorism. For all the progress the leaders made in their consultations in Tokyo, there are plainly some underlying, continuing differences in outlook among our nations. Our people were heartened when Prime Minister Thatcher said that "to overcome the threat [of international terrorism] is in the vital interest of all countries founded on freedom and the rule of law"; and when she said: "It was inconceivable to me that we should refuse American aircraft and pilots the right to defend their own people."

In all frankness, however, we were puzzled and disappointed at the number who objected to her statements. We were troubled by those who said that terrorism is something we have to live with; that opposing it will only make matters worse; that it is, in the end, merely a peculiar American obsession.

It is an American obsession, but only in this sense: we believe it threatens international peace and security and the ability of free, like-minded countries to work together.

These differences require careful thought on both sides of the Atlantic. American policy remains firmly multilateral, firmly committed to cooperation with others who share our interests. But cooperation and collective security don't happen automatically. And if allies think that the worst thing that could happen is that American policy would become unilateralist, they are almost certainly mistaken.

An American unilateralist policy would, after all, be one that continued to defend our allies' interests and behind which they could hide—contributing little but benefiting all the same. The real alternative direction for American policy is not unilateralism, but isolationism—that is, increased indifference to our friends' interests.

This Administration would deplore such a turn. We believe that America also would suffer from it. But we and our friends should not expect to go too long without resolving disagreements on regional security issues. If we do, we will doubtless pay the price of greater misunderstanding of what our broad common interests really are. This will put us at odds on more issues than just terrorism. Our friends who do not want this to happen any more than we do must begin to ask how they can prevent it from occurring.

But it is not only our friends in Western Europe and East Asia that should ask what kind of American role in the world they want to encourage.

There are other problems that we regard as absolutely central in shaping an international environment in which we can pursue a policy of true collective security. Yet sometimes others see these differently.

Let me offer two examples. To our way of thinking, working against nuclear proliferation is one key to preserving a stable international setting in which we can cooperate with those who share our interests. The prospect of additional countries acquiring nuclear weapons threatens our ability to help them and to have mutually beneficial relationships with them.

As is the case with terrorism, concern with this problem is not an American obsession or something that we can't quite shake. It is a fact of life. In opposing the spread of nuclear weapons, we are seeking to preserve relationships that we value and that we consider mutually beneficial. Nations that expect to be our partners must reckon with this resolve.

A second example—less obvious, perhaps—is that of economic organization. Before his departure for Asia, the President spoke of the "winds of freedom." He believes these "winds"—forces that strengthen free institutions—carry a message about the prosperity that is available to any nation that lets loose the power of individual initiative. He has urged others to study this message and to adopt policies that favor free enterprise.

This is the President's strong personal conviction; but it is much more than that. It is a judgment about the future. It is very possible that increasingly the world will be divided into those nations that have gained the benefits of freedom—of economic, political, and personal freedom—and those that have not. We will almost certainly find it far easier to cooperate with those that have.

Naturally, we encourage other governments to develop a favorable climate for investment and trade because this helps promote economic development and growth. Yet it is also because, over the long term, our political relations will also benefit and the regional stability in which such relationships can thrive will be best protected.

Conclusion

I have spoken this evening of America's friends and of our need to cooperate in promoting regional security. Let me close with a comment about America's adversaries. Nothing has taken a greater toll on U.S.-Soviet relations than Soviet policies aimed at exploiting instability in the developing world. By the same token, nothing can do more to make our overall competition safer and more manageable than policies—ours and our allies'—that both reduce this instability and counter attempts to exploit it.

An American policy of collective security provides our best guarantee of safety. We believe our friends and allies—and our Congress—will agreed. ■

The War Powers Resolution and Antiterrorist Operations

by Abraham D. Sofaer

Statement before the Subcommittee on Arms Control, International Security, and Science of the House Foreign Affairs Committee on April 29, 1986. Mr. Sofaer is the Legal Adviser of the Department of State.[1]

I am pleased to have the opportunity to appear before you today to discuss the War Powers Resolution in the context of recent events. I would like to begin by setting out some general considerations regarding the resolution and then focus on the application of the resolution to specific cases which are of particular interest to the subcommittee.

Basic Framework

The War Powers Resolution was enacted in 1973 in order to ensure congressional involvement in situations in which the United States may become engaged in hostilities with other states. To that end, the resolution contains certain requirements concerning consultation, reporting, and termination of the use of U.S. Armed Forces. Of course, this and other Administrations have expressed serious doubts about the wisdom and constitutionality of various parts of the resolution.

Consultation Requirement. The consultation requirement is contained in Section 3, which provides:

> The President in every possible instance shall consult with Congress before introducing United States Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, and after every such introduction shall consult regularly with the Congress until United States Armed Forces are no longer engaged in hostilities or have been removed from such situations.

The resolution specifies only that consultation occur "before introducing" armed forces in the situations specified, as well as "after" each such introduction until the situation ends. It does not define the nature of the consultations required, but allows the President to determine precisely how such consultations are to be carried out. Significantly, in making the requirement applicable only where consultation is "possible," the resolution expressly contemplates that consultation in a particular case will depend on the prevailing circumstances.

Over the years, both before and after the resolution was adopted, the executive branch has engaged in consultations with the Congress in a variety of circumstances involving the possible deployment of U.S. forces abroad. Consultations have occurred in cases where the resolution might have been thought to require them and in cases where it clearly would not (and the executive branch has typically been careful to preserve its position on these matters when consulting). The purpose of such consultations is to keep the Congress informed, to determine whether the Congress approves of a particular action or policy, and to give the Congress an opportunity to provide the President with its views, especially where it may disagree with the policy. Consultations are not intended to involve the Congress in reviewing the detailed plans of a military operation. The degree to which the President is implementing a policy of which the Congress is well aware and which it has already approved in principle is one important factor to be considered in determining the nature and timing of consultations.

In practice, the form and substance of consultations have depended upon the circumstances of each case. In some instances, such as the introduction of U.S. forces into Egypt to participate in peacekeeping operations or the case of the Vietnam evacuation, the situation permitted detailed consultations well in advance of the action contemplated. In the case of the Tehran rescue mission, prior consultation was not possible because of extraordinary operational needs.

Reporting Requirement. Section 4 of the resolution requires that the President submit, within 48 hours after the introduction of U.S. forces, a written report to the Congress in three circumstances. A report must be submitted when U.S. forces are introduced "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances." In addition, a report must be submitted when U.S. forces are introduced "into the territory, airspace or waters of a foreign nation, while equipped for combat" (with certain specified exceptions) or when such forces are introduced "in numbers which substantially enlarge United States Armed Forces equipped for combat already located in a foreign nation. . . ."

Both Republican and Democratic presidents have provided written reports to the Congress with respect to U.S. deployments abroad as a means of keeping the Congress informed, while reserving the executive branch's position on the technical applicability and constitutionality of the resolution. Reports were submitted by President Ford in connection with the Indochina evacuations and the Mayaguez incident and by President Carter in connection with the Tehran rescue mission. During the Reagan Administration, reports were submitted with respect to U.S. participation in the multinational force and observers in the Sinai and the multinational force in Lebanon, the deployment of U.S. aircraft in connection with the situation in Chad, and the introduction of U.S. forces into Grenada. More recently, a report was submitted concerning the encounter with Libyan forces during U.S. military exercises in and near the Gulf of Sidra in late March, and a report was submitted with respect to the April 14 operation against Libya. Indeed, the executive branch has provided information to the Congress in many cases where no relevant statutory requirement existed.

Termination of Use of U.S. Forces. Section 5 of the resolution provides that, within 60 days after a report is submitted or required to be submitted, the President must terminate the use of U.S. forces unless the Congress has declared war or specifically authorized the use of such forces, has extended the 60-day period, or is physically unable to meet as a result of an armed attack on the United States. The section also provides that the President must remove U.S. forces from engagement in hostilities abroad "if the Congress so directs by concurrent resolution." The legislative veto provision of the resolution cannot stand in the face of the Supreme Court's 1983 decision in *INS* v. *Chadha*.

The executive branch has historically differed with the Congress over the wisdom and constitutionality of the 60-day provision of Section 5. As President Reagan made clear in signing the multinational force in Lebanon resolution on October 12, 1983, the imposition of such arbitrary and inflexible deadlines creates unwise limitations on presidential authority to deploy U.S. forces in the interests of U.S. national security. Such deadlines can undermine

foreign policy judgments and adversely affect our ability safety and effectively to deploy U.S. forces in support of those judgments.

Moreover, the President's constitutional authority cannot, in any event, be impermissibly infringed by statute. Section 8(d) of the resolution itself makes clear that the resolution was not intended to alter the constitutional authority of the President. The President has constitutional power, as Commander in Chief and as the nation's principal authority for the conduct of foreign affairs, to direct and deploy U.S. forces in the exercise of self-defense, including the protection of American citizens from attacks abroad. From the time of Jefferson to the present, presidents have exercised their authority under the Constitution to use military force to protect American citizens abroad.

I would also mention that serious constitutional problems exist with respect to Section 8(a) of the resolution, which purports to limit the manner in which the Congress may, in the future, authorize the use of U.S. forces. I do not believe that one Congress by statute can so limit the constitutional options of future Congresses. Nor can Congress control the legal consequences of its own actions. If a particular congressional action constitutes legal authority for the President to undertake a specific operation, I doubt that one Congress can change that fact for all future times by requiring a specific form of approval.

Recent Cases

The War Powers Resolution was enacted in the shadow of U.S. involvement in the Vietnam war and of the so-called Watergate scandals. In more recent years, however, issues have been raised under the resolution in situations that bear no resemblance to the Vietnam war and, in fact, may not have been contemplated at the time of its adoption.

Deployment of Antiterrorist Units. It is a regrettable reality in today's world that Americans abroad are increasingly subjected to murder, kidnapings, and other attacks by terrorists who seek to further their political ends through such means. The hijacking last year of TWA Flight 847, with the murder of Navy diver Stethem, is a well-known recent example. In that case, we had no reason to believe that the Government of Lebanon had encouraged or otherwise supported the terrorists; it was simply unable to control them. In such a situation, the President may decide to deploy specially trained antiterrorist units in an effort to secure the release of the hostages or to capture the terrorists who perpetrated the act. Does the War Powers Resolution require consultation and reporting in this kind of situation?

We have substantial doubt that the resolution should, in general, be construed to apply to the deployment of such antiterrorist units, where operations of a traditional military character are not contemplated and where no confrontation is expected between our units and forces of another state. To be sure, the language of the resolution makes no explicit exception for activities of this kind, but such units can reasonably be distinguished from "forces equipped for combat" and their actions against terrorists differ greatly from the "hostilities" contemplated by the resolution.

Nothing in the legislative history indicates, moreover, that the Congress intended the resolution to cover deployments of such antiterrorist units. These units are not conventional military forces. A rescue effort or an effort to capture or otherwise deal with terrorists, where the forces of a foreign nation are not involved, is not a typical military mission, and our antiterrorist forces are not equipped to conduct sustained combat with foreign armed forces. Rather, these units operate in secrecy to carry out precise and limited tasks designed to liberate U.S. citizens from captivity or to attack terrorist kidnapers and killers. When used, these units are not expected to confront the military forces of a sovereign state. In a real sense, therefore, action by an antiterrorist unit constitutes a use of force that is more analogous to law enforcement activity by police in the domestic context than it is to the "hostilities" between states contemplated by the War Powers Resolution.

I might note, in this connection, that other types of cases involving military deployments—such as the movement of warships into or through foreign territorial waters, the deployment abroad of security personnel such as Marine embassy guards, and transits of combat aircraft through foreign airspace—have generally been considered to be outside the scope of the resolution. The rationale for regarding the resolution inapplicable is at least as strong in the case of limited, antiterrorist deployments as it is in these other cases, absent the involvement of the armed forces of a foreign state.

Even assuming the resolution were applicable to the deployment of special antiterrorist units, the fact is that consultations may not—and generally will not—be possible in such cases. The existence and purpose of these units is well known to the Congress. The need for swiftness and secrecy inherent in the nature of those activities is so extraordinary that consultations prior to deployment might well jeopardize the lives of our units and the hostages they may seek to liberate.

Engagement During Military Exercises. Issues under the War Powers Resolution have also been raised where U.S. forces have engaged in a military exercise in conformity with international law. The incident in the Gulf of Sidra in late March illustrates the situation. Does the resolution require the President to consult and report in this kind of case?

Some factual background will help to put this question in perspective. The United States is committed to the exercise and preservation of navigation and overflight rights and freedoms around the world. That is the purpose of the freedom of navigation program. A deliberate decision was made during the Carter Administration to discourage or negate unlawful claims to extended jurisdiction in the oceans. That policy was affirmed in 1982 under President Reagan, and in 1983 the essence of the policy became public in a statement on U.S. oceans policy. That statement made clear that the United States would continue to work with other countries to develop an acceptable oceans regime. It also made clear that the United States would protest the unilateral acts of other states designed to restrict the rights and freedoms of the international community in the use of the oceans and that the United States would exercise and assert those rights and freedoms on a worldwide basis.

The exercise of our rights provides visible and powerful evidence of our refusal to accept unlawful claims. The United States has accordingly protested and exercised rights and freedoms with respect to claims of various kinds: unrecognized historic waters claims, territorial sea claims greater than 12 nautical miles, and territorial sea claims that impose impermissible restrictions on the innocent passage of any type of vessels (such as requiring prior notification or permission). Since the policy was established, the United States has exercised its rights against the objectionable claims of over 35 countries, including

the Soviet Union, at a rate of about 30–40 freedom of navigation exercises per year.

The United States has followed this policy in connection with Libya. When Qadhafi came to power in Libya, it was not long before private firms saw their interests expropriated. Then, on October 9, 1973, Qadhafi broadened the scope of his interest in expropriating the rights of others and asserted his claim to ownership of the Gulf of Sidra. The United States vigorously protested that assertion on February 11, 1974, and in the years since then, we have exercised our rights in that area on numerous occasions.

The War Powers Resolution was not intended to require consultation before conducting maneuvers in international waters or airspace in the context of this global freedom of navigation program. We are aware of no previous suggestion that the resolution would require consultation in such situations.

This question was carefully considered in connection with the Sidra exercise in March, and the decision was made that the conduct of those operations did not place U.S. forces into hostilities or into a situation in which imminent involvement in hostilities was "clearly indicated by the circumstances." The United States has conducted its exercises not only in Sidra but around the world, not only in March but for years—and, in most instances, without hostile response. We have, in fact, been in the Gulf of Sidra area 16 times since 1981, and we have crossed Qadhafi's so-called line of death seven times before the operation last March. Only once before did Qadhafi respond with military action, and, in that instance, he was singularly unsuccessful.

While we must always be aware of the risks and be prepared to deal with all contingencies, we have every right to expect that neither Libya nor any other country will take hostile action against U.S. forces while they are lawfully in and over areas of the high seas. The threat of a possible hostile response is not sufficient to trigger the consultation requirement of Section 3, which refers only to actual hostilities and to situations in which imminent involvement in hostilities is "clearly indicated" by the circumstances.

Where a peaceful, lawful exercise does, in fact, result in hostile action to which U.S. forces must respond in immediate self-defense, such an isolated engagement should not normally be construed as constituting the introduction of U.S. Armed Forces into a situation of actual or imminent hostilities for the purpose of the reporting requirement of Section 4 of the resolution. No report was submitted in the case of the 1981 Sidra incident, in which two Libyan aircraft were shot down after they fired at U.S. aircraft. Similarly, during the period in which U.S. peacekeeping forces were deployed in the Beirut area in 1983, many incidents occurred in which hostile forces attacked and U.S. peacekeeping forces responded in immediate self-defense. Yet, no separate war powers report was submitted for each of these incidents. Of course, a different situation might be presented if U.S. forces withdrew from an area and subsequently returned for the purpose of undertaking further military action.

As a practical matter, however, this question seems academic. In the case of the March incident in the Gulf of Sidra, for example, regardless of the applicability of the War Powers Resolution, the Administration provided Congress with all the information it needed to review the incident. As soon as hostile Libyan actions occurred, the Administration took steps to ensure that Congress was informed of the situation and was kept informed throughout the remainder of the exercise. In particular, several calls were made to congressional leaders to inform them of the events; extensive briefings were conducted for the benefit of all interested members, at which experts from the Departments of State and Defense provided pertinent information and responded to all questions asked by members; and the President sent a written report to Congress describing the events of March 24 and 25, the actions taken by U.S. forces, and the legal justification for those actions.

Military Action in Self-Defense. The third kind of situation in which war powers considerations have been raised recently is that in which U.S. forces take legitimate action in self-defense against facilities or forces of another state because of its sponsorship of terrorist attacks against Americans. In the April 14 operation against Libya, U.S. forces undertook military action in self-defense against five terrorist-related targets in order to preempt and deter Libya's unlawful aggression through terrorist force against the United States and its nationals. Does the War Powers Resolution apply to a case of this kind?

The use of U.S. forces to conduct a military strike against the facilities of a hostile, sovereign state in its own territory falls within the specific terms of the consultation requirement of Section 3 of the resolution. In this context, however, a critical element is flexibility. As indicated earlier, Section 3 expressly envisions the possibility that, in some instances, the President might have to act without prior consultations. In any event, he must seek to consult in a manner appropriate to the circumstances, and the need for swiftness and secrecy in carrying out a military operation is a vital factor to be weighed in determining the nature and timing of consultations that may be appropriate in a given situation.

In the case of the April 14 operation, extensive consultations occurred with congressional leaders. They were advised of the President's intention after the operational deployments had commenced but hours before military action occurred. This satisfied the resolution's requirement that consultation occur "before" the "introduction" of troops into hostilities or a situation of imminent hostilities. Congressional leaders had ample opportunity to convey their views to the President before any irrevocable actions were taken (in fact, no one who was consulted objected to the actions undertaken). The President took a serious risk in conducting these consultations. The press observed legislative leaders entering the White House for the consultations, and speculation about possible military action ensued. The press also learned immediately after the consultations that the President was to make an address later that evening, and this led to rumors of imminent military action that could have jeopardized the success of the operation.

The consultations in this case were consistent with the provisions of the War Powers Resolution. They were also consistent with and, in many respects, exceeded in scope and depth the consultations conducted on previous occasions. For example, President Ford's meeting with congressional leaders to discuss the Mayaguez operation occurred at a point in time much closer to the onset of military action than was the case here. President Carter, as I noted earlier, did not consult at all prior to the Tehran rescue mission.

Where a military action constitutes the introduction of U.S. forces into actual or imminent hostilities for the purpose of the consultation requirement of Section 3 of the resolution, the action also triggers the reporting requirement of Section 4. In the case of the April 14 operation, the President submitted a full report consistent with the War Powers

Resolution. As the President noted in his report, the actions taken were pursuant to his authority under the Constitution, including his authority as Commander in Chief. That authority is most compelling in a situation such as this, where the use of force is essential to deter an immediate and substantial threat to the lives of Americans.

In recent weeks, the question has been raised publicly as to the President's right to take military action without the express approval of Congress. This is a question that has been addressed by executive branch officials on many occasions over the years, and their statements are well known to this committee. Without going into the specifics of those statements, it is clear that the limited actions undertaken by President Reagan in response to attacks on the United States and its citizens fall well within the President's authority under the Constitution. As noted earlier, the War Powers Resolution does not confer power on the President, but it clearly recognizes that the President has independent constitutional authority to take appropriate military action.

It is also important to note, in this regard, that the President is not simply acting alone, under his inherent constitutional authority, when taking the types of actions we are discussing today. The Congress has, over the years, learned of, considered, and effectively endorsed in principle the use of U.S. forces for a variety of purposes through its adoption of laws and other actions. Most significantly, Congress has authorized and appropriated money for the creation of forces specifically designed for antiterrorist tasks.

For example, Section 1453 of the 1986 Department of Defense Authorization Act specifically states that it is the duty of the government to safeguard the safety and security of U.S. citizens against a rapidly increasing terrorist threat and that U.S. special operations forces provide the immediate and primary capability to respond to such terrorism, and the Congress has appropriated funds for the specific purpose of improving U.S. capabilities to carry out such operations. Likewise, the Congress has appropriated considerable sums to create the naval and air forces that are needed to respond to and deter state-sponsored terrorist attacks in the manner that was done on April 14 and to carry out the exercises necessary to maintain such capabilities and to assert and protect our rights on the high seas. In this sense, Congress has participated in the creation and maintenance of the forces whose function, at least in part, is to defend Americans from terrorism through the measured use of force.

The President has openly discussed and explained the need for and propriety of these uses of force, which he has correctly assumed are widely supported by Congress and the American people. All of the actions undertaken were clearly signaled well in advance and, therefore, posed no threat to the role of Congress under the Constitution in military and foreign affairs.

Conclusion

It seems fair to say, in conclusion, that it is not clear how the War Powers Resolution, which was originally designed to provide an appropriate role for the Congress with respect to U.S. involvement in hostilities with other states, should apply to the use of U.S. forces in other kinds of situations. Some such situations—the deployment of antiterrorist units—would seem to fall completely outside the scope of the resolution. Other situations—the conduct of peaceful, lawful exercises which result in a hostile response—do not require consultations but, some might argue, may, in special situations, require a report. Still other cases—the use of U.S. forces in a legitimate, defensive strike against another state—can clearly be said to fall within both the consultation and the reporting provisions but with the form of consultation necessarily varying with the particular circumstances.

A consideration of the application of the War Powers Resolution to situations such as these does more than raise difficult and inevitably controversial issues of interpretation. On a broader level, it also highlights some of the significant negative aspects of the War Powers Resolution, whose effects on the Congress are perhaps even more profound than on the Executive. The need that some Members of Congress feel to defend the resolution's viability, even in situations well beyond those contemplated at the time of its adoption, causes Congress to shift its concern, deliberations, and political leverage away from evaluating the merits of military actions to testing their legality and to focus on formal and institutional issues rather than on the substance of our politics. Our history amply demonstrates that Congress has adequate means, through the budgetary process and otherwise, to provide an effective check on presidential power to employ military force. But the War Powers Resolution often unwisely diverts our leaders from issues of policy to issues of law.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Attacks on Persian Gulf Shipping

WHITE HOUSE STATEMENT, MAY 12, 1986[1]

The Administration is deeply concerned over the increase in attacks on merchant shipping in international waters in the lower Persian Gulf. Within the last 8 days, two Saudi tankers have been struck by Iranian aircraft in what appears to be an intensification of strikes on neutral ships operating peacefully in the gulf.

We are concerned that the recent action of Congress in rejecting an arms sale may have created the misperception that the U.S. commitment to freedom of navigation in the gulf and Saudi self-defense has diminished. Any such view would be gravely mistaken. We strongly support Saudi Arabian self-defense.

To avoid miscalculation, we reemphasize the importance we attach to the principle of freedom of navigation and the free flow of oil, as well as our determination to maintain open access through the Strait of Hormuz. Our commitment to this principle and its application to the gulf remains unchanged.

The United States continues to seek the earliest possible end to the Iran-Iraq war. At the same time, we will support the individual and collective self-defense efforts of our friends in the region and will continue to consider expansion of the Iran-Iraq war to the Arab gulf states to be a major threat to our interests.

[1]Text from Weekly Compilation of Presidential Documents of May 19, 1986. ■

FY 1987 Assistance Requests for Narcotics Control

by Ann B. Wrobleski

Statement before the Senate Appropriations Committee on April 22, 1986. Miss Wrobleski is Acting Assistant Secretary for International Narcotics Matters.

The Bureau of International Narcotics Matters offers testimony today in behalf of its FY 1987 appropriation request of $65,445,000. We will confine our testimony to the actual request, with comparisons to the 1986 budget, and appropriate comments on the progress we believe has been made in international narcotics control, as well as the problems we continue to encounter.

The 1987 budget would be an increase of $5.4 million over our actual 1986 budget of $60,044,000. This 1986 budget included a transfer of $5 million from the Lebanon support fund which we have allocated to special emphasis narcotics enforcement programs in Latin America, in accord with the intent declared in the subcommittee report.

Before discussing our 1987 spending objectives, let me briefly report to the committee on how we absorbed the 4.3% Gramm-Rudman-Hollings reduction in 1986.

In FY 1986, the Bureau of International Narcotics Matters was required to absorb $2,485,000 in reductions from a total of $62,529,000, resulting in a new 1986 budget level of $60,044,000. The FY 1986 budget consists of new budget authority of $57.5 million and the additional appropriation of $5 million. This additional funding resulted in the bureau having a higher base for 1986 than would have occurred normally, given the Gramm-Rudman-Hollings reductions. Note that cuts have been absorbed in all line item activities except Colombia, Mexico, Latin America regional and central program, and development. As a result of these reductions, the bureau will be required to delay implementation of certain program initiatives. For example, the $460,000 reduction in Burma will require the bureau to postpone until FY 1987 certain activities required to expand the fixed-wing aerial eradication program.

FY 1987 Request

In 1987 we propose to allocate $55.2 million, or 84.3% of our total budget, to in-country programs. The balance will be spent on interregional programs, including our sponsorship of the successful training programs conducted by the Drug Enforcement Administration (DEA) and U.S. Customs, as well as contributions to multilateral programs and to program development and support activities.

The country program total includes $37.9 million for Latin America, 68.7% of the country budget; $13.1 million for East Asia, or 23.7%; and $4.2 million for Southwest Asia, or 7.5% of the country budget.

The Department assigns its highest priority to reducing cultivation and production of illicit narcotics, through bans and eradication supported by interdiction and other enforcement programs operating as close to the source as possible. We note that in 1981, when we began our current strategy, only two countries were eradicating illicit narcotic crops. In 1985, 14 countries eradicated narcotic crops, moving us closer to our objective of having effective eradication campaigns operating simultaneously in all key growing sectors. Achieving this long-term objective is central to our goal of reducing the availability of imported illicit narcotics in the United States.

The proposed 1987 budget, therefore, includes a substantial increase in funds for narcotic crop eradication programs, building on new or expanded crop control efforts in key countries. Increased funding for enforcement efforts are projected where such activities support crop reduction efforts and/or will directly impact on the supply of illicit narcotics or precursor chemicals.

Results of Previous Allocations

At the outset of 1985, we set a number of strategic and tactical goals, and, as we stated in our annual report to Congress in February, we believe that in most cases we not only met but exceeded those objectives. The record shows that 1985 was a very productive year for program expansion and internationalization. We will do even more in 1986, during which our program priorities include solidifying the considerable gains in Colombia; sustaining the increasingly effective expansion of eradication programs in Thailand, Burma, Jamaica, Peru, Brazil, Ecuador, Panama, Belize, and Pakistan; and intensifying our efforts to upgrade the programs in Mexico and Bolivia. The diplomatic priority will be on continuing the rapid internationalization of the global program, drawing heavily on such UN activities as the deliberations on a new trafficking convention and planning for the 1987 World Conference on Drugs to heighten awareness and participation by donor and source nations alike.

During 1986, we will launch the special emphasis Latin American regional enforcement program for which your committee sought an additional appropriation of $5 million. We concluded discussions with our Embassy and the Government of Colombia on Tuesday and are agreed on creating an expanded air wing in Colombia to upgrade regional strike-force capability throughout the Andean coca growing region. We will utilize a good part of the $5 million, which we have budgeted under "Latin American regional programs," to purchase two transport helicopters on an immediate basis. These aircraft may be armed and armored, drawing upon the special account of $1 million in military assistance program (MAP) funds which Congress made available to us. We will grant the aircraft to the National Police of Colombia, under an agreement calling for Colombia, for a period of 2 years, to provide operational support for special enforcement initiatives in the region. As we have previously reported, there has been great progress in regional initiatives, thanks to the proficiency and capability of the Colombian National Police. The National Police supported a cross-border coca and cocaine interdiction program with Peru, which led to a series of interdiction successes by Peru in 1985. Colombia also participated in a cross-border coca eradication program with Ecuador. Peru, Ecuador, and other governments in the area critically need air mobility, and we think combining air mobility with Colombian expertise affords the best package we can provide to the other governments in the coca belt. The Colombian National Police will be responsible for drawing up collaborative plans with other governments in

the region. We are also allocating a portion of the 1986 budget for maintenance and operation of these aircraft. The balance of the supplemental funding which your committee provided will be used for other regional initiatives. As you know, our Latin American regional fund provides the resources for the eradication programs in Jamaica, Belize, and Panama.

Country Programs

Latin America. For 1987 the continuing prominence of Latin America and the Caribbean in the production and export of illicit narcotics to the United States again compels us to allocate the major share of funding (68% of the country budget and 59% of total budget) to that region. Discounting the $5 million transfer-in from 1986 totals, we propose to increase funding for the Latin American region by about $6 million.

The breakthrough on aerial eradication of marijuana in Colombia has not only resulted in a reduction of 67% in gross cultivation but is part of a total National Police effort that has resulted in a strong interdiction campaign with good results in seizures of contraband, laboratories, and precursor chemicals. Importantly Colombia has been testing herbicides that could be effective in comprehensive programs to eliminate coca bushes. Thus we are not only proposing to center our regional air-strike capability in Colombia but to expand eradication operations through increased funding in 1987.

The 1987 budget presupposes a full-fledged aerial campaign against coca as well as marijuana. Indeed, our 1987 budget projects increased funding for eradication in all of our program countries, as well as Jamaica, Panama, and Belize which are funded from the regional account. The budget includes support for improvement of the Mexican eradication campaigns against opium poppy and marijuana. We have increased 1986 funding for Ecuador and in 1987 propose to support an aerial eradication program against coca in Ecuador. We plan to expand manual coca eradication in Peru, including action on a second front. And we are hopeful of a sustained eradication program in Bolivia.

Enforcement assistance will continue to play a significant role in the Peruvian and Bolivian programs, where there is a parallel need to provide security for the narcotics control efforts. A significant increase in interdiction assistance is provided under the regional account. Modest amounts are included in most programs to provide technical assistance for drug abuse prevention and education projects.

Southeast Asia. In Southeast Asia, our 1987 budget request contemplates continuation and expansion of the vital Burmese aerial eradication campaign. More than 33,000 hectares of opium poppy have been reported destroyed by the Burmese Government this year. Funds are included to procure additional fixed and rotary-wing transport aircraft which will enable the Burmese Government to carry out operations aimed at narcotics trafficking groups, primarily the Burmese Communist Party and warlord organizations operating on the border with Thailand. Support will also be provided to improve the capability of the Burmese police to interdict narcotics trafficking.

The Royal Thai Government has adopted a policy of eradicating opium poppy in areas where farmers have benefited from development assistance and are able to market alternative crops, or where farmers have refused to participate in alternative crop programs. Our annual report projects that the Thai could significantly reduce opium cultivation in 1986 and notes a Thai projection that so-called commercial opium production could be eliminated in the next 5 years. Increased funding in 1987 will assist the Thai Government in providing "bridge" assistance to farmers who agree not to cultivate poppy or whose crop is eradicated. Funds are also included to continue support to Thai paramilitary forces interdicting trafficking and refining operations along the Thai-Burma border, and to enhance the narcotics investigation capabilities of Thai police units.

Southwest Asia. In Southwest Asia, we plan in 1987 to continue support for the establishment of new Pakistani joint narcotics task force units and special drug enforcement units of Pakistani customs, while maintaining support for outreach activities to help farmers switch to other crops in opium growing areas where major development assistance projects do not exist. We will also continue support for the enforcement efforts of the Turkish National Police and the Jandarma.

Organizations. The 1987 budget will fund an increase of $295,000 in the U.S. contribution to the UN Fund for Drug Abuse Control (UNFDAC) which, among other activities, funds coca control-related projects in South America and coordinates donor support for the special development and enforcement plan in Pakistan. Funding will also support Colombo Plan regional narcotics control activities and expanded drug education and prevention programs in selected countries.

Finally, funding is provided to support the international narcotics enforcement training administered by the Drug Enforcement Administration and U.S. Customs. An estimated 2,300 individuals will be trained through 17 specialized basic- and advance-level courses for foreign law enforcement personnel.

In conclusion, let me draw the committee's attention again to the progress noted in our annual report. These are substantive gains, and the prospects for continued advancement in 1986 are genuinely realizable. But let me also state that the drug situation remains severe. Production still outpaces demand. But there is a significant change occurring and many of our hopes ride on that change. Drug abuse has spread to many drug producing and trafficking countries, and narcotics trafficking organizations in some countries are so powerful that they pose a national security threat to the legitimate government. Narcotics-related violence is on the increase.

Narcotics trafficking is a clear and present danger. The change is that these other nations now realize that the danger is universal, that they too stand in harm's way. With that realization, we are finally beginning to work together as an international community progressing toward common goals.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Australia's Prime Minister Hawke

(White House photo by Pete Souza)

Prime Minister Robert J.L. Hawke of Australia made an official working visit to Washington, D.C., April 15–18, 1986, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and Prime Minister Hawke after their meeting on April 17.[1]

President Reagan

I'm pleased to meet with Prime Minister Bob Hawke today, although I was somewhat disappointed he didn't bring the America's Cup with him.

Prime Minister Hawke is a personal friend and a valued counselor, and I can't overstate the value America attaches to its relationship with Australia, especially as that nation now approaches a very special year. We look forward to participating in the festivities of Australia's 1988 bicentennial.

Our countries share many historical experiences: our love of democracy, our frontier heritage, and our common defense of freedom from the First and Second World Wars through Korea and Vietnam. All this has nurtured the bonds of friendship between our two peoples. Today the United States and Australia, as much as ever, rely on each other. Australia is a responsible ANZUS [Australia, New Zealand, United States security treaty] ally, an important trading partner, and a trusted friend.

Our discussions in the White House today covered a variety of issues. In the area of trade, the United States will be responsive to the extent we can to Australian interests. In international agriculture, we have a common goal: We'll continue to work together to keep open international trade and export markets. International agriculture trade problems should be given attention in upcoming international economic meetings, including the next round of multilateral trade negotiations. We seek a truly free international agricultural market.

Necessary interim measures to counter unfair subsidization, like our own export enhancement program, should take account of the interest of friends like Australia. Prime Minister Hawke has been assured of this, and we will, of course, continue our dialogue on this important subject.

On other matters, we reaffirmed the importance of security cooperation among Pacific states. The stabilizing role that ANZUS plays has been essential to the phenomenal growth that the Pacific region has enjoyed during the last decade. It's hoped that New Zealand will soon return to its traditional role as a responsible ANZUS member. We would greatly regret it if this valued partner declined to take the actions that would permit restoration of our normal collaboration and preservation of our special relationship as allies. Whatever New Zealand's decision, however, I have told Prime Minister Hawke that our commitment to Australia under ANZUS is firm.

Our discussions today also focused on regional issues and arms control. Australians share with the American people a deep concern about world peace and a desire to reduce the number of nuclear weapons threatening mankind.

This is my third meeting with Prime Minister Hawke. Our personal relationship and the relations of our countries remain on a very high level. Bob, smooth sailing on the rest of your trip and on the journey home.

Prime Minister Hawke

The warmth of your welcome and the sentiments that you've expressed in your statement are very much appreciated by me. They reflect not only the personal friendship to which you refer and which I greatly value, they reflect also the close, longstanding association between the governments and the peoples of our two countries.

As you are aware, the main purpose of my visit has been and remains to talk with you, your colleagues, and Members of Congress about agricultural matters. Nevertheless, let me say this at the outset. We are at one in our determination to see an end to the scourge of international terrorism and, therefore, condemn unequivocally Libya's role in directing, exporting, and supporting such activities.

The Australian Government does not accept that violence—in particular, terrorism—is a solution to the complex problems of the world we share. We referred in the UN Security Council to a number of possible courses open to the international community to bring about a peaceful resolution of the current situation in the Mediterranean region.

We meet at a time when the rural sectors of both of our countries face serious difficulties. For us the corruption of international markets is a matter of very grave concern. Australia is an efficient, nonsubsidizing agricultural exporter. It exports 80% of its rural production. The severe difficulties that face Australian and U.S. farming communities as a result of depressed agricultural prices and our frustrations with a market loss that has been brought about by huge European Community agricultural export subsidies are of critical concern to both our countries.

I have conveyed Australia's appreciation of the cooperation we have received so far from the United States on those aspects of the Farm Act impacting on Australia's agricultural interests. Australia particularly welcomed the recent amendments to the Farm Act which halved mandated spending under the export enhancement program and reduced the funds allocated under the targeted export assistance program.

Bearing in mind the importance to Australia of its wheat markets, I was encouraged to have your reassurance that the export enhancement program will continue on a targeted basis, aimed essentially at markets of subsidizing exporters, and that you will continue to encourage export enhancement program recipients to maintain their normal level of imports from traditional nonsubsidizing suppliers.

We also welcomed your assurance that the implementation of the Farm Act, with regard to export of beef and dairy products, would be handled in a way which seeks to minimize disruption in markets served by Australia. We also expect continued access for our beef to the U.S. market, at least at the levels consistent with the operation of the existing meat import law.

In relation to sugar imports to the United States, we are assured that Australia's traditional market share is being maintained. I appreciate that you have noted our concerns on the operation of the current cotton and rice programs.

Australia has appreciated the opportunities we have had to consult on the administration of the Farm Act and of the export enhancement program. We welcome your agreement that these opportunities to discuss with you will be extended to include Australia's concerns in the implementation of the U.S. export subsidy and surplus stock disposal programs. Periodic meetings between our respective trade and agricultural ministers will be central to that continuing process.

We both share the commitment to an effective September launch of the new multilateral trade negotiations. We agree on the need to have agriculture accepted as a key issue for the new multilateral trade negotiations round. We also agree that the negotiation of more effective GATT [General Agreement on Tariffs and Trade] rules for agricultural subsidies should be a specific objective of the multilateral trade negotiations round. The forthcoming Tokyo summit will be important in carrying these matters forward.

The closeness of the relations which Australia and the United States enjoys is based on common values and shared prospectives. Our history of cooperation in peace and in war, our shared commitment to democratic values, and the fundamental importance of our security relationship under the ANZUS alliance have all served to strengthen and broaden our bilateral relationship. The close friendship between our countries does not require identical views on every international issue. A mature relationship involves mutual respect for each other's right to determine independent policies toward various problems, having regard to each other's concerns.

Our alliance under the ANZUS treaty is fundamental to Australia's foreign and defense policies. It also has important implications for the security and the stability of our region. I am pleased that in our discussions today, we reaffirmed the importance of our arrangements under ANZUS. We accept that, like other alliances, the ANZUS treaty entails obligations and responsibilities as well as mutual benefits. My government is convinced that international security is enhanced not only by appropriate security arrangements which contribute to stable deterrence but also a commitment to pursue balanced and verifiable arms control agreements.

We value very much, indeed, the consultations and exchanges of views that take place at the highest level between our governments on a range of international issues, including arms control and disarmament. My discussions today with you covered the prospects for progress toward effective arms control and specific initiatives that have been undertaken in Australia's own region, including the South Pacific Nuclear Free Zone Treaty.

Our discussions today also covered the tragic situation in South Africa. The efforts of the Commonwealth eminent persons group to encourage dialogue between the government and the various racial groups with a view to the peaceful establishment of a nonracial, democratic, and representative government in South Africa are currently an important contribution to the search for a solution.

As our bicentenary in 1988 approaches, we are planning a range of celebrations, which we hope will involve active participation by many countries, including, of course, the United States. A visit to Australia around that time by you would be most appropriate and most welcome, and I sincerely hope that you will be able to take up that invitation which I have extended to you.

I greatly appreciate the hospitality that you have extended to me today. I look forward to further valuable exchanges with you on the many important issues we have addressed.

[1]Made in the East Room of the White House (text from Weekly Compilation of Presidential Documents of Apr. 21, 1986). ■

FY 1987 Assistance Requests for Migration and Refugees

by James N. Purcell, Jr.

Statement before the Subcommittee on Foreign Operations of the Senate Appropriations Committee on April 22, 1986. Mr. Purcell is Director of the Bureau for Refugee Programs.[1]

I am pleased to appear before you today to present the Department of State's migration and refugee assistance appropriation request for FY 1987.

The world refugee situation today continues to be one of great need. Although the news media have not focused recently on any dramatic new refugee crisis, the number of refugees who have fled strife and persecution in their home countries totals over 8 million people. Many more have crossed international boundaries fleeing famine, drought, and disease.

The United States consistently has maintained that refugee assistance and the search for solutions to refugee problems are matters of international concern and responsibility. Accordingly, the United States continues to contribute to internationally sponsored programs to provide relief assistance and to promote voluntary repatriation or settlement within the region of origin.

The United States also admits for resettlement refugees who have no recourse other than third country resettlement, especially those who have close

ties to the United States. Our refugee programs are dedicated to meeting humanitarian objectives and are consistent with the foreign policy goals of the United States.

In preparing our appropriation request for FY 1987, we have been ever mindful of the need for the Federal government to reduce significantly its overall spending. I believe that careful examination of our presentation will show that the amounts requested in every category are modest but enough to support our humanitarian objectives and foreign policy goals.

The migration and refugee assistance request for FY 1987 totals about $347.5 million, an increase of $8.6 million over the FY 1986 appropriated amount and about $23 million over the funds available in FY 1986 after the reductions mandated by the Balanced Budget and Emergency Deficit Control Act of 1985. However, this level of proposed funding compares to actual spending in FY 1985 of about $350 million.

In addition, we are requesting a $25 million replenishment of the emergency refugee and migration assistance account, which is permanently authorized at $50 million but which now includes appropriated funds of only about $18 million. This replenishment is needed if the emergency fund is to be capable of fulfilling its purpose—that is, providing the President the flexibility to fund responsive U.S. action to address urgent and unforeseen refugee emergencies which may arise at any time.

The migration and refugee affairs account is divided into four categories of expenditures: (1) refugee admissions to the United States, (2) refugee assistance overseas, (3) other assistance activities, and (4) administrative expenses.

My discussion of these four categories compares the amounts requested for FY 1987 with both the appropriated FY 1986 amounts and the funds now available. The current distribution of FY 1986 funds available after the Gramm-Rudman-Hollings cuts do not reflect the Department's final assessment of priority needs. Rather, the distribution is in line with legal requirements regarding how the Department could spread the overall cut. We, therefore, expect to seek to reprogram FY 1986 money among the four categories in the third quarter when assessments of refugee needs for the year have been further refined.

Refugee Admissions

For refugee admissions to the United States, we are requesting $109.1 million, about 30% of our total request and a decrease of $13 million from the FY 1986 appropriated amount and of about $5.5 million from the revised level. These funds will cover the operating expenses at modest levels of programs administered by the Department that support our overall admissions program. These programs include processing, transportation loans, language training and orientation, and initial reception and placement.

The budgeted admissions level for FY 1987 is 63,000 including 42,000 from East Asia. As you will recall, Secretary Shultz last October appointed a high-level advisory panel, headed by former Governor Ray of Iowa, to look into the Indochinese refugee situation and to make recommendations for U.S. policy in the region. We expect the panel to complete its report in April.

Refugee Assistance

The request for refugee assistance programs overseas totals $195 million, about 56% of the total request, and is an increase of $8.3 million over the FY 1986 appropriation and of $14.5 million over the revised level. This level of funding will provide adequate support, based on U.S. assessment of our fair share, to the core program costs of the international organizations and other agencies that carry out relief and resettlement programs overseas. The increase reflects increases in program costs due to inflation and growth in recipient populations.

Of this amount for overseas assistance, $29.4 million is requested for assistance to Indochinese refugees in Southeast Asia. These funds primarily will support the work of the UN High Commissioner for Refugees (UNHCR), the UN Border Relief Operation (UNBRO), the International Committee of the Red Cross (ICRC), and other agencies that provide care and maintenance services to refugees in first asylum and the 250,000 Cambodian displaced persons (as of February 1986) who remain in camps along the Thai-Cambodian border. Besides these programs, $1.75 million for antipiracy programs in the Gulf of Thailand and $600,000 for the UNHCR orderly departure program are also included.

The overseas assistance request also includes about $60.5 million for assistance programs in Africa. This amount will be used to support the core programs for material assistance, medical and educational aid, and protection activities of the UNHCR and the ICRC in Africa, as well as special projects such as refugee scholarships and self-help activities. The immense need to help the refugees in Africa is well-known to us all.

The request for Near East and South Asia assistance programs totals $87.5 million. Of this, $67 million is budgeted for the provision of basic health and education programs to Palestine refugees through the U.S. contribution to the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The other $20.5 million comprises U.S. contributions to the core assistance programs for the world's largest single refugee population, the Afghans in Pakistan, administered by the UNHCR and the ICRC.

The final part of the overseas assistance category includes $17.7 million for relief assistance programs and limited repatriation activities in Latin America administered by the UNHCR, the ICRC, and other agencies. This is in response to the continued high level of refugee needs in this region.

Other Assistance

The third category, other assistance, is budgeted at $34.9 million in our FY 1987 request, an increase of $12.9 million from FY 1986 appropriations and $13.4 million from the revised level. The largest part of this request is a $25 million contribution to the United Israel Appeal for its program of assistance to refugees resettling in Israel, $12.5 million more than the appropriated FY 1986 amount. This amount is earmarked for this purpose in the Foreign Relations Authorization Act for FY 1987. The remainder includes funding of the administrative and operational budgets of the Intergovernmental Committee for Migration (ICM) and the U.S. contribution to the ordinary (headquarters and nonregional) budget of ICRC.

Administrative Expenses

And finally, we request $8.5 million for the administrative expenses of the Department of State Bureau for Refugee Programs, an increase of $370,000 from

the FY 1986 appropriations and $700,000 from the revised level. Most of this increase is attributable to price increases, although within this amount the Department also will fund one new position, a second refugee officer in Islamabad. This officer will oversee relief programs for approximately 2.7 million Afghan refugees, with special emphasis on monitoring the use of our contributions to UNHCR and voluntary agencies.

In closing I would like to express my personal appreciation and the appreciation of the Department of State for the support you and other members of this committee have shown toward refugee affairs. The needs are great, but I am confident that by working together we will be able to continue to provide adequate levels of support for these vital, humanitarian programs.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

FY 1987 Security Assistance Requests

by William Schneider, Jr.

Statement before the Subcommittee on Foreign Operations of the House Appropriations Committee on March 6, 1986. Mr. Schneider is Under Secretary for Security Assistance, Science and Technology.[1]

The President's budget for the coming fiscal year reflects much painstaking analysis of the competing demands on limited national resources. It reflects rigorous sifting of priorities. And, it reflects many hard choices.

As the Congress begins its equally painstaking and thoughtful consideration of this budget, I welcome the chance to meet with you today to discuss our proposals for security assistance in FY 1987.

Within an overall budget package that we believe is fully consistent with Gramm-Rudman-Hollings deficit reduction limitations, the security assistance program levels and composition we are presenting for your consideration are responsive to the political, economic, and military challenges we face. Our proposals are targeted to defined needs and goals.

In this year's supporting documentation, we have made this linkage more explicit than in years past, and we have tried to meet some of the expressed desires of committees for expanded program and background data.

The proposed security assistance program is a comprehensive and balanced effort to utilize security assistance as an effective instrument of U.S. foreign and defense policies. Significant reductions in the program—whether by direct congressional action or by the automatic cuts under the existing deficit reduction legislation—will seriously cripple our efforts to meet challenges to our vital interests around the globe.

Rationale for Security Assistance

By definition "security assistance" benefits other countries. It helps other countries become stronger and safer. Security assistance is also an essential part of the U.S. effort to guarantee its own national security. It is an extension of the resources we devote to our own defense forces and derives inescapably from our role as a superpower and the leader of the free world. It serves our "bottom line" national interest in the survival, integrity, and prosperity of our own nation and society. It is part of the search for a world environment in which there is respect for the rights both of nations and of individuals.

In the 40 years since World War II, our security assistance effort has evolved, has expanded, and has diversified to meet changing world conditions. This process has been a cooperative effort between succeeding Administrations and Congresses. The executive and legislative branches recognized that strong U.S. action was required to help rebuild and rearm the democracies of the West in the immediate aftermath of a global conflict and under the growing shadow of communist aggression and subversion. In the face of an increased Soviet threat in the postwar era and the emergence of other challenges to world order, there has been essential agreement within our government on the need to maintain and refine mechanisms for aid and cooperation with friendly countries. Over the last 5 years in particular, congressional support for the expansion of program levels and the legislative changes to the Foreign Assistance and Arms Export Control Acts have provided a basis for dealing more effectively with current and emerging problems.

We have been able to maintain and expand cooperative and supportive relationships with allies and friends around the world; to meet our commitments to the security of Israel and to the search for peace and stability in the volatile Middle East; to strengthen the confidence and capabilities of nations facing aggression and insurgencies waged or supported by the Soviet Union and its surrogates; to help deter or contain regional conflicts; and to encourage the development of democratic institutions, economic growth, and policies responsive to human needs.

We have made progress. But the job is far from completed. A spectrum of challenges and opportunities lie before us as we look ahead to FY 1987 and into the next decade. The Administration's budget proposals represent the response we must make to protect our own vital national interests. The program elements are specifically tailored to these interests. And we again seek the cooperation and support of the Congress in assuring that the United States is able to do what must be done.

The FY 1987 Request

Approximately half of our total FY 1987 security assistance request is directed to encouraging the process toward peace in the Middle East. The proposed U.S. programs for countries of this strategic and unsettled area will facilitate economic development, encourage political moderation, and promote regional stability. In particular our security assistance relationships will continue to be supportive of our diplomatic efforts to secure a just and comprehensive peace between Israel and its Arab neighbors. Our programs are tangible signs of the U.S. determination to honor its commitments and are a vital factor in efforts to curb Soviet influence in the area and to deter aggression, subversion, and state-supported terrorism.

A total of $5.3 billion in economic support funds (ESF), foreign military sales (FMS) financing, and international military education training (IMET) program grants is proposed toward this important goal. Three billion dollars in "forgiven" FMS credits and grant balance-of-payments support from the ESF will help assure **Israel's** continued military preparedness and promote the country's economic stability. A $2.1

billion total security assistance package for **Egypt** will support that country's continuing commitment to its 1979 peace treaty with Israel. This "forgiven" FMS and ESF grant financing is designed to help modernize the Egyptian military and support needed economic reforms.

For **Jordan** we are proposing relatively modest FMS credit and ESF levels focused on sustaining current readiness levels without major force improvements and on supporting ongoing development projects. Continuing U.S. assistance is essential to Jordan's ability to implement its commitment to the peace process. The remaining proposals directly supportive of Middle East peace will finance small-scale activities—including humanitarian and reconstruction efforts—in war-torn **Lebanon**, as well as economic and social development efforts throughout the area under the umbrella of the Middle East regional fund.

Strengthening coalition defense capabilities and concrete cooperative security arrangements with allies and friends in strategic points around the world is a cornerstone of our foreign and defense policies. This year's budget devotes some $2.8 billion to this essential goal. The largest programs under this rubric are those with partners in the North Atlantic alliance—**Spain, Portugal, Greece, and Turkey**. These strategically important nations are formally committed to collective security under the North Atlantic Treaty; three are participants in NATO's integrated military structure. Our programs enhance their ability to contribute to the alliance's strategy of deterrence and defense against the threat of Soviet aggression—a strategy which has successfully served the cause of peace for 40 years and in which security assistance has played a pivotal role. In more specific terms, the programs will provide financing for the procurement of major U.S. weapons systems, notably including the planned acquisition by Turkey and Greece of F-16 aircraft and Spain's ongoing purchase of F-18s.

Our programs in these four NATO nations also reflect close and specialized arrangements for bilateral cooperation. They are countries in which we maintain significant U.S. military bases and other installations. These facilities not only contribute to U.S. ability to help defend Western Europe but are an essential element in our global defense posture.

In the Pacific, our proposed programs support the equally important base arrangements we have with the Republic of the **Philippines**. The Philippine nation is an old friend and ally. The strategic, historical, and human ties that bind us together are strong. We have just been reminded of how real these ties are, as we have witnessed and admired the courage of the Philippine people and their devotion to democratic values. The new Government of the Philippines will need our continued help and support as it sets out to deal with deep-seated economic and social problems and the serious threat to internal security and democratic institutions posed by an entrenched communist insurgency.

In **Djibouti, Kenya, Liberia, Morocco, Oman, Panama, Somalia, and Sudan**, our proposed programs of security assistance are tangible evidence of a U.S. commitment to the integrity and security of these countries. For their part, these countries demonstrate that they share with us important international security goals by making available a range of facilities to enhance the mobility and strategic reach of U.S. forces. The linkage between the contributions on each side may not always be explicit, but it is real and understood.

In many areas of the world, free and friendly nations are facing external aggression, the threat of such aggression, or externally supported insurgency or subversion. These conditions not only put in jeopardy the security of the individual countries but also undermine the security of neighboring areas. They are a challenge to fundamental U.S. interests.

The FY 1987 program proposals we have submitted to the Congress will help deter North Korean aggression against the **Republic of Korea** and strengthen **Thailand's** ability to deter and counter the spread of Vietnamese aggressive activities across the Thai border with Cambodia. The $591 million combined ESF, FMS, and IMET program we are proposing for **Pakistan** will support that strategically located country in its continuing opposition to the Soviet invasion and occupation of Afghanistan, encourage internal economic and political development, and help provide the self-confidence needed to make progress in the nuclear nonproliferation area.

Closer to home, in Central America, our programs are essential. **El Salvador's** efforts to deal with an externally supported guerrilla and terrorist threat and to press forward with political, economic, and social reforms to meet the underlying causes of unrest directly depend on these programs. Our programs over the past 4 years have allowed the Salvadorans to gain the military initiative and make an enormously impressive start toward building permanent democratic institutions. Reducing or curtailing this program now would mean the abandonment of our considerable investment in resources and some blood. Worse, it would make a mockery of the enormous sacrifices the Salvadorans have made to build a future in a free society. Our proposals will promote similar economic and institutional reforms in **Honduras** and sustain the ability of both Honduras and **Costa Rica** to meet the threat posed by the excessive and expanding military forces of the Sandinista regime in Nicaragua.

U.S. assistance plays a key role in sustaining the self-defense capabilities of **Tunisia**, a voice for moderation in the Arab world. This friendly country faces a continuing threat from the aggressive policies of its neighbor, Libya. Similarly our logistics support programs for **Chad** will complement the direct combat support efforts of France and help strengthen the hand and the will of the Chadian Government against the threat of renewed attacks by Libyan-supported rebels. Our proposed program for the **Yemen Arab Republic** will improve the defensive posture of this buffer state between a Marxist and newly unstable and radicalized South Yemen and moderate nations of the Red Sea littoral. It will help balance Soviet influence in that country and region.

In a large number of recipient countries, the broad goal of our security assistance can be categorized as "regional stability." The program will help these countries to develop a credible capability for self-defense and at the same time encourage the implementation of broad reforms to address the imbalances and injustices which breed internal unrest and international tensions.

Among our neighbors and friends of the Caribbean, for example, our proposed programs will support the democratic Government of the **Dominican Republic** as it pursues the difficult austerity measures of a comprehensive economic adjustment program. They will play a similar supporting role in **Jamaica's** ongoing economic reform efforts and help sustain the Jamaica Defense Force as a major player in Caribbean collective security efforts. In **Grenada**, and the six other ministates of the eastern Caribbean, we propose a carefully tailored package of ESF, MAP, and IMET that will promote development and help these islands meet minimum

defense requirements to deter internal and external threats.

Complementing our other programs in Central America, we are proposing both military and economic assistance to **Guatemala.** We recognize that the military component is controversial. However, in the light of experience in other countries, we believe that such assistance, channeled through civilian authorities, can do much to help consolidate respect for democratic principles and institutions and contribute overall to the stability of the region.

Our FMS programs for **Indonesia** and **Malaysia** support the military modernization of these strategically located countries and encourages their continuing roles as moderate and constructive participants in the nonaligned movement. Our proposed assistance to **Burma** and the **Andean countries** of South America will strengthen the respective governments in their efforts both to combat insurgencies and control narcotics production and trafficking.

Our programs in many countries of **sub-Saharan Africa** seek to encourage regional stability primarily through economic and social development. These country-specific efforts will be complemented by the Africa economic policy reform program which addresses structural economic problems by providing fast-disbursing ESF funds as incentives to growth-oriented changes in policy, and it promotes better coordination with other donors of aid to the continent. The southern Africa regional program includes economic and developmental assistance to those countries which contribute to constructive solutions to the problems of southern Africa and assistance in education and other areas for South Africans who suffer under apartheid.

In many countries, especially those within the developing world, our security assistance relationship is essentially limited to relative small-scale activities under the IMET program. This very cost-effective vehicle produces immediate gains in enhanced military skills and professionalism in friendly participating countries. It exposes a key segment of foreign societies to U.S. strategic thinking and to American political and humanitarian values. Most importantly, it forges lasting personal ties that can provide access to future leaders and facilitate a range of constructive bilateral relations through years to come.

Security Assistance Mechanisms

At this point, I would like to discuss briefly a few of the more important security assistance mechanisms that allow us to maximize the effectiveness of our programs in a way that does not cause long-term economic suffering to our security partners.

As I noted earlier, the legislative modifications of recent years have provided us with much greater flexibility to tailor our programs to specific country situations and to the broad policy goals we are pursuing. Within the funded programs, we seek, where appropriate, a prudent and effective degree of concessionality in the mix of grants and loans. Notable among the innovations that are being used to good effect are the "forgiven" FMS credits for Israel and Egypt and the ability to provide a certain amount of concessional rate credit to those countries which, to one degree or another, can pay their own way on major defense acquisitions but cannot undertake the credit burden represented by U.S. Treasury rates of interest. Experience has now shown that the concessional alternative meets a genuine need, but the availability of this type of credit fell short of that need in FY 1986. Our projections indicate that requirements for concessional credit will grow rather than diminish in the coming year, and I strongly urge the subcommittee to give favorable consideration to our request for an increase in the concessional ceiling for FY 1987.

We share the concern of many in Congress that our security assistance loans not add unduly to the significant foreign debt burden already being sustained by many of our major program participants. It is, indeed, this concern that lies behind our request for expanded authority for concessional lending and which has influenced our higher request levels for the grant MAP. We are monitoring the country impact of security assistance loans on a continuing basis, and this impact is in the forefront of the various considerations we take into account in formulating country program proposals. In addition, we are undertaking a more comprehensive analysis of the foreign debt and possible solutions. Within the coming months, we expect to share with you some of the insights and conclusions that emerge from this effort.

It is clear both to us and our foreign partners that the special defense acquisition fund (SDAF) is becoming an effective mechanism for providing timely support of valid defense requirements. As SDAF items are now beginning to come off the production line, we are able to shorten delivery lead time and introduce a real revolving aspect into SDAF. To ensure that this trend continues, we need most of all a 2-year obligational authority so that we may better synchronize SDAF procurements with those of our military departments. In addition we are requesting $350 million in obligation authority for FY 1987, a level that can be supported with the capital and receipts from SDAF sales—without appropriations.

At the outset of these remarks I cited with satisfaction the constructive interaction of the Administration and Congress on the last 5 years' security assistance agenda and the resulting expansion and improvements in the program. This characterization is an accurate one in terms of the overall picture and the prevailing trend line. I must, however, underscore with equal frankness that the FY 1986 legislation produced serious shortfalls in funding for many of our major programs.

Earmarking, ceilings, and restrictive provisos further complicate the problem posed by program reductions. While each of these has its persuasive rationale, and often responds to genuine concerns which the Administration shares with the Congress, the cumulative effect is a marked increase in the legal and systemic rigidities to be faced in making the difficult but necessary tradeoffs of competing demands, in responding to unforeseen needs, and in capitalizing on short-lived opportunities.

If we are to continue to utilize security assistance as a highly effective tool of U.S. foreign and defense policies—and it is imperative that we do—we must not only have adequate resources but a legislative mandate that is sufficiently flexible to allow efficient management of these resources to meet policy imperatives.

Our security assistance program for FY 1987 was developed in full recognition of the funding constraints that face us all. But, it is a strong and assertive U.S. response to the serious and complex needs that must be addressed; we cannot walk away from our responsibilities. Like the defense budget, security assistance is an investment in the preservation of the freedoms and well-being of our nation and people. It encourages and makes possible other countries' contributions of human and material resources to complement U.S. efforts in the pursuit of shared goals.

The problems and threats that security assistance addresses are real and cannot be ignored. We must build on past successes and be prepared to meet upcoming challenges. Failure to move ahead steadily means losing ground and would have serious consequences. I strongly urge the support of this subcommittee, as well as that of your colleagues in the Congress, for our program proposals.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

FY 1987 Assistance Requests for Organizations and Programs

by Alan L. Keyes

Statements before the Subcommittee on Commerce, Justice, State, and Judiciary of the House Appropriations Committee on March 13, 1986, and before the Subcommittee on Foreign Operations of the Senate Appropriations Committee on May 15, 1986. Ambassador Keyes is Assistant Secretary for International Organization Affairs.[1]

STATEMENTS BEFORE SUBCOMMITTEE ON COMMERCE, JUSTICE, STATE, AND JUDICIARY, MAR. 13, 1986

It is a pleasure to appear before you today in support of our FY 1987 request of $432,930,000 for contributions to international organizations. As this is my first appearance before this subcommittee, I would like to discuss the goals and objectives I will pursue regarding U.S. participation in the multilateral arena.

The progress we have made over the past 4 years in halting the decline of U.S. influence in the United Nations gives us the opportunity to achieve more if we take the United Nations seriously in our foreign policy deliberations. Taking the United Nations seriously means asking how it can realize its original goals and principles; how it can be more useful to the United States and to the peoples around the globe it was founded to serve. One answer is that from a U.S. perspective, I believe the UN system offers potentially useful fora for explaining and promoting U.S. principles, values, and policies, both bilateral and multilateral. We must emphasize the essential political issues of terrorism, regional conflicts, human rights, and arms control, as well as international economic policy and the proper role of the United Nations in development.

We must create in the United Nations and in other international organizations a political environment that is conducive to the pursuit of well-articulated and carefully defined U.S. foreign policy goals and objectives. An element in pursuing our objectives is the formation of a reasonable coalition of support in the different fora of the United Nations and its specialized agencies. This is necessary because the political system at the United Nations functions as a system of blocs. These blocs control the political dynamics of the United Nations and are key to the diverse activities throughout the entire system. While the United States basically finds itself outside of the UN system of organized and informal "blocs," we can, nonetheless, achieve specific political and economic/social objectives which we have defined and articulated clearly. We must stress values and aspirations shared by Americans and the peoples of the Third World, though not always promoted or respected by their governments.

Our approach to the UN system recognizes the clear and compelling need for institutional reform since structural and procedural changes within international organizations shape substantive policies and programs. Thus reforms in administrative and decisionmaking procedures, particularly those affecting budgets and programs, could lead international organizations into choosing more responsible behavior and programs. Conditions today give us a unique opportunity for reformulating UN system decisionmaking procedures in significant ways.

Congressional action has helped us in our reform efforts. We view Section 143 of PL 99-93, the Kassebaum amendment, as an opportunity to achieve reforms to renew the efficiency and effectiveness of the UN agencies. Such reform efforts have been of interest to other member states as well. The Kassebaum amendment was enacted because Congress believes the United Nations and its specialized agencies have not paid sufficient attention in the development of their programs and budgets to the views of the major financial contributors to those budgets. I share this view.

Our efforts for implementing the Kassebaum amendment focused on the United Nations in the General Assembly. We had hoped that actions taken at the last session of the General Assembly would have provided sufficient grounds on which the Administration could justify seeking from the Congress a delay in implementation of the Kassebaum amendment. This was not the case. The General Assembly did call, however, for the establishment of a group of high-level intergovernmental experts to identify measures for improving the administrative and financial functioning of the United Nations. Demonstrating the seriousness of our interest in the group of experts, we nominated, and the President of the General Assembly appointed, former Ambassador Jose Sorzano to serve as the U.S. member of the group. We are fully supporting Ambassador Sorzano's active participation in the group. The group includes a number of impressive individuals and appears to be off to a good start. We expect the group to explore many possibilities, some of which could result in compelling recommendations to the 41st General Assembly.

As you are aware, the Gramm-Rudman-Hollings legislation required that we sustain an appropriation reduction for FY 1986 of 4.3%. We are not able to allocate the sequestration against each organization in the account since some agencies have been paid in full and others have outstanding balances of less than 4.3%. We have submitted a reprogramming request to the Congress reflecting this fact but also our desire to differentiate among agencies according to their responsiveness to U.S. interests. Therefore, our reprogramming request provides for reprogramming the reductions in three broad categories. Most organizations in the appropriation are subject to the full 4.3% sequestration. However, we have reduced the impact of the reductions for those organizations most responsive to U.S. interests and increased the impact for those organizations least responsive.

The imposed austerity of the present period requires tough decisions. The United Nations is not immune from this austerity. These decisions represent an opportunity to achieve the important reforms needed to renew the effectiveness of the United Nations and its specialized agencies. We want to cooperate with the leadership of the organizations, to strive for improved efficiency, and delivery of results. It would be counterproductive for the organizations to wring their hands and look for a bailout rather than taking the decisions the times require. The basis exists for a leaner, more efficient UN system, revitalized to face the challenges of the future. The question is whether the United Nations will let this opportunity slip by.

We see this situation as providing major donors with the leverage they need to press forcefully for program and budget reforms. We will seek greater donor influence at key points in the decisionmaking process and will enlist the assistance of other major donor nations to help us in this effort. We shall also insist that every stage of the program and budget process be made more transparent to member nations since the availability of this information is crucial to the exercise of donor influence. Currently in the United Nations and most other international organizations, the implications of program cost are not taken fully into account since programs and budgets are rarely considered in the same context. If we change the program decisionmaking procedure so that costs are taken into account in the process of making priorities and selecting programs, we can force organizations to choose between competing priorities. We will point out to member states that it is in their self-interest that the allocation of limited resources satisfy priorities that will produce material benefits for them.

I will turn now to the specifics of our FY 1987 request. As you know, U.S. assessed contributions may be grouped into four general categories:

United Nations and Affiliated Agencies	$298,151,000
Inter-American Organizations	89,106,000
Regional Organizations	37,376,000
Other International Organizations	8,297,000
Total	**$432,930,000**

Our budget request of $432,930,000 for FY 1987 represents a net decrease of 6.5%, or $30.1 million below the FY 1986 appropriation. The $30.1 million net decrease results from increases totaling $53 million, offset by decreases amounting to $83.1 million.

The $298.1 million request for the United Nations and affiliated agencies amounts to a net decrease of $49 million from FY 1986. This is a result of increases totaling $30.9 million, offset by $79.9 million largely attributable to the $79.1 million reduction pursuant to Section 143 of PL 99-93. Increases are the product of inflation and limited program growth in the budgets of the United Nations and other agencies.

The 1987 request for the inter-American organizations represents a net increase of $21.8 million primarily attributable to the fact that the FY 1986 appropriation funded only three-quarters of our requirements for the Inter-American Institute for Cooperation on Agriculture, the Organization of American States, and the Pan American Health Organization.

For the regional and other organizations, the FY 1987 request is $45.7 million, which represents a net decrease of $2.9 million from FY 1986. The decrease is largely attributable to exchange rate shortfalls in those organizations where the United States pays its assessment in a foreign currency.

* * * *

I appreciate this opportunity to appear before you in support of our request of $6,391,000 for the international conferences and contingencies appropriation.

This appropriation funds official U.S. participation in multilateral intergovernmental conferences, contributions for the U.S. share of expenses of new or provisional international organizations, and participation of U.S. congressional groups in interparliamentary unions. The FY 1987 request is for $6,391,000 in new budget authority. The program level of $7,743,000 is partially financed by the $1,352,000 unobligated balance carried forward from 1986. The program level consists of $6,951,000 for conference participation, $552,000 for contributions, and $240,000 for the participation of U.S. congressional groups in interparliamentary unions. Included in our request for conference participation is $1,650,000 for continued participation in the mutual and balanced force reductions (MBFR) negotiations.

The FY 1987 request reflects a net increase of $391,000 over the FY 1986 appropriation. The net increase is the result of a decrease in the amount of money available from prior years, price increases, and a reduction in travel costs for FY 1987.

* * * *

It is a pleasure to appear before you today in support of our request totaling $53,900,000 for contributions for international peacekeeping activities.

As you know, the appropriation for contributions for international peacekeeping activities provides funding for the UN peacekeeping forces on the Golan Heights and in southern Lebanon. The UN Disengagement Observer Force (UNDOF), established in 1974, monitors the disengagement agreement on the Golan Heights. UNIFIL, the UN Interim Force in Lebanon, was established in 1978. Its consistent objective has been to aid, where possible, in restoring the authority of the Lebanese Government in southern Lebanon. Its objective, shared with others and consistent with U.S. policy generally, is to stabilize conditions in that troubled area. In recognition of the collective financial responsibility of all members for the maintenance of peace and security, the expenses of these forces are apportioned by the UN General Assembly in accordance with Article 17(2) of the Charter. Our FY 1987 request of $53,900,000 will enable us to meet our assessed contributions to support these forces.

STATEMENTS BEFORE SUBCOMMITTEE ON FOREIGN OPERATIONS, MAY 15, 1986

It is a pleasure to present the President's FY 1987 budget request of $186 million for the international organizations and programs account. This request will fund U.S. voluntary contributions to development, humanitarian, and scientific assistance programs of the United Nations and the Organization of American States.

Before addressing the specifics of our request, I wish to comment in general on it and some of the key differences between the FY 1987 request and previous requests.

First, the total request level for FY 1987 is markedly below the amount appropriated for FY 1986, and even less than the amount requested for FY 1985. This reflects both the overall budget constraints which the Administration and the Congress recognize must be observed and, in view of these constraints, a realistic assessment of what can be achieved by the programs and activities funded through this account.

At a time when the Administration and the Congress are living with

Gramm-Rudman-Hollings, we must seek only the minimum essential requirements to support multilateral foreign policy objectives. The U.S. contributions to these organizations must be considered in relation to all other claims on the Federal budget. When domestic programs are subject to severe and unavoidable budgetary stringencies, we cannot ask to exempt multilateral foreign assistance programs.

The multilateral organizations covered by this account have programs of technical assistance which are administered through governments. While these programs are not central to the development effort, they can play an important catalytic role—and this is the way they can be most effective. We must be realistic about what the programs and activities funded through this account can achieve.

Working within the severe budgetary constraints we face, and understanding the important but limited roles these programs play, forced us to make some hard choices. No longer could we continue business as usual; with the reduced resources available, we had to rethink our priorities. We had to recognize and tailor our request to the fact that some programs in this account more directly serve specific U.S. interests than others. We have distributed the reduction in the account to maintain funding levels for those programs directly serving specific U.S. interests while still maintaining an appropriate U.S. leadership role in the other important programs.

Given the severe austerity we face, this is not a time for wringing our hands. Rather it provides us with an opportunity to consider programs in the light of these resource constraints. The result is a request that seeks to define clearly what constitutes our interests and to determine how well those interests are served.

Having set forth our overall concerns, I would now like to focus on the individual programs within the account.

The largest item in the account is a $102.5 million request for the **UN Development Program (UNDP).** Although it remains the largest, the amount represents the lowest request for UNDP since FY 1977. Why is the request so low when a central and longstanding U.S. policy has been to strengthen the UNDP as the primary source of funding and overall coordinator for technical cooperation activities conducted by UN system agencies and programs? There are two reasons.

First, the requested level of support reflects current fiscal reality and the size of the UNDP item in the account means it has to bear the brunt of the cuts required. **Second,** in the face of fiscal reality, we have had to fund activities which most directly serve U.S. interests. While UNDP continues to be important, it tends to serve only general U.S. interests.

The second largest item in our request is $34.2 million for the **UN Children's Fund (UNICEF).** We have increased this item over our FY 1986 request. This increase acknowledges that UNICEF's approaches have generally been consistent with U.S. development assistance priorities and that UNICEF complements and reinforces U.S. bilateral assistance. Therefore, we believe UNICEF is deserving of a larger allocation.

The third largest item in our request is $20.5 million for the **International Atomic Energy Agency (IAEA).** This request level is the same as in FY 1986 and 1985. U.S. interests in nuclear nonproliferation are *directly* served by the IAEA's worldwide safeguards program. U.S. voluntary contributions to safeguards will help the IAEA improve existing safeguard techniques. Assistance to the IAEA technical cooperation program will be in the form of equipment, U.S. expert services, fellowships, and training courses. Our assistance to both the safeguards and technical cooperation programs directly strengthens the commitment of developing countries to our nonproliferation goals. Direct support in the form of technical cooperation for those countries that are signatories to the Nonproliferation Treaty is funded through this account.

U.S. policy seeks to preserve and strengthen the effectiveness of the **Organization of American States (OAS)** as a forum for dealing with issues important in this hemisphere. OAS members look to the United States for support in what they consider to be their primary concern—technical assistance for development. Although our request of $13.95 million represents a 10% decrease from our FY 1986 request, we believe it demonstrates the continued U.S. commitment to the inter-American system and will influence the level of support which the United States can expect from other OAS members on issues of concern to us, including respect for human rights and preservation of an environment conducive to fair trade and private investment.

Our request for $6.8 million for the **UN Environment Program (UNEP)** more than doubles our FY 1986 request. The increase recognizes that UNEP's activities parallel U.S. interests and, therefore, complement and aid U.S. environmental efforts. This does not mean that we are wholly satisified with our relations with UNEP. We continue to have major problems placing Americans in key positions in the UNEP Secretariat, and we are working hard to improve that situation. But we recognize that UNEP's multilateral program promotes cooperation in regional problems, such as marine pollution and desertification, and its global mandate enables it to address issues, such as carbon dioxide buildup and ozone depletion. We believe that a contribution of $6.8 million, representing about 24% of their anticipated income, reaffirms strong U.S. support for UNEP while at the same time clearly indicating that we believe it is time for other nations to begin contributing a greater share toward UNEP programs.

The request for $2.3 million for **International Convention and Scientific Organization Contributions (ICSOC),** is related to the U.S. withdrawal from UNESCO. With the U.S. withdrawal, the United States no longer contributes its share of costs for some specific activities supported directly by UNESCO which significantly benefit U.S. domestic interests. The programs proposed for funding under the rubric, International Convention and Scientific Organization Contributions, protect the more important, direct benefits to American scientific, educational, cultural, and business communities formerly derived through U.S. membership in UNESCO. ICSOC will finance continued U.S. participation in critical UNESCO activities such as the Universal Copyright Convention, the Intergovernmental Oceanographic Commission, and the Man and the Biosphere program.

The World Meteorological Organization's (WMO) voluntary cooperation program enhances the capacity of developing countries to participate in the World Weather Watch. The participation of the developing countries directly benefits the United States because it enables the United States to obtain otherwise unavailable data that is necessary for our national weather forecasting requirements. To assist in funding this program, we are seeking $2 million for FY 1987.

The **UN Capital Development Fund** provides seed capital, on a grant basis, for small development projects requiring

only low- to moderate-level technology. Because of their size, these projects might not attract financing by multilateral development banks. Our request of $1.8 million will enable the fund to continue to assist in projects financed jointly with bilateral agencies and other multilateral institutions.

The **UN Educational and Training Program for Southern Africa** is designed to provide students from South Africa and Namibia with education and training opportunities denied them in their own countries. The objective is to enable these young people to play a full role in their societies as they become independent or as majority rule is achieved and to demonstrate our commitment to the process of peaceful transition in southern Africa. We are requesting $900,000 for this program.

Although it is not a new item, the **UN Development Fund for Women (UNIFEM)** has a new name. Formerly named the UN Voluntary Fund for the Decade for Women, UNIFEM provides financing for the activities of the decade after its conclusion in 1985. UNIFEM is now a separate, identifiable entity in autonomous association with the UNDP. Our contribution of $450,000 will supply critical financial support to enable UNIFEM to integrate itself into the mainstream of development activities, yet maintain its autonomous purpose and identity. We are working with the fund to strengthen its budgetary practices and management to assure that these monies will be used effectively.

Our $300,000 request to help fund the **UN Industrial Development Organization (UNIDO) investment promotion service** office in New York represents a 50% increase over our FY 1986 request. We have requested this increase because promotion of private sector development is a major U.S. priority both in international organization affairs and in development assistance. We believe this increase is essential because the Congress totally eliminated this important activity from the FY 1986 appropriation. UNIDO's investment promotion service represents the clearest recognition within the UN system of the importance of private investment capital in the development process. The program stimulates the private sector in developing countries with a catalytic impact upon their domestic economies. The New York office provides a significant service to the U.S. private sector by providing information on investment opportunities in developing countries, which leads to increased markets for U.S. goods and services. It also directly benefits the U.S. private sector by assisting representatives from developing countries to establish contacts in U.S. industry. I note that only the United States among the seven countries which host similar investment promotion offices does not fully fund those entities. Furthermore following UNIDO's conversion to specialized agency status on January 1, 1986, we are anxious to encourage opportunities for the private sector to participate in UNIDO activities.

In 1987 the **Convention on International Trade in Endangered Species (CITES)** will continue its role as a major contributor to international conservation and the primary international mechanism governing international trade in wildlife. CITES will continue work on major projects such as the investigation of legal and illegal trade in key species. Our request includes $200,000 for CITES.

Although the **UN Voluntary Fund for Victims of Torture** is not new to this account, this is the first time that the Administration has sought funding for it. The Board of Trustees expects 1986 to be the year when the fund comes fully of age and 1987 to be the year when the fund expands its activities from its present purely medical concentration to include some social services to victims of torture and their families. A U.S. contribution of $100,000 is requested for this worthy project.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

A Democratic Vision of Security

by Elliott Abrams

Address before the Inter-American Defense College on June 13, 1986. Mr. Abrams is Assistant Secretary for Inter-American Affairs.

Thank you for inviting me to address this 25th commencement of this institution, which has rendered outstanding service in support of military professionalism and inter-American cooperation.

The New Era of Democracy

We live in an extraordinary period. Democracy is on the rise in our hemisphere. It is transforming political and social conditions. The stereotype of the Americas as a hemisphere of military dictatorships is obsolete.

The democratic tide is very strong. Ten years ago, only 30% of Latin Americans lived in countries whose governments were democratic; today, 90% live in countries whose governments honor democratic practices. Nor is this change the result of exhortations from the United States. It is the product of a uniquely Latin American experience. The past 40 years of economic and political ups and downs have given new force to aspirations for freedom, development, and national dignity. Latin America finally has a real opportunity to escape the classic cycle of unstable alternation between civilian governments that lack the authority to govern and military governments that lack the legitimacy to last.

This historic development has far-reaching implications, and we must all adapt to its new realities. For the United States, we welcome the trend to democratic government. We see in it a basis for both greater security and greater well-being. And we believe that democracy can both cause improved cooperation among our governments and be strengthened by cooperation among us. We are, therefore, adapting our actions and our programs to support democratic forces and institutions whenever we are in a position to do so.

Democracy and the Military

For those of you who will now return to places of leadership in the military services of Latin America, there will be adjustments, too. Gone are the days when the coup d'etat was an option that could be exercised without local or international costs by military leaders arrogating to themselves the right to decide for their nation.

Your generation must be a generation of pioneers. You are now the guardians of the new democracies. Your highest calling must be not to replace failed regimes but to protect successful democracies. You must succeed in the task of forging a new vision of security in which democracy is the cornerstone,

not a luxury; where free and open political competition is an ally, not an impediment to peace and development.

Your success or your failure will matter to all of us. No institutions are more important to the protection of democracy than the ones you represent as officers from the armed forces of 16 different countries of the Americas.

Dangers

There are many dangers to security in the hemisphere today. The emergence of illegal drug production and trafficking on a massive scale is rapidly becoming a regionwide menace. The *narcotraficantes* threaten public order through corruption and violence even when they are not explicitly tied to terrorists and other subversives with political objectives. And their growing power and the corruption it breeds endangers not only civilian institutions but *yours*. You and your fellow military officers must guard your institution against this cancer. You must be relentless in fighting the traffickers: your institutions, your honor, and the freedom of your societies are at stake.

Another danger is the use of democracy as a screen behind which to protect privilege and the power of minorities. The parading of democratic forms without their substance can take many guises. Elections might be held, but, without genuine competition, the results are a foregone conclusion. Assemblies and legislatures might meet but have no real power. Constitutions might be written but never be respected.

In 1974 the Catholic bishops of Nicaragua gave a name to this kind of abuse. When Anastasio Somoza manipulated the constitution and the laws of Nicaragua to guarantee his reelection, the bishops called his actions a form of "legal war." When the law is used to oppress, the abuse serves only the enemies of democracy.

In Nicaragua, the natural inheritors are the Marxist-Leninists. Today, the Sandinistas cynically repeat the charade: they clothe their new dictatorship in elections, draft constitutions, and other ostensibly democratic trappings while moving steadily toward totalitarianism. But there are also major differences with the past: their repression is worse and more pervasive. As communists, the Sandinistas seek not merely dictatorial power but the complete remaking of the social order. Their ideology is also expansionist, and they operate as an instrument of Soviet power. This creates new dangers for the hemisphere.

One of these dangers is terrorism and subversion. The guerrillas in El Salvador and their Nicaraguan and Cuban sponsors have abandoned politics for armed struggle. They and others like them believe their swords will prove mightier than the pens wielded by the voters. Together, we can prove them wrong. We can use the pen to craft laws and practices that will eliminate the grounds on which they attack us. And we must stop with the sword those who do attack with the sword.

And as we respond, we must be careful not to fall into the trap of new extremisms, whether of the left or the right. Overreaction will only discredit us. We must guard against fighting the enemy indiscriminately with an excess of zeal or an excess of force. To lose sight of the values we defend is to help our enemies.

Still other dangers to democracy come from irresponsibility and impatience. Economic growth and responsible democratic government are *not* easy. It takes time to produce economic growth that will benefit the society as a whole. It takes time for democracy to establish its roots and for all citizens to understand the benefits that will accrue from supporting and participating in the democratic system. And it takes time to develop the solidarity necessary to ensure long-term international cooperation and mutual assistance among democrats.

So your duty is to be patient, to help preserve public order as requested by constitutional authorities, and to administer your own institutions so as to contribute to citizen confidence in the fairness and effectiveness of public administration. We in the United States

Central America Negotiations

WHITE HOUSE STATEMENT, MAY 22, 1986[1]

The United States has followed closely the recent negotiations among the five Central American governments to resolve the conflict in that region. We note that at the meeting in Panama on May 16–18, the Governments of Guatemala and Costa Rica, with the support of the Governments of El Salvador and Honduras, offered constructive proposals for resolving important security issues. We also note that representatives of the Government of Nicaragua stated their strong opposition to the positions presented by the four democratic countries of Central America.

The position of the United States has remained constant toward the negotiations arranged through the good offices of the Contadora group as well as other efforts to promote a negotiated solution in Central America. It is an objective of U.S. policy in Central America to seek the resolution of regional disputes and conflicts through dialogue and the achievement through negotiations of political settlements with verifiable agreements. Philip C. Habib, the President's special envoy for Central America, has been working to achieve this objective through his consultations with the countries involved.

The objectives of the United States in Nicaragua remain as follows:

(1) Implementation of the democratic commitments made by the Sandinista movement to the Organization of American States in 1979;

(2) Termination of Nicaragua's support to Marxist/Leninist subversion and guerrilla activity in any foreign country;

(3) Removal of Soviet bloc and Cuban military and security personnel and an end to Nicaraguan military cooperation with communist countries;

(4) Reduction of the Sandinista military apparatus to a level which would restore military equilibrium in Central America.

These four objectives are equal in importance. The implementation of the 21 objectives agreed to by the five Central American countries in September 1983 would achieve these four objectives. The United States would support a treaty which would achieve all 21 points in a comprehensive settlement in which all political and security commitments are simultaneously implemented, with concrete verification procedures to ensure compliance by all five parties. The United States would not consider itself bound to support an agreement which failed to achieve in a verifiable manner all the agreed objectives of the Contadora Document of Objectives.

[1]Text from Weekly Compilation of Presidential Documents of May 26, 1986. ■

have a similar duty: we must remind ourselves that complicated development and security problems require long-term solutions that do not come overnight. We must be persistent.

There is one final danger I want to mention. It is the vulnerability created by distrust and even contempt among the military toward civilians and among civilians toward you. A democratic strategy of national security requires the overcoming of traditional antimilitary and anticivilian attitudes. Too often civilians and military travel in different circles and lack extensive cross-communication and awareness of each other's concerns. The supremacy of constitutional authorities must be accompanied by mutual trust and close cooperation. A stable democratic system requires increased contact and communication within the nation as well as with other democracies.

Responding to These Challenges

The United States and Latin America share a common interest in the defense of democracy. The Inter-American Treaty of Reciprocal Assistance affirms as a manifest truth that "...peace is grounded on...the international recognition and protection of human rights... and on the effectiveness of democracy for the international realization of justice and security."

But while we have a common purpose, the requirements of national security differ from state to state. We in the United States must, above all, meet the threat of Soviet military power to global peace and development. You in Latin America also face external enemies, but they are often enemies who fight you from within, using communist subversion, terrorism, or narcotics production and trafficking.

How you respond to the immediate and direct threats of drugs, terrorism, and subversion will determine the future of your institutions and the survival of democracy for your generation. In fact, the success of democracy, the defense of the nation's honor, stability, and economic progress will, in large measure, depend on your ability to deal with these particular dimensions of security. Your skill will be measured by your contributions to saving your countrymen from these threats.

These are awesome challenges. They will require great professionalism. And that, in turn, will require new equipment, better intelligence, and the training and education to use both effectively. Military training must be as high a priority for you as it is for us. I hope you will all pass on to your fellow officers at home as much as possible of the knowledge you have gained while you have been in Washington.

In strengthening military institutions, we must take care not to create new threats to democratic rule. By necessity, your role becomes a large one when you are called upon to fight guerrillas, terrorists, and drug traffickers. These tasks require sizable forces with substantial resources. But the very enlargement of military forces to protect democratic institutions can threaten those very institutions when the military dwarfs civilian institutions and assumes some of their functions.

This paradox poses a danger that we must all guard against. It is a danger that has been averted in Honduras and El Salvador. In both these countries, major threats to democracy forced an expansion of military size, power, and capabilities. Yet, in both cases, military expansion has not led to an erosion of civilian authority. In both countries, the rule of law, respect for institutionalism, effective civil-military coordination, and the capacity for international cooperation have been strengthened.

Events in Central America have demonstrated that, just as democracy must be defended, so also must dictatorship, injustice, or intolerance be unhesitatingly opposed. Abusers of human rights cannot claim that they are acting in the name of "democracy." Their actions only help the violent and totalitarian left, the true enemies of democracy. Their values are not our values. Their means leave us less secure.

Political authorities have a special obligation, too. It is to fight subversion by attacking the conditions that give the enemies of democracy a fertile environment in which to gain adherents. We must not allow the communists to be the only party that approaches poor *campesinos* with a message of concern and respect. Neglect must be replaced with policies that extend the benefits of democracy to all citizens.

Pan American Day and Week, 1986

PROCLAMATION 5459, APR. 14, 1986[1]

The peoples of the Western Hemisphere are bound together by a shared belief in peace, prosperity, justice, and freedom.

The Organization of American States is the embodiment of that common commitment to these basic principles through its Charter and the Rio Treaty. As one of the oldest international organizations in existence, the OAS has worked vigorously to broaden peaceful exchanges between the peoples it represents and the world community; to reduce the tensions and conflicts arising within the Hemisphere; and to stoutly resist aggressive threats from outside. The record of the OAS in the peaceful settlement of disputes, the promotion of democratic values, and the protection of human rights has earned worldwide respect and admiration.

The Charter of the OAS clearly expresses the belief of the peoples of the region in the effective exercise of representative democracy. There are currently more democratic states in this Hemisphere than at any other time in history, an eloquent witness to the solid progress in this area.

Recently, the OAS began an effort to revitalize the inter-American system, to enhance its peacekeeping role, to strengthen its dedication to human rights, and to increase its effectiveness in improving living conditions for all who dwell in this Hemisphere.

On this Pan American Day of 1986, the people of the United States extend a warm and friendly greeting to all our neighbors in the Americas. We reaffirm our active support for the Organization of American States and the goal of Hemispheric amity and solidarity. We renew our solemn commitment to those principles to which the members of the OAS wholeheartedly pledged themselves at the December 1985 General Assembly in Cartagena.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim Monday, April 14, 1986, as Pan American Day, and the week beginning April 13, 1986, as Pan American Week. I urge the Governors of the fifty States, and the Governor of the Commonwealth of Puerto Rico, and officials of other areas under the flag of the United States of America to honor these observances with appropriate activities and ceremonies.

In Witness Whereof, I have hereunto set my hand this fourteenth day of April, in the year of our Lord nineteen hundred and eighty-six, and of the Independence of the United States of America the two hundred and tenth.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Apr. 21, 1986. ■

In this sense, the rise of democracy in the hemisphere satisfies the imperatives of a comprehensive security policy. We will find security in the construction of open, inclusive, and democratic political orders.

Conclusion: A New Vocation

So, this is a historic moment, a moment that calls for new roles, based in a new democratic vocation. It is a moment that you can seize by acting in the best traditions of your institutions—and, in doing so, preserve your integrity, serve the people, and protect their freedom.

Twenty-five years ago, when the Alliance for Progress was first launched, the entire hemisphere seemed to discover that there could be no long-term security without economic development. Today, we are learning a new lesson: in addition to the nexus between security and development, there is a second nexus—this one between security and democracy.

And the essence of our democratic vision of security is this: there is no contradiction between our Western values and our strategic interests. They are essential to each other. This applies equally to makers of foreign policy and to men in uniform; to the United States and to any nation in Latin America. We are only able to defend democracy, and we are only worthy of defending it, when we respect and honor its basic principles: the dignity of the individual and the protection of his God-given rights. By joining ranks in the struggle for democracy, we will put ourselves and our people in a position to achieve the hemisphere's highest aspirations. ■

Visit of Honduran President Azcona

(White House photo by Terry Arthur)

President Jose Simon Azcona Hoyo of the Republic of Honduras made an official working visit to Washington, D.C., May 26–29, 1986, to meet with President Reagan and other government officials.

Following are remarks made by the two Presidents after their meeting on May 27 and the text of a joint communique.[1]

REMARKS, MAY 27, 1986

President Reagan

It's been my honor to welcome to Washington and to confer with President Azcona of Honduras. And we've had extremely useful discussions today. We both expressed our appreciation for the positive and solid relationship that our two countries enjoy. We reviewed recent developments in Central America, including the summit meeting this past weekend.

President Azcona and I are in full agreement on the necessity of working for greater economic growth in Central America and the importance of democratic institutions to the cause of peace in the region. I reaffirmed the commitment of the United States to cooperate closely with Honduras, both in helping to build its economy and in bolstering its democracy. I expressed to President Azcona my personal thanks and that of the American people for his government's responsible stand on regional issues.

Our two governments share a serious concern over the threat to peace, stability, and freedom posed by the communist regime in Nicaragua. The Nicaraguan communists, with extensive Soviet and Cuban support, persist in repressing their own population and in backing the subversion of their democratic neighbors. This endangers all of Latin America and ultimately the United States as well.

In this regard, I underscored to the President our promise to stand by Honduras in defense of its national sovereignty and territorial integrity, as is in accordance with our reciprocal international rights and obligations. A joint communique will be issued today reiterating this mutual commitment.

President Azcona and I agree that our countries and the other democracies in the region must act together to end the conflict that plagues Central America, but it's not just up to us.

Securing regional peace will require an end to communist aggression as well as national reconciliation and democratization within Nicaragua. Honduras has been diligent and persistent in its pursuit of a comprehensive and verifiable solution within the framework of the Contadora negotiations, and, Mr. President, you have our support in these efforts.

The United States continues to believe that a realistic and enforceable agreement, based on the full implementation of the Contadora Document of Objectives, is one way to bring peace to Central America.

And finally, it was a great personal pleasure to meet President Azcona. I look forward to continuing our work in the same spirit of friendship and respect that was so evident in our meeting today.

President Azcona[2]

It has been a great pleasure to talk with President Reagan. I believe that these exchanges of views, held in a climate of great cordiality and frankness, are always beneficial, because they lead to greater understanding and a better relationship between our governments and peoples.

With President Reagan, we have reviewed the various aspects of the harmonious bilateral relations between our two countries. I am happy to say that in the economic field he was receptive to the points I made to him. So, I am certain that his great country will give broad support to the measures which my government is taking to reactivate the Honduran economy and reduce our present high unemployment levels, as a compliment to Honduran short- and medium-term efforts, all without neglecting our security needs.

I have told President Reagan about the efforts we are making in Honduras to develop our country. In this context, I reiterated the fact that our government assigns the highest priority to foreign investment, while at the same time recognizing that at present we also require the participation of government and the cooperation of friendly countries, among which the United States is one of our closest.

Because of the fact that we believe in the necessity of offering the foreign investor a climate of tranquility, encouraging his participation in the effort being made by Hondurans to develop our country, and of offering him guarantees which ensure the protection of his legitimate rights, I have authorized the Foreign Minister to sign during this visit the treaty on the settlement of investment disputes between states and nationals of other states. This treaty will provide the foreign investor in Honduras with access to international legal mechanisms of recognized impartiality and competence, which together with those offered by Honduran law will guarantee to him the full enjoyment of his rights.

In the political field, we reaffirmed our identity as a regime governed by rule of law and based on the effective exercise of democracy and on respect for human rights.

When we examined the situation in Central America, we noted with concern that conditions jeopardizing peace and security still exist. We agreed that major new efforts must be made to find a negotiated solution to the crisis, based on concrete actions for national reconciliation, on free and honest elections, on disarmament, and in general, on the creation of a climate in which freedom and security for all can guarantee the economic and social development of the peoples of Central America. To that end, it is necessary to conclude fully verifiable, juridical arrangements among the Central American States.

President Reagan reiterated to me that, in accordance with the special security relationship which exists between our two countries, as long as grave threats to Honduras security and to the stability of our institutions persist, the Government of the United States will be prepared, in the case of armed aggression against Honduras, to render it any necessary assistance which the Honduran Government may request.

Finally, I would like to say how very gratified I am that in the course of this visit, the relations of friendship and cooperation which exist between Honduras and the United States have been strengthened within a framework of trust and mutual respect.

JOINT COMMUNIQUE, MAY 27, 1986

The Presidents of the United States of America and the Republic of Honduras, meeting in Washington, D.C., on May 27, 1986, recognizing the continuing seriousness of the Central American crisis and the need to take appropriate measures to protect the mutual security of their respective countries, issue the following communique:

The Presidents reaffirmed the joint communique issued in Washington, D.C., on May 21, 1985, with particular reference to the review of the security relationship. The two Presidents reiterated their governments' intention to continue to work closely together in the face of the serious threats to the peace and security of both countries through mutual assistance and the development of defensive capabilities. To this end, the Government of the United States will continue to cooperate, as necessary and appropriate, in the strengthening of Honduras' defenses and the modernization of its armed forces.

The Government of the United States further reiterated its firm and unwavering commitment to cooperate in the defense of the sovereignty and territorial integrity of Honduras in accordance with the reciprocal rights and obligations relating to legitimate individual and collective self-defense and the use of armed force, as expressed in the Inter-American Treaty of Reciprocal Assistance, the Charter of the United Nations, and the Charter of the Organization of American States.

In view of the close cooperation in the two countries' political and security relationships and the very serious security threats that exist in Central America, the Governments of the United States and Honduras reaffirmed the rights and obligations in the three above-mentioned instruments, including Article 3 of the Inter-American Treaty of Reciprocal Assistance, Article 51 of the Charter of the United Nations, and Article 21 of the Charter of the Organization of American States.

In case of an armed attack against Honduras, the United States will take appropriate measures, consistent with the rights and obligations cited above, to consult with and to support the Government of Honduras in a timely and effective manner in its efforts to defend its sovereignty and territorial integrity against communist aggression.

The two Presidents recognizing the importance of democratic political and economic development to ensure peace and the economic and social well-being of the region's people, reaffirmed their intention to enhance bilateral cooperation to achieve the economic prosperity and to strengthen the democratic social development of Honduras. In this regard, the Government of the United States reaffirms its intention to disperse during this year the full $61.25 million available from 1986 United States Economic Support Funds to assist the implementation of the economic stabilization program recently announced by the Government of Honduras.

The two Presidents also reaffirmed their conviction that Central America can achieve its full development only in a climate of peace and complete freedom. In this sense, they reiterated their firm support for the efforts undertaken by the four Central American democracies to conclude a comprehensive and

verifiable agreement for peace and democracy in Central America through the Contadora process. In particular, they noted the need for a treaty in which all commitments are fulfilled simultaneously and which provides for the clearly verifiable implementation of national reconciliation, democratization, and the limitation of armaments and troops. Such an agreement would guarantee the exercise of democracy in the five nations of the region.

[1]Text from Weekly Compilation of Presidential Documents of June 2, 1986.

[2]President Azcona spoke in Spanish, and his remarks were translated by an interpreter. ■

U.S. Policy on Central America: The Need for Consensus

by James H. Michel

Following is based on an address for the "Great Decisions" series in Fayetteville, North Carolina, on April 17, 1986. Mr. Michel is Deputy Assistant Secretary for Inter-American Affairs.

Two propositions can help focus an analysis of the making of U.S. policy toward Central America.

First, that the Central American democracies are making impressive strides toward creating free and productive societies. They need and deserve our sustained support, and it is in our national interest to give it. A stable peace in Central America is important to political, social, and economic development of the region.

Second, that a peaceful settlement in Central America depends on internal reconciliation in Nicaragua. Unless the Sandinistas realize that they cannot crush their opposition through political repression and force of arms, internal reconciliation will be impossible. In these circumstances, U.S. support for the democratic resistance advances our interests in a manner consistent with our principles.

There is a broad consensus in support of the first of these two propositions. This second proposition is more controversial. Put differently, there is growing consensus on our objectives in Central America, but the means of achieving our aims remain the subject of debate in the Congress and within the public. Because of the inextricable links between the situation in Nicaragua and all other Central American issues, effective and coherent policy requires that this ongoing debate be brought to a conclusion.

The Progress of Democracy in Central America

First, let's look at democracy in Central America. On May 8, Costa Ricans will celebrate the inauguration of a newly elected president. This is not an exceptional event. Costa Ricans have gone to the polls and elected new presidents every 4 years for decades. Everyone expects that their elections will be conducted fairly and efficiently and that the results will be respected. These expectations have been regularly fulfilled.

More exceptional was the inauguration on January 27 of an elected president in Honduras to succeed a president who had himself been popularly elected. Consecutive transitions based on such explicitly democratic procedures had not occurred in Honduras for 60 years.

On January 14, another exceptional event occurred in Central America. A popularly elected civilian president was inaugurated in Guatemala for the first time in 20 years.

And in El Salvador a popularly elected president is completing his second year with growing confidence that he can implement his programs, complete his term, and see an elected successor take office. The success of democracy in El Salvador is by no means assured, but progress in the past 2 years has been impressive.

U.S. policy in Central America seeks to support and encourage just such progress: the consolidation of democratic governments, responsive to their people through regular, periodic elections—governments that are more capable of meeting demands for social justice, individual freedom, equitable economic development, and security. In the past this had not always been the principal focus of U.S. policy. That it is the foundation of our policy today is the product of a process involving many participants—in the executive and legislative branches and outside the government.

Perhaps most important, it is the basis for the growing consensus that undergirds our policy in the region.

Democracy and Consensus

We have learned some important lessons in our experience with Latin America. One of the most important is that democratic governments, because they must be responsive to their people, tend to be good neighbors, better able to achieve domestic stability, and more resistant to subversion. Democratic governments are more reliable as signatories to agreements because their actions are subject to public scrutiny.

We, as a people, are more comfortable dealing with democratic governments than with authoritarian regimes—our common interests are better understood. A foreign policy that supports democracy is consistent with our values and capable of garnering broad, enduring public and Congressional support.

Just a few years ago, many in this country would have thought a scenario of democracy sweeping Latin America with the full backing of the U.S. Government a pipedream. Even today, after all that has happened, skeptics remain. It has been difficult for us, as a nation, to discern what was taking place in the hemisphere. And the policy consensus lagged, first in recognizing what was happening and second in supporting initiatives aimed at reinforcing the democratic trend.

After years of controversy, the United States is establishing credibility on this issue—in the hemisphere and at home. The Carter Administration deserves credit for increased emphasis on individual human rights. Under President Reagan, the effort has evolved. Active support for democracy was the keynote of President Reagan's address to the British Parliament in June 1982. The record of our relations with Argentina, Bolivia, El Salvador, Guatemala, Honduras, Peru, Uruguay, and most recently Haiti is clear. We seek democracy and not a return to dictatorship anywhere in Latin America. This policy applies with equal force to Nicaragua.

The trend toward democracy in Latin America gives hope for achieving a consensus on what to do about Nicaragua. I think no one would quarrel with the fact that a democratic

Nicaragua would be in the best interests of the Nicaraguan people, Nicaragua's neighbors, and the United States. Only Cuba, the Soviet Union, and their Nicaraguan communist proteges would be disappointed.

Competing Perceptions of Reality

Despite increasing agreement on the importance of democracy to Nicaragua, we still are having trouble agreeing on how to get from here to there and whether it is even possible to do so. Why? I believe it has to do with perceptions.

Definition of the facts and of policy is important, because effective, consistent foreign policy requires a measure of consensus among the public and between the Congress and the Executive. The President is responsible for the conduct of foreign policy, but he needs resources. To get those resources and to know that they will be there over a period of years, he must have the approval of a majority of both Houses of Congress. And Members of Congress who must vote to grant or deny that approval are very interested in what their constituents think.

Perceptions of what is happening abroad, of U.S. interests, and of the nature of our policies affect the prospects for achieving the consensus needed to provide those resources. As you have read in the "Great Decisions" publication prepared for this meeting, a range of individuals and organizations become involved in building the consensus. Each, according to its own perspective, tends to assert a version of the facts and to interpret events in order to influence policy.

Decisionmakers, legislators, citizens, and kibitzers are inundated with information and analysis. The President receives reports from resident diplomatic missions, the intelligence community, key advisers, and foreign leaders. Members of Congress and their staffs travel frequently to the region and receive visitors from Central America with great frequency. The press and countless private organizations and individuals augment these official contacts.

And through the cacophony—of allegations, investigative journalism, academic research, State Department reports, fact-finding missions, Soviet-style disinformation campaigns, expert testimony, intelligence briefings, revelations by exiles and defectors, and views of foreign diplomats and international bodies—there emerges a picture of what is happening.

Because we have a free market of information and ideas, sometimes the picture challenges interpretation. Some sources of "information" wish to deceive. Some are misled. Many emphasize "facts" which support prior opinion. It is a fundamental tenet of our free society that no one has a monopoly on the truth and that allowing the free flow of ideas will improve the quality of decisionmaking. However, the wide range of interpretations given to events—and, indeed, the differences about what the facts are—places a real burden on the citizen and on those in government, elected and appointed, who have accepted the responsibility of trying to represent and carry out the public interest.

How well is the marketplace of ideas working in Central America? Does our policy protect our interests? Does it reflect our values? And can it be sustained? Let me review the facts that are discernible from my perspective.

Foundations for a New Consensus

The basic starting point for developing a new consensus is the reality of Central America's importance to the United States. As the National Bipartisan Commission on Central America succinctly concluded: "Central America engages our strategic and moral interests."

Central America engages our strategic interests because it is close and because it is the object of Soviet/Cuban strategic designs. If those designs were to become the reality of a Soviet base, the strategic interests of the United States would require us to redeploy our forces to protect our southern flank and vital Caribbean sealanes. In addition, the inability of the United States to help our Central American neighbors avoid the consolidation of a Soviet-aligned state in their midst, so close to our own borders, would demonstrate a national weakness and lack of resolve that would encourage our adversaries and undermine the confidence of more distant allies.

Central America engages our moral interests because its people are our neighbors. They have suffered a history of political instability, social and economic inequities, and poverty. That history includes episodes of intense U.S. involvement interspersed with periods of U.S. neglect. Yet, Central Americans identify overwhelmingly with Western values. They have demonstrated repeatedly in recent years with impressive turnouts at the polls that they want freedom and reject tyranny. It would be tragic to abandon them to totalitarians—of the right or of the left—who would impose their will upon them.

A second reality—less widely perceived but a reality, nonetheless—is that we finally have a broad strategy to advance our interests. The Bipartisan Commission made a significant contribution to it by articulating three major elements:

Support for democratic self-determination, so that governments will be responsive to the informed and freely expressed will of the people and will be concerned for the protection of their rights and for their welfare;

Support for equitable economic and social development, so that the human resources of the region can be developed to their full potential and opportunities for a brighter future can be sustained without permanent dependence on outside assistance; and

Cooperation in meeting threats to the region's security, so that reforms and development efforts will not be destroyed by extremist violence and so that nations threatened by externally supported subversion can negotiate from strength for a secure peace and internal reconciliation.

An important aspect of this strategy is the recognition that the political, economic, social, and security dimensions of the situation are dynamic and intertwined. We have discarded the notion that economic progress engenders social progress which, in turn, fosters political evolution. We have learned that if you focus on only one dimension of the problem at a time, the dynamics of the other dimensions will undo whatever gains you make.

It requires a sophisticated policy to address simultaneously the range of political, economic, social, and security concerns within each nation and within the region. It means we can't deal with diverse and complex situations with single-issue politics. We cannot have a policy that looks only at the military situation, or only human rights, or only economic development, or only the East-West dimension. But no effective policy can disregard any of these issues.

A consensus has begun to develop, I believe, around these facts and around the approach recommended by the Bipartisan Commission. It is found in the President's acceptance of the Commission's recommendations, in the substantially increased foreign assistance appropriations for Central America, and in the enactment into law by the U.S.

Congress of all the new authorities needed to implement the Commission's proposals.

The activities energized by this consensus include greatly increased economic assistance, the trade incentives of the Caribbean Basin Initiative, security assistance within a framework of respect for human rights, and new initiatives in cooperating to strengthen the fundamental underpinnings of democracy, such as improved administration of justice.

This emerging consensus is also reflected indirectly in the diminished attention to Central America as a subject for front-page news coverage, except for the ongoing debate over how to respond to a hostile regime in Nicaragua that is aligned with Cuba and the Soviet Union. Progress in the consolidation of democracy, as exemplified by the elections and inaugurations mentioned above, is still newsworthy. The emergence of the new consensus means that most people now agree that this sort of democratic progress is good—which ironically also means that it now lacks the elements of controversy and novelty that would qualify it as headline news.

There are, of course, still some who deny that positive, worthwhile change is occurring in El Salvador, Honduras, or Guatemala or who assert that the United States is supporting repressive oligarchies in those countries and is so obsessed with anticommunism that it focuses only on military solutions.

It is more widely recognized, however, that democratic leaders in those countries are beginning to succeed in addressing political, social, and economic needs and that the support and assistance of the United States have been instrumental to their success. There is even tolerance within the American public and Congress for the notion that setbacks will occur, that progress will not always mean a straight line progression of successes, and that the Central Americans are engaged in a long-term process.

Recognition that democracy in Latin America is not impossible is contributing to a more balanced understanding of the nature and intentions of the communist government in Nicaragua. It is now widely recognized that the Government of Nicaragua has fundamentally different objectives than those we see being pursued in the rest of Central America. The Sandinistas have imposed a new dictatorship, forcing many democratic opponents of Somoza, who had joined in the 1979 revolution, first to leave the government, then to leave the country, and finally to go into open, armed opposition.

What We Ask of Nicaragua

Based upon the realities I have just described, U.S. policy seeks to change Nicaragua's policies and behavior in four basic areas of concern.

- The Sandinistas have aligned themselves to Cuba and its patron, the Soviet Union. The several thousand Cuban military advisers in Nicaragua are increasingly evident in combat roles. Daniel Ortega's ninth trip to Moscow last May was widely noticed in the United States, including by some who claimed to be surprised. His two trips to Havana this year attracted little notice. We expect Ortega to visit Havana and are no longer surprised when he does so.

Responding to these facts, we want Nicaragua to sever its unnecessary and dangerous military ties to Cuba and the Soviet Union.

- The Sandinistas support a network of subversion and terrorism operating against the Latin democracies. The guerrillas in El Salvador maintain command and control and communications operations near Managua and continue to rely on logistics support from Nicaragua. Communications with the kidnapers of President Duarte's daughter were channeled through Managua. Some of the weapons used by M-19 terrorists to murder members of the Colombian Supreme Court came from Nicaragua.

Responding to these facts, we want Nicaragua to desist from any further support for such subversion and terrorism.

- The Sandinistas have developed a large and heavily armed military force, wholly disproportionate to Central American dimensions, including the Cuban-piloted modern Soviet attack helicopters. Nicaragua's neighbors—especially Costa Rica, which has not had an army since 1949—understandably consider this threatening.

Responding to these facts, we want Nicaragua to return to a balanced, nonthreatening level of forces.

- And the Sandinistas have engaged in increasingly severe repression of the voices of dissent—in the church, the labor movement, political parties, the business community, and the press. They seek consolidation of a system of party control and are determined to crush their opposition.

Responding to these facts, we want Nicaragua to engage in a process of internal reconciliation and move to democracy.

This analysis of the problems caused by the communist Government of Nicaragua, for us and for Central Americans, is not controversial. Congress has enacted laws and issued reports containing findings of fact that track very closely with this description of Sandinista policies and practice and has voiced support for the changes we seek.

There is less agreement on how to achieve these goals in practice. The critical argument is over how the United States should go about changing Nicaraguan behavior. Some suggest that our policy should be defensive. That is, we should concentrate only on helping Nicaragua's neighbors defend themselves against Sandinista subversion and not be concerned with Nicaragua's military establishment, the Sandinistas' Soviet-bloc ties, or their internal practices. Others accept the legitimacy of these concerns but assert that they can be mitigated by a treaty in a form satisfactory to the Sandinistas, who would thereby be constrained in their behavior.

This argument overlooks the fact that the Sandinistas have shown that they do not want to be constrained. They have embraced the Contadora process when it served their tactical interests and have rebuffed it when it did not. As the negotiations have become more precise and have appeared to be moving toward assuring a comprehensive treaty that would place effective constraints on their behavior, the Sandinistas have consistently dragged their heels or attempted to introduce extraneous arguments. This leads some to argue that the departure of the Sandinistas is necessary.

Reconciliation Among Nicaraguans: The Key to Peace

Can we reach a consensus on remedies to match the consensus on the diagnosis? One place to begin might be to acknowledge the need for a vigorous diplomatic effort to bridge the differences between Nicaragua and its neighbors on the four issues that have become central to the debate: democratization and internal reconciliation, nonintervention, outside military presence, and arms limitations. The Contadora process covers all of these issues. The

Contadora Document of Objectives addresses each of them explicitly.

National reconciliation based on democratic principles is one of the key points in the original 1983 Contadora Document of Objectives, and it was reemphasized in the Statement of Caraballeda issued in Venezuela by the Contadora and Contadora support group nations on January 12, 1986. Yet the Sandinistas have systematically rejected internal dialogue on this basis, whether in the form of competitive elections or even in the more face-saving forum offered them by the Roman Catholic bishops. Sandinista intransigence on this issue, evident most recently in a meeting of Contadora foreign ministers in early April, is a serious obstacle to diplomatic progress.

Without internal reconciliation in Nicaragua, Contadora cannot work. The victims of Sandinista oppression will continue their struggle, and their numbers will continue to grow. Nicaragua's neighbors will remain concerned that without a free press, fair elections, and an informed electorate in Nicaragua, the Sandinistas will remain free to resume external subversion whenever opportunities arise.

Within the executive branch we have concluded that if Nicaragua is to change the policies and behavior that threaten regional security, it will do so only because it feels it has no better alternative, that the pressure is just too great. The Sandinistas will realize that Nicaragua cannot become another Cuba only under the combined impact of diplomatic, economic, and political pressure from the international community, and the political demands of the Nicaraguan people given force by the military pressure of a united Nicaraguan opposition.

If this were to happen, diplomacy would have a chance. Without the pressure, the conflict will continue without much hope of a peaceful resolution. The Sandinistas may ultimately fail in extending the Cuban model to the mainland. But they have a lot of help from the Soviet bloc; and, for as long as they try, they will pose a constant threat to Central America and an impediment to the stability and economic recovery that are needed to help sustain these fragile democracies. If, on the other hand, the Sandinistas were to succeed, the Soviet Union would be in a position of major influence in the region between Mexico and the Panama Canal.

The U.S. Role

This challenge to the safety and prosperity of Central America and ultimately of the United States can be met without U.S. forces if we act in time to support those Latin Americans who support democracy.

The President has proposed further assistance to the Nicaraguan democratic resistance. The Senate has agreed, but the House remains engaged in procedural maneuvering. As the legislative process has intensified, the Sandinistas and their Soviet-bloc patrons, as should be expected, have mounted new efforts to refurbish their tarnished image and to vilify their opponents. Citizens, legislators, bureaucrats, and senior government officials are all challenged to know what is true and what is significant in all the noise.

As we carry out this debate, we must all be concerned with the notoriously short attention span of our own political system and our preoccupation with the need to reduce the budget deficit. Both pose a threat to continued progress in Central America. Our support—and I am talking about our moral and political support quite as much as economic and security assistance—cannot be allowed to diminish before the fragile new democratic institutions in the region have taken firm root.

Already, economic assistance levels to Central America, while substantially increased from previous years, are several hundreds of millions of dollars behind the levels recommended by the Bipartisan Commission. It remains to be seen whether the Gramm-Rudman-Hollings Deficit Reduction Act or the emergence of some new crisis elsewhere in the world will undermine the consensus and divert our attention prematurely.

We have been making progress toward a consensus on the importance of supporting democracy, growth, and justice in our immediate neighborhood, but we have not decided whether we will help those fighting for freedom in Nicaragua against communist forces who take a long view of history. I believe that a prompt and affirmative decision on this issue is necessary to the totality of our objectives in Central America.

We have forged the fundamental elements of a policy based on the realities and aspirations of the hemisphere. That policy is coherent and comprehensive and offers the genuine prospect of helping Central America to realize the promise of the New World. I hope that the domestic debate over specific issues and tactics will not cause us to lose sight of these objectives and that the result will be a stronger consensus that will sustain our efforts to protect important national interests and achieve goals of which Americans can be justly proud. ■

Current Actions

MULTILATERAL

International Monetary Fund
Articles of agreement of the international monetary fund, formulated at Bretton Woods Conference July 1-22, 1944. Entered into force Dec. 27, 1945. TIAS 1501.
Signatures and acceptances deposited:
Kiribati, June 3, 1986; Poland, June 12, 1986.

Nuclear Weapons—Nonproliferation
Treaty on the nonproliferation of nuclear weapons. Done at Washington, London, and Moscow July 1, 1968. Entered into force Mar. 5, 1970. TIAS 6839.
Ratification deposited: Yemen (Sanaa), May 14, 1986.

Sugar
International sugar agreement, 1984, with annexes. Done at Geneva July 5, 1984. Entered into force provisionally Jan. 1, 1985; definitively Apr. 4, 1985.[1]
Ratification deposited: Colombia, May 20, 1986; Egypt, May 29, 1986.

Timber
International tropical timber agreement, 1983, with annexes. Done at Geneva Nov. 18, 1983. Entered into force provisionally Apr. 1, 1985; for the U.S. Apr. 26, 1985.
Accession deposited: Canada, May 21, 1986
Ratification deposited: Spain, Apr. 1, 1986.

BILATERAL

African Development Bank
Cooperation agreement. Signed at New York May 29, 1986. Entered into force May 29, 1986.

Argentina
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Buenos Aires Apr. 8, 1986. Entered into force May 19, 1986.

Canada
Agreement extending the agreement relating to the continued operation and maintenance of the torpedo test range in the Strait of Georgia and to authorize the installation and utilization of an advanced underwater acoustic measurement system in Jervis Inlet (TIAS 8386). Effected by exchange of notes at Ottawa and Washington June 3 and 17, 1986. Entered into force June 17, 1986.

Costa Rica
Agreement for the exchange of information with respect to taxes, with exchange of notes. Signed at San Jose May 5, 1986. Enters into force upon an exchange of notes confirming that both sides have met all constitutional and statutory requirements necessary to effectuate the agreement.

European Communities
Agreement concerning exports of steel pipes and tubes, with appendix, exchange of letters, and related letters. Effected by exchange of letters at Brussels and Washington Jan. 10, 1985. Entered into force Jan. 10, 1985; effective Oct. 1, 1984.

Complementary arrangement to the arrangement of Oct. 21, 1982, concerning trade in certain steel products, with appendix. Effected by exchange of letters at Brussels and Washington Aug. 9, 1985. Entered into force Aug. 9, 1985.

Agreement amending and extending the agreement of Jan. 10, 1985, concerning exports of steel pipes and tubes. Effected by exchange of letters at Brussels and Washington Dec. 11, 1985. Entered into force Dec. 11, 1985.

Agreement amending and extending the arrangement of Oct. 21, 1982, concerning trade in certain steel products, with appendices and agreed minutes. Effected by exchange of letters at Brussels and Washington Dec. 11, 1985. Entered into force Dec. 11, 1985; effective Jan. 1, 1986.

Indonesia
Agreement amending the air transport agreement of Jan. 15, 1986 (TIAS 6441). Effected by exchange of notes at Denpasar May 2, 1986. Entered into force May 2, 1986.

Jamaica
Agreement concerning the administration of income tax in Jamaica affecting Jamaican citizens who are employees of the U.S. Government and subject to Jamaican income tax. Effected by exchange of notes at Kingston Apr. 3 and May 1, 1986. Entered into force May 1, 1986.

Nepal
Agreement relating to trade in cotton textiles, with annexes. Effected by exchange of notes at Kathmandu May 30 and June 1, 1986. Entered into force June 1, 1986; effective for some categories Oct. 1, 1985; Jan. 1, 1986 for others.

Netherlands
Convention regarding consuls in the colonies of the Netherlands. Signed at The Hague Jan. 22, 1855. Entered into force May 25, 1855. TS 253.
Terminated: May 25, 1986; effective May 25, 1987.

Niger
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Niamey Apr. 11, 1986. Entered into force May 19, 1986.

Peru
Cooperative arrangement for the production of topographic maps of Peru. Signed at Washington and Lima Apr. 25 and May 22, 1986. Entered into force May 22, 1986.

Philippines
Agreement on procedures for mutual legal assistance, with related letter. Signed at Manila June 11, 1986. Entered into force June 11, 1986.

Sierra Leone
Agreement for sale of agricultural commodities. Signed at Freetown May 5, 1986. Entered into force May 5, 1986.

Singapore
Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Singapore May 30 and June 5, 1986. Entered into force June 5, 1986; effective Jan. 1, 1986.

Spain
Memorandum of understanding for cooperation in energy research and development. Signed at Washington June 6, 1986. Entered into force June 6, 1986.

Memorandum of understanding for cooperation in energy research and development [coal gasification and geothermal energy technologies]. Signed at Washington June 6, 1986. Entered into force June 6, 1986.

United Kingdom
Arrangement extending the arrangement of May 15, 1981 (TIAS 10152), for the exchange of technical information and cooperation in nuclear safety matters. Signed at London Apr. 7, 1986. Entered into force Apr. 7, 1986.

Agreement extending the agreement of July 26, 1984, as extended, concerning the Cayman Islands and narcotics activities. Effected by exchange of notes at Washington May 28, 1986. Entered into force May 28, 1986.

[1]In force provisionally for the U.S.■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
121	6/2	Shultz: news conference following NATO ministerial meeting, Halifax, Nova Scotia, May 30.
122	6/2	Shultz: interview on NBC-TV's "Meet the Press," June 1.
123	6/2	Shultz: remarks and question-and-answer session, Conference on South Africa for American Religious Leaders.
124	6/4	Shultz: address and question-and-answer session, Foreign Policy Association.
*125	6/5	Shultz: address and question-and-answer session, Atlantic Institute for International Affairs and Atlantic Council, June 4.
126	6/11	*Foreign Relations of the United States*, 1952–1954, Volume IX, the Near and Middle East, released.
*127	6/11	Shultz: address and question-and-answer session, Economic Club of New York, June 10.
128	6/13	Shultz: interview on USIA's "Worldnet."
*129	6/13	Program for the state visit of President Julio Maria Sanguinetti of the Oriental Republic of Uruguay, June 16–20.
130	6/13	Shultz: remarks and question-and-answer session, National Foreign Policy Conference for Young Political Leaders.
*131	6/17	Shultz: remarks and question-and-answer session, Foreign Policy Conference for National Minority and Women's Organizations, June 16.
*132	6/17	Shultz: remarks upon receiving an honorary degree of Doctor of Law at Northwestern University, Evanston, Illinois, June 14.

No.	Date	Subject
*133	6/24	Shultz: arrival statement, Singapore, June 23.
134	6/24	Shultz: news conference upon departure, Singapore.
*135	6/24	Shultz: arrival statement, Manila.
*136	6/25	Shultz: interview on Brunei Television, Bandar Seri Begawan, June 24.
*137	6/25	Shultz: departure statement, Bandar Seri Begawan, June 24.
*138	6/27	Vernon D. Penner, Jr., sworn in as Ambassador to the Republic of Cape Verde (biographic data).
*139	6/30	John D. Blacken sworn in as Ambassador to the Republic of Guinea-Bissau (biographic data).
*140	6/30	Armacost: address and question-and-answer session before the National Foreign Policy Conference for Educators, June 26.
141	6/30	Shultz: statement at ASEAN open dialogue, Manila, June 26.
142	6/30	Shultz/Lange: concluding remarks at bilateral meeting, Manila, June 27.
143	6/30	Shultz/ASEAN delegation heads: joint news conference following the ASEAN post-ministerial conference, Manila, June 27.
144	6/30	Shultz: arrival statement, Babelthuap, Palau, June 28.
145	6/30	Shultz: news conference, Manila, June 25.

*Not printed in the BULLETIN.■

Department of State

Free single copies of the following Department of State publications are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

Secretary Shultz

The Church as a Force for Peaceful Change in South Africa, Conference on South Africa for American Religious Leaders, June 2, 1986 (Current Policy #841).

Reform in the Philippines and American Interests: The U.S. Role in Consolidating Democracy, Foreign Policy Assoc., New York City, June 4, 1986 (Current Policy #842).

No Delay for Democracy, National Foreign Policy Conference for Young Political Leaders, June 13, 1986 (Current Policy #846).

Africa

Misconceptions About U.S. Policy Toward South Africa, June 1986 (Public Information Series).

Special Working Group on South and Southern Africa, June 1986 (Public Information Series).

Arms Control

U.S. Policy on Arms Control: Purpose, Prospects, and Process, Assistant Secretary Holmes, Council on Foreign Relations, New York City (Current Policy #843).

SDI, Arms Control, and Stability: Toward a New Synthesis, Ambassador Nitze, *Time* magazine conference on SDI, June 3, 1986 (Current Policy #845).

U.S. Interim Restraint Policy: Responding to Soviet Arms Control Violations, May 27, 1986 (Special Report #147).

Environment

U.S. Policy on Acid Rain, June 1986 (Public Information Series).

Europe

U.S.-Yugoslav Relations, Under Secretary Armacost, U.S.-Yugoslav Economic Council, Cavtat, Yugoslavia, June 2, 1986 (Current Policy #848).

Northern Ireland (GIST, June 1986).

Oceans

Law of the Sea (GIST, June 1986).

Terrorism

International Terrorism (GIST, June 1986).

International Terrorism: U.S. Policy on Taking Americans Hostage, June 1986 (Public Information Series).

United Nations

Continent at the Crossroads: An Agenda for African Development, Secretary Shultz, UN General Assembly Special Session on the Critical Economic Situation in Africa, New York City, May 28, 1986 (Current Policy #839).

Latin America's Economic Challenge: The Democratic Response, Assistant Secretary Keyes, 21st plenary of the Economic Commission for Latin America, Mexico City, Apr. 23, 1986 (Current Policy #840).

UN Genocide Convention (GIST, June 1986).

Western Hemisphere

A Democratic Vision of Security, Assistant Secretary Abrams, Inter-American Defense College, June 13, 1986 (Current Policy #844).■

Foreign Relations Volume Released

The Department of State on June 11, 1986, released *Foreign Relations of the United States*, 1952–1954, Volume IX, The Near and Middle East, Parts 1 and 2. This volume contains documents on U.S. policy toward the Middle East during the last year of the Truman Administration and the first years of the Eisenhower-Dulles period.

In a policy designed to counter possible long-term Soviet aggression, the United States in 1953 embraced a "northern tier" strategy, including Turkey, Iraq, Iran, and Pakistan, which laid the foundations for the Baghdad Pact (later, the Central Treaty Organization). The policy resulted from Secretary of State John Foster Dulles' efforts at intense personal diplomacy in the region and from the failure to gain support for an earlier proposal for a regional defense organization centered on Egypt. The United States also perceived instability and tensions arising from anti-Western nationalism and the Arab-Israeli dispute as threats to Western interests. The United States worked actively to reduce tension between the Arabs and the Israelis, especially by seeking to ease disputes over borders, water rights, and economic matters.

Elsewhere in the area, the United States also promoted Anglo-Egyptian negotiations for a Suez Canal Base Agreement, concluded following the ouster of the Egyptian monarchy, as part of its effort to protect the Western position in the region. The United States pursued its developing special relationship with Saudi Arabia, furthered stable oil arrangements, and encouraged the use of oil revenues for economic development in both oil-producing and transit countries.

Foreign Relations, 1952–1954, Volume IX, which comprises over 2,600 pages of previously classified foreign affairs records, was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. This authoritative official record is based upon the files of the White House, the Department of State, and other government agencies. Documents on U.S. policy toward Iran for 1951–1954 will be released in a separate and subsequent volume of the *Foreign Relations* series.

Copies of Volume IX (Department of State Publication Nos. 9447 and 9448, GPO Stock No. 044-000-02115-3) may be purchased for $45.00 (domestic postpaid) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. Checks or money orders should be made payable to the Superintendent of Documents.

Press release 126 of June 11, 1986. ■

Background Notes

This series provides brief, factual summaries of the people, history, government, economy, and foreign relations of about 170 countries (excluding the United States) and of selected international organizations. Recent revisions are:

Oman (Jan. (1986)
Hungary (Feb. 1986)
Central African Republic (Feb. 1986)
Seychelles (Apr. 1986)
Costa Rica (May 1986)

A free **single** copy of one of the above (and an index of the entire series) may be obtained from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

For about 60 *Background Notes* a year, a subscription is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for $32.00 (domestic) and $40.00 (foreign). Check or money order, made payable to the Superintendent of Documents, must accompany order.■

INDEX

August 1986
Volume 86, No. 2113

American Principles
A Democratic Vision of Security (Abrams) 83
Regional Security, Collective Security, and American Security (Poindexter) 64
Arms Control
Is Arms Control at a Dead End? (Adelman) 47
INF Negotiations Resume (White House statement) 39
News Conference of June 11 (Reagan, excerpts) 17
NATO Ministers Meet in Canada (Shultz, statements) 53
Secretary Shultz's Interview for "Worldnet" 23
Secretary's Interview on "Meet the Press" 32
SDI, Arms Control, and Stability: Toward a New Synthesis (Nitze) 44
U.S. Interim Restraint Policy: Responding to Soviet Arms Control Violations (Reagan, White House fact sheet) 36
Australia. Visit of Australia's Prime Minister Hawke (Hawke, Reagan) 74
Business. Reform in the Philippines and American Interests: The U.S. Role in Consolidating Democracy (Shultz) 26
China. Proposed Sale of Aircraft Avionics Components to China (Lilley) 50
Congress
FY 1987 Assistance Requests for Migration and Refugees (Purcell) 75
FY 1987 Assistance Requests for Narcotics Control (Wrobleski) 72
FY 1987 Assistance Requests for Organizations and Programs (Keyes) 80
FY 1987 Request for Foreign Assistance Programs (McPherson) 59
FY 1987 Security Assistance Requests (Schneider) 77
Proposed Sale of Aircraft Avionics Components to China (Lilley) 50
26th Report on Cyprus (message to the Congress) 54
The War Powers Resolution and Anti-terrorist Operations (Sofaer) 68
Cyprus. 26th Report on Cyprus (message to the Congress) 54
Economics
Reform in the Philippines and American Interests: The U.S. Role in Consolidating Democracy (Shultz) 26
Regional Security, Collective Security, and American Security (Poindexter) 64
Europe
Baltic Freedom Day, 1986 (proclamation) . 57
Secretary Shultz's Interview for "Worldnet" 23
European Communities. Imports from the European Economic Community (White House statement) 52
Foreign Assistance
FY 1987 Assistance Requests for Narcotics Control (Wrobleski) 72
FY 1987 Assistance Requests for Organizations and Programs (Keyes) 80
FY 1987 Request for Foreign Assistance Programs (McPherson) 59
Honduras. Visit of Honduran President Azcona (Azcona, Reagan, joint communique) 86
Human Rights. The Church as a Force for Peaceful Change in South Africa (Shultz) 30
Intelligence Operations. Secretary's Interview on "Meet the Press" 32
International Law
International Terrorism: The Taking of U.S. Citizens Hostage 16
The War Powers Resolution and Anti-terrorist Operations (Sofaer) 68
Libya. International Terrorism (Borg, Oakley) 1
Maritime Affairs. Attacks on Persian Gulf Shipping (White House statement) 71
Mexico. News Conference of June 11 (Reagan, excerpts) 17
Middle East
Attacks on Persian Gulf Shipping (White House statement) 71
Secretary's Interview on "Meet the Press" 32
Military Affairs
SDI, Arms Control, and Stability: Toward a New Synthesis (Nitze) 44
The War Powers Resolution and Anti-terrorist Operations (Sofaer) 68
Narcotics. FY 1987 Assistance Requests for Narcotics Control (Wrobleski) 72
Nicaragua
News Conference of June 11 (Reagan, excerpts 17
No Delay for Democracy (Shultz) 19
Secretary Shultz's Interview for "Worldnet" (Shultz) 23
U.S. Policy on Central America: The Need for Consensus (Michel) 88
North Atlantic Treaty Organization
NATO Defense Planning Committee Meeting (final communique) 58
NATO Ministers Meet in Canada (Shultz, statements) 53
Nuclear Policy. Regional Security, Collective Security, and American Security (Poindexter) 64
Organization of American States. Pan American Day and Week, 1986 (proclamation) 85
Philippines. Reform in the Philippines and American Interests: The U.S. Role in Consolidating Democracy (Shultz) 26
Presidential Documents
Baltic Freedom Day 1986 (proclamation) .. 57
News Conference of June 11 (excerpts) ... 17
Pan American Day and Week, 1986 (proclamation) 85
26th Report on Cyprus (message to the Congress) 54
U.S. Interim Restraint Policy: Responding to Soviet Arms Control Violations (Reagan, White House fact sheet) 36
Visit of Australia's Prime Minister Hawke (Hawke, Reagan) 74
Visit of Honduran President Azcona (Azcona, Reagan, joint communique) 86
World Trade Week, 1986 (proclamation) .. 52
Publications
Background Notes 94
Department of State 93
Foreign Relations Volume Released 93
Refugees. FY 1987 Assistance Requests for Migration and Refugees (Purcell) ... 75
Security Assistance. FY 1987 Security Assistance Requests (Schneider) 77
South Africa
The Church as a Force for Peaceful Change in South Africa (Shultz) 30
Secretary Shultz's Interview for "Worldnet" 23
South African Military Raids (White House statement) 35
Spain. U.S.-Spanish Council Meets (joint communique) 55
Terrorism
International Terrorism (Borg, Oakley) ... 1
International Terrorism: The Taking of U.S. Citizens Hostage 16
Secretary Shultz's Interview for "Worldnet" 23
The War Powers Resolution and Anti-terrorist Operations (Sofaer) 68
Trade
Imports from the European Economic Community (White House statement) ... 52
World Trade Week, 1986 (proclamation) .. 52
Treaties. Current Actions 91
U.S.S.R.
Is Arms Control at a Dead End? (Adelman) 47
News Conference of June 11 (Reagan, excerpts) 17
SDI, Arms Control, and Stability: Toward a New Synthesis (Nitze) 44
Secretary Shultz's Interview for "Worldnet" 23
Secretary's Interview on "Meet the Press" 32
U.S. Interim Restraint Policy: Responding to Soviet Arms Control Violations (Reagan, White House fact sheet) 36
United Nations. FY 1987 Assistance Requests for Organizations and Programs (Keyes) 80
Western Hemisphere
Central America Negotiations (White House statement) 84
A Democratic Vision of Security (Abrams) 83
No Delay for Democracy (Shultz) 19
U.S. Policy on Central America: The Need for Consensus (Michel) 88

Name Index

Abrams, Elliott 83
Adelman, Kenneth L 47
Azcona Hoyo, Jose Simon 86
Borg, Parker W 1
Hawke, Robert J. L 74
Keyes, Alan L 80
Lilley, James R 50
McPherson, M. Peter 59
Michel, James H 88
Nitze, Paul H 44
Oakley, Robert B 1
Poindexter, John M 64
Purcell, James N. Jr 75
Reagan, President 17, 36, 52, 54, 57, 74, 85, 86
Schneider, William Jr 77
Shultz, Secretary 19, 23, 26, 30, 32, 53
Sofaer, Abraham D 68
Wrobleski, Ann B 72

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

OFFICIAL BUSINESS
Penalty for Private Use $300

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

READEX FICHE

best copy available

86/2114

Department of State bulletin

The Official Monthly Record of United States Foreign Policy/Volume 86/Number 2114

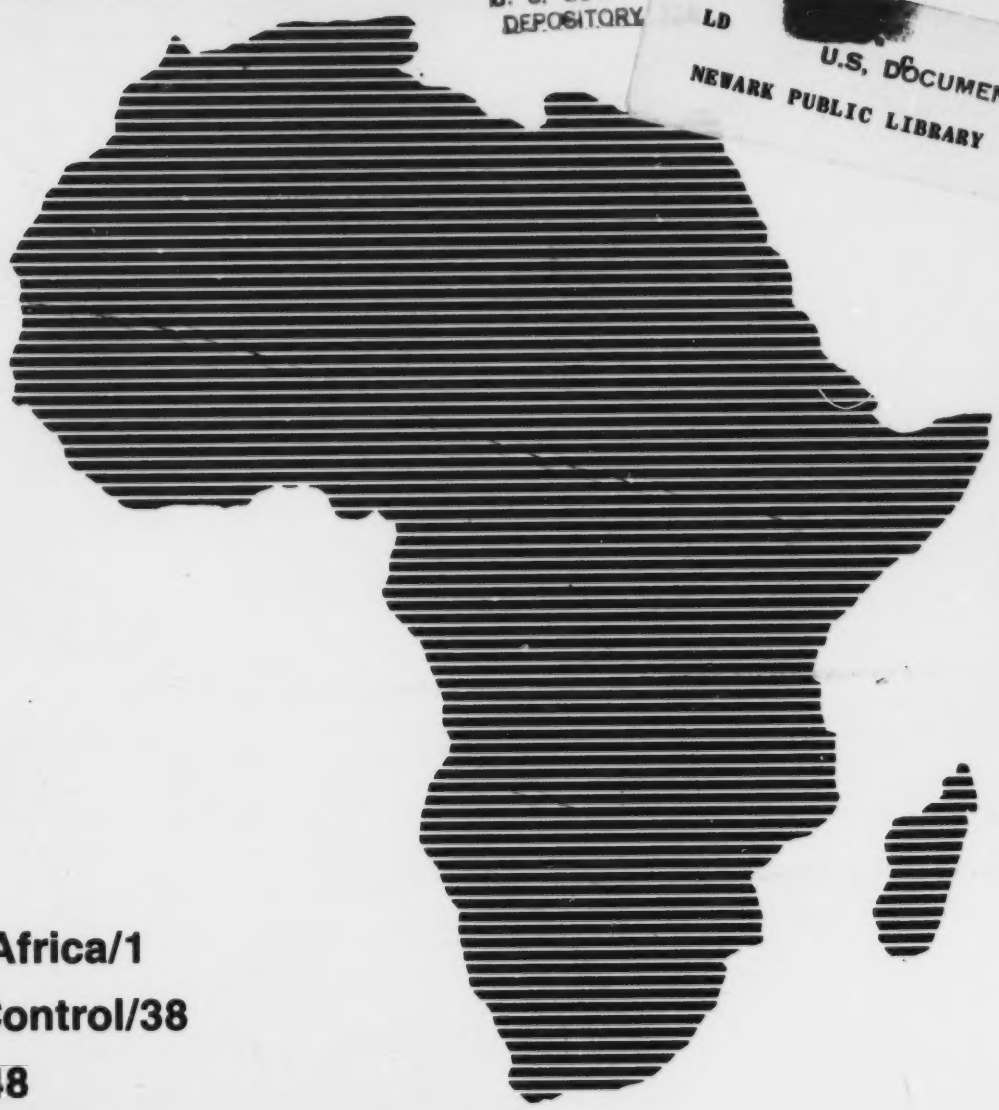
September 1986

NEWARK PUBLIC LIBRARY

SEP 29 1986

U. S. GOVT. DEPOSITORY

LD [redacted] U.S. DOCUMENTS NEWARK PUBLIC LIBRARY



South Africa/1

Arms Control/38

China/48

UN Special Session on Africa/88

S1.3:

Department of State
bulletin

Volume 86/Number 2114/September 1986

THE DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

BERNARD KALB
Assistant Secretary for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

SHARON R. LOTZ
Assistant Editor

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

DEPARTMENT OF STATE BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street, NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Most of the contents of this publication are in the public domain and not copyrighted. Those items may be reprinted; citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. Permission to reproduce all copyrighted material (including photographs) must be obtained from the original source. The BULLETIN is indexed in the Readers' Guide to Periodical Literature and in the PAIS (Public Affairs Information Service, Inc.) Bulletin.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

CONTENTS

FEATURE

1 Ending Apartheid in South Africa *(President Reagan)*
5 The U.S. Approach to South Africa *(Secretary Shultz)*
9 Working Group on South and Southern Africa
12 Misconceptions About U.S. Policy Toward South Africa

The President

18 Why Democracy Matters in Central America
21 An Essay on Peace
23 International Terrorism

The Vice President

24 Visit to Canada

The Secretary

25 Visit to East Asia and the Pacific

Arms Control

38 U.S. Policy on Arms Control: Purpose, Prospects, and Process *(H. Allen Holmes)*
39 CDE Negotiations Resume in Stockholm *(White House Statement)*
41 Status of MBFR Negotiations *(White House Statements)*
42 Nuclear and Space Arms Talks Conclude Round Five *(President Reagan)*
43 West Proposes Initiative in CDE *(Western Statement)*

Department

44 The U.S. Foreign Service in a Year of Challenges *(Ronald I. Spiers)*

East Asia

48 Sino-American Relations: No Time for Complacency *(Winston Lord)*
51 North Koreans Propose Three-Way Military Talks *(Department Statement)*

Environment

53 Multilateral Development Banks and the Environment *(John D. Negroponte)*
55 U.S. Policy on Acid Rain *(Richard E. Benedick)*

Europe

58 U.S.-European Relations *(Rozanne L. Ridgway)*
59 East Berlin *Volkskammer* Elections *(Department Statement)*
59 European Communities' Agricultural Markets *(White House Statement)*
61 U.S.-Yugoslav Relations *(Michael H. Armacost)*
65 Bern Experts' Meeting on Human Contacts *(Michael Novak, Rozanne L. Ridgway, Western Draft Concluding Document)*

International Law

73 Amending the Foreign Sovereign Immunities Act *(Elizabeth G. Verville)*

Middle East

78 Arms Sales to Saudi Arabia *(President Reagan, Message to the Senate, White House Statements)*
79 Sale of AWACS Aircraft to Saudi Arabia *(Letter to the Congress, Text of Certification)*

Military Affairs

81 Strategic Modernization Program *(White House Statement)*

Narcotics

82 Narcotics Trafficking in Southwest Asia *(Ann B. Wrobleski)*

Oceans

84 Current Developments in the U.S. Oceans Policy *(John D. Negroponte)*

Pacific

86 U.S.-New Zealand Disagreement on Port Access for U.S. Ships *(Department Statement)*

United Nations

88 Continent at the Crossroads: An Agenda for African Development *(Secretary Shultz)*
90 UN Special Session: African Economic Situation

Western Hemisphere

91 Central America *(Letter to the Congress)*

Treaties

91 Current Actions

Press Releases

94 Department of State

Publications

94 Department of State

Index

ZIMBABWE
Francistown
Rutenga
Selebi-Pikwe
Bhaazi
Okahandja
Karibib
Windhoek
Gobabis
Walvis Bay
SOUTH AFRICA
BOTSWANA
Mahalapye
Messina
Chicualacuala
MOZAMBIQUE
Pietersburg
Gaberone
Nylstroom
Kalkrand
Mariental
Nossob
NAMIBIA
Auob
Lobatsi
Rustenburg
Pretoria
Nelspruit
Kai-Xai
Mafeking
Johannesburg
Witbank
Maputo
Mbabane
Luderitz
Bethanien
Keetmanshoop
Vryburg
Klerksdorp
Vereeniging
SWAZILAND
Seeheim
Hetazel
Standerton
Goiela
Karasburg
Sishen
Kroonstad
Upington
Bethlehem
NATAL
Ladysmith
Orange
Kimberley
Bloemfontein
Richard's Bay
Maseru
LESOTHO
Pietermaritzburg
Okiep
Mafeteng
Durban
Kokstad
De Aar
Port Shepstone
Atlantic Ocean
Calvinia
Middelburg
Victoria West
Umtata
Vanrhynsdorp
Queenstown
Beaufort West
East London
Saldanha
Worcester
Cape Town
Swellendam
Port Elizabeth
Mossalbaai
Indian Ocean
South Africa
International boundary
Province boundary
National capital
Province capital
Railroad
Road
Airport
0 200 Kilometers
0 200 Miles
Pretoria is the province capital of Transvaal
Names and boundary representation are not necessarily authoritative
5/85

Ending Apartheid in South Africa

President Reagan's address before members of the World Affairs Council and Foreign Policy Association in the East Room of the White House on July 22, 1986.[1]

For more than a year now, the world's attention has been focused upon South Africa—the deepening political crisis there, the widening cycle of violence. And, today, I'd like to outline American policy toward that troubled republic and toward the region of which it is a part—a region of vital importance to the West.

The root cause of South Africa's disorder is apartheid—that rigid system of racial segregation, wherein black people have been treated as third-class citizens in a nation they helped to build.

America's view of apartheid has been, and remains, clear. Apartheid is morally wrong and politically unacceptable. The United States cannot maintain cordial relations with a government whose power rests upon the denial of rights to a majority of its people based on race. If South Africa wishes to belong to the family of Western nations, an end to apartheid is a precondition. Americans, I believe, are united in this conviction. Second, apartheid must be dismantled. Time is running out for the moderates of all races in South Africa.

But if we Americans are agreed upon the goal, a free and multiracial South Africa associated with free nations and the West, there is deep disagreement about how to reach it.

First, a little history—for a quarter century now, the American Government has been separating itself from the South African Government. In 1962, President Kennedy imposed an embargo on military sales. Last September, I issued an Executive order further restricting U.S. dealings with the Pretoria government. For the past 18 months, the marketplace has been sending unmistakable signals of its own. U.S. bank lending to South Africa has been virtually halted. No significant new investment has come in. Some Western businessmen have packed up and gone home.

The Call for Sanctions

And now, we've reached a critical juncture. Many in Congress and some in Europe are clamoring for sweeping sanctions against South Africa. The Prime Minister of Great Britain has denounced punitive sanctions as "immoral" and "utterly repugnant." Well, let me tell you why we believe Mrs. Thatcher is right.

The primary victims of an economic boycott of South Africa would be the very people we seek to help. Most of the workers who would lose jobs because of sanctions would be black workers. We do not believe the way to help the people of South Africa is to cripple the economy upon which they and their families depend for survival.

Alan Paton, South Africa's great writer, for years the conscience of his country has declared himself emphatically: "I am totally opposed to disinvestment," he says. "It is primarily for a moral reason. Those who will pay most grievously for disinvestment will be the black workers of South Africa. I take very seriously the teachings of the gospels. In particular, the parables about giving drink to the thirsty and food to the hungry. I will not help to cause any such suffering to any black person." Nor will we.

Looking at a map, southern Africa is a single economic unit tied together by rails and roads. Zaire and its southern mining region depends upon South Africa for three-fourths of its food and petroleum. More than half the electric power that drives the capital of Mozambique comes from South Africa. Over one-third of the exports from Zambia and 65% of the exports of Zimbabwe leave the continent through South African ports.

The mines of South Africa employ 13,000 workers from Swaziland, 19,000 from Botswana, 50,000 from Mozambique, and 110,000 from the tiny, landlocked country of Lesotho. Shut down these productive mines with sanctions, and you have forced black mine workers out of their jobs and forced their families back in their home countries into destitution. I don't believe the American people want to do something like that. As one African leader remarked recently, "Southern Africa is like a zebra. If the white parts are injured, the black parts will die too."

Well, Western nations have poured billions in foreign aid and investment loans into southern Africa. Does it make sense to aid these countries with one hand and with the other to smash the industrial engine upon which their future depends?

Wherever blacks seek equal opportunity, higher wages, and better working conditions, their strongest allies are the American, British, French, German, and Dutch businessmen who bring to South Africa ideas of social justice formed in their own countries.

If disinvestment is mandated, these progressive Western forces will depart and South African proprietors will inherit, at fire sale prices, their farms and factories and plants and mines. And how would this end apartheid?

Our own experience teaches us that racial progress comes swiftest and easiest not during economic depression but in times of prosperity and growth. Our own history teaches us that capitalism is the natural enemy of such feudal institutions as apartheid.

Violence and Change

Nevertheless, we share the outrage Americans have come to feel. Night after night, week after week, television has brought us reports of violence by South African security forces, bringing injury and death to peaceful demonstrators and innocent bystanders. More recently, we read of violent attacks by blacks against blacks. Then, there is the calculated terror by elements of the African National Congress: the mining of roads, the bombings of public places, designed to bring about further repression—the imposition of martial law and eventually creating the conditions for racial war.

The most common method of terror is the so-called necklace. In this barbaric way of reprisal, a tire is filled with kerosene or gasoline, placed around the neck of an alleged "collaborator," and ignited. The victim may be a black policeman, a teacher, a soldier, a civil servant. It makes no difference. The atrocity is designed to terrorize blacks into ending all racial cooperation and to polarize South Africa as prelude to a final, climactic struggle for power.

In defending their society and people, the South African Government has a right and responsibility to maintain order in the face of terrorists. But by its tactics, the government is only accelerating the descent into bloodletting. Moderates are being trapped between the intimidation of radical youths and countergangs of vigilantes.

And the government's state of emergency next went beyond the law of necessity. It, too, went outside the law by sweeping up thousands of students, civic leaders, church leaders, and labor leaders, thereby contributing to further radicalization. Such repressive measures will bring South Africa neither peace nor security.

It's a tragedy that most Americans only see or read about the dead and injured in South Africa—from terrorism, violence, and repression. For behind the terrible television pictures lies another truth: South Africa is a complex and diverse society in a state of transition. More and more South Africans have come to recognize that change is essential for survival. The realization has come hard and late; but the realization has finally come to Pretoria that apartheid belongs to the past.

In recent years, there's been a dramatic change. Black workers have been permitted to unionize, bargain collectively, and build the strongest free trade union movement in all of Africa. The infamous pass laws have been ended, as have many of the laws denying blacks the right to live, work, and own property in South Africa's cities. Citizenship, wrongly stripped away, has been restored to nearly 6 million blacks. Segregation in universities and public facilities is being set aside. Social apartheid laws prohibiting interracial sex and marriage have been struck down. It is because State President Botha has presided over these reforms that extremists have denounced him as a traitor.

We must remember, as the British historian Paul Johnson reminds us, that South Africa is an African country as well as a Western country. And reviewing the history of that continent in the quarter century since independence, historian Johnson does not see South Africa as a failure: ". . .only in South Africa," he writes, "have the real incomes of blacks risen very substantially. . . . In mining, black wages have tripled in real terms in the last decade. . . . South Africa is the. . . only African country to produce a large black middle class. Almost certainly," he adds, "there are now more black women professionals in South Africa than in the whole of the rest of Africa put together."

Despite apartheid, tens of thousands of black Africans migrate into South Africa from neighboring countries to escape poverty and take advantage of the opportunities in an economy that produces nearly a third of the income in all of sub-Saharan Africa.

It's tragic that in the current crisis social and economic progress has been arrested. And, yet, in contemporary South Africa—before the state of emergency—there was a broad measure of freedom of speech, of the press, and of religion there. Indeed, it's hard to think of a single country in the Soviet bloc—or many in the United Nations—where political critics have the same freedom to be heard as did outspoken critics of the South African Government.

But, by Western standards, South Africa still falls short, terribly short, on the scales of economic and social justice. South Africa's actions to dismantle apartheid must not end now. The state of emergency must be lifted. There must be an opening of the political process. That the black people of South Africa should have a voice in their own governance is an idea whose time has come. There can be no turning back. In the multiracial society that is South Africa, no single race can monopolize the reins of political power.

Black churches, black unions, and, indeed, genuine black nationalists have a legitimate role to play in the future of their country. But the South African Government is under no obligation to negotiate the future of the country with any organization that proclaims a goal of creating a communist state and uses terrorist tactics and violence to achieve it.

U.S. Ideals and Strategic Interests

Many Americans, understandably, ask: given the racial violence, the hatred, why not wash our hands and walk away from that tragic continent and bleeding country? Well, the answer is: we cannot.

In southern Africa, our national ideals and strategic interests come together. South Africa matters because we believe that all men are created equal and are endowed by their creator with unalienable rights. South Africa matters because of who we are. One of eight Americans can trace his ancestry to Africa.

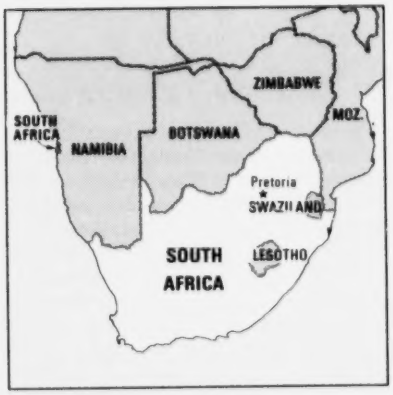
Strategically, this is one of the most vital regions of the world. Around the Cape of Good Hope passes the oil of the Persian Gulf, which is indispensable to the industrial economies of Western Europe. Southern Africa and South Africa are repository of many of the vital minerals—vanadium, manganese, chromium, platinum—for which the West has no other secure source of supply.

The Soviet Union is not unaware of the stakes. A decade ago, using an army of Cuban mercenaries provided by Fidel Castro, Moscow installed a client regime in Angola. Today, the Soviet Union is providing that regime with the weapons to attack UNITA [National Union for the Total Independence of Angola]—a black liberation movement which seeks for Angolans the same right to be represented in their government that black South Africans seek for themselves.

South Africa—A Profile

Geography

Area: 1,233,404 sq.km. (472,359 sq. mi.), including the enclave of Walvis Bay; about twice the size of Texas. **Capital:** *Administrative*—Pretoria (pop. 1.0 million). *Legislative*—Cape Town (1.7 million). *Judicial*—Bloemfontein (0.2 million). *Other Cities*—Johannesburg (1.9 million), Durban (0.9 million). **Terrain:** plateau, mountains, coastal plains. **Climate:** moderate.



People

Nationality: *Noun and adjective*—South African(s). **Population** (1984 est.): 32.6 million. **Annual growth rate:** 2.5%—whites 0.89%; blacks*: "coloreds" 2.28%, Asians 1.96%, Africans 2.8%. **Ethnic groups:** *White*—English, Afrikaner; *black*—colored, Asian, African. **Languages:** English and Afrikaans (official), Zulu, Xhosa, North and South Sotho, Tswana, others. **Religions:** predominantly Christian; also traditional African, Hindu, Muslim, and Jewish. **Education:** *Years compulsory*—white and coloreds, ages 7–16; Asians, ages 7–15; Africans, being introduced. **Health:** *Infant mortality rate* (1980)—per 1,000 live births: whites 13.0; blacks, coloreds 61.9; Asians 20.4; Africans 90. *Life expectancy*—whites 70 yrs.; blacks: coloreds 59 yrs., Asians 66 yrs., Africans 55 yrs. **Work force** (11.0 million): *Agriculture*—30%. *Industry and commerce*—29%. *Services*—34%. *Mining*—7%.

Government

Type: Executive—president, tricameral Parliament with one chamber each for whites, coloreds, and Indians, under a new constitution effective September 3, 1984. **Independence:** May 31, 1910, Union of South Africa was created; became sovereign state within British Empire in 1934; May 31, 1961 became republic; October 1961 left the British Commonwealth. **Constitution:** Effective September 3, 1984.

Branches: *Executive*—state president (chief of state) elected to a 5-year term subject to removal by majority vote of each of the three Houses. *Legislative*—tricameral Parliament consisting of 308 members in three chambers: House of Assembly (white)—166 members elected directly for maximum of 5-year term, 4 members nominated by the president, 8 indirectly elected by the chamber; House of Representatives (colored)—80 directly elected members, 2 members nominated by the president, and 3 indirectly elected by the chamber; House of Delegates (Indian)—40 members directly elected, 2 nominated by the president, and 3 indirectly elected by the chamber. President's Council—60 members, 25 appointed by the president, 20 elected by the House of Assembly, 10 elected by the House of Representatives, and 5 elected by the House of Delegates. Members serve during term of Parliament. *Judicial*—Supreme Court consisting of Appellate Division in Bloemfontein and four provincial divisions.

Administrative subdivisions: Provincial governments of the Transvaal, Orange Free State, Cape of Good Hope, and Natal; 10 separate "homelands" administered in areas set aside for black Africans.

Political parties: *White*—National Party, Progressive Federal Party, New Republic Party, Conservative Party, Reconstituted National Party. *Colored*—Labor Party, Freedom Party, People's Congress Party, Reformed Freedom Party, New Convention People's Party. *Indian*—National People's Party, Solidarity. **Suffrage:** adult whites, coloreds, and Indians 18 and older.

Central government budget (FY 1985–86): Rand 31 billion.

Defense (FY 1985–86): 15% of government budget.

Flag: Three horizontal bands—orange, white, and blue from top to bottom with the Union Jack and the flags of the two former Boer Republics (the Orange Free State and the Transvaal Republic) reproduced in minature and centered on a white band.

Economy

GNP: (1985) $51 billion. **GDP:** (1985) $49.1 billion. **Annual growth rate** (GDP): 12.6% nominal–.06% real. **Per capita GNP:** $1,566. **Avg. inflation rate** (1985): 16.2%.

Natural Resources: nearly all essential minerals except oil.

Agriculture: (1985): 4.7% of GNP. *Products*—corn, wool, dairy products, wheat, sugarcane, tobacco, citrus fruits. *Cultivated land*—12%.

Mining: 15.1% of GNP.

Manufacturing: 23% of GNP.

Industry: *Types*—minerals, automobiles, fabricated material, machinery, textiles, chemicals, fertilizers.

Trade: *Exports* (1985)—$15.9 billion: gold, diamonds, corn, wool, sugar, fruit, fish products, metals, metallic ores, metal products, coal. *Major markets*—US, Switzerland, Japan, UK. *Imports* (1985)—$10.1 billion: machinery, electrical equipment, transportation, office machinery and data processing equipment, metal products. *Major suppliers*—US, FRG, Japan, UK.

Official exchange rate: one rand = US $.40.

Fiscal year: April 1–March 31.

Membership in International Organizations

UN and many of its specialized agencies, including the General Agreement on Tariffs and Trade (GATT), INTELSAT.

*In South Africa, the term "black" embraces the South African racial categories of "colored" (mixed race), Asian, and African.

Updated from the *Background Notes* of May 1985, published by the Bureau of Public Affairs, Department of State. Editor: Juanita Adams. ■

Apartheid threatens our vital interests in southern Africa, because it's drawing neighboring states into the vortex of violence. Repeatedly, within the last 18 months, South African forces have struck into neighboring states. I repeat our condemnation of such behavior. Also, the Soviet-armed guerrillas of the African National Congress—operating both within South Africa and from some neighboring countries—have embarked upon new acts of terrorism inside South Africa. I also condemn that behavior.

But South Africa cannot shift the blame for these problems onto neighboring states, especially when those neighbors take steps to stop guerrilla actions from being mounted from their own territory.

If this rising hostility in southern Africa—between Pretoria and the front-line states—explodes, the Soviet Union will be the main beneficiary. And the critical ocean corridor of South Africa and the strategic minerals of the region would be at risk. Thus, it would be a historic act of folly for the United States and the West—out of anguish and frustration and anger—to write off South Africa.

Key to the Future

Ultimately, however, the fate of South Africa will be decided there, not here. We Americans stand ready to help. But whether South Africa emerges democratic and free or takes a course leading to a downward spiral of poverty and repression will finally be their choice, not ours.

The key to the future lies with the South African Government. As I urge Western nations to maintain communication and involvement in South Africa, I urge Mr. Botha not to retreat into the *laager*, not to cut off contact with the West. Americans and South Africans have never been enemies, and we understand the apprehension and fear and concern of all of your people. But an end to apartheid does not necessarily mean an end to the social, economic, and physical security of the white people in this country they love and have sacrificed so much to build.

To the black, "colored," and Asian peoples of South Africa, too long treated as second- and third-class subjects, I can only say: in your hopes for freedom, social justice, and self-determination, you have a friend and ally in the United States. Maintain your hopes for peace and reconciliation, and we will do our part to keep that road open.

We understand that behind the rage and resentment in the townships is the memory of real injustices inflicted upon generations of South Africans. Those to whom evil is done, the poet wrote, often do evil in return.

But if the people of South Africa are to have a future in a free country where the rights of all are respected, the desire for retribution will have to be set aside. Otherwise, the future will be lost in a bloody quarrel over the past.

Components for Progress Toward Peace

It would be an act of arrogance to insist that uniquely American ideas and institutions, rooted in our own history and traditions, be transplanted to South African soil. Solutions to South Africa's political crisis must come from South Africans themselves. Black and white, "colored" and Asian, they have their own traditions. But let me outline what we believe are necessary components of progress toward political peace.

First, a timetable for elimination of apartheid laws should be set.

Second, all political prisoners should be released.

Third, Nelson Mandela should be released—to participate in the country's political process.

Fourth, black political movements should be unbanned.

Fifth, both the government and its opponents should begin a dialogue about constructing a political system that rests upon the consent of the governed—where the rights of majorities and minorities, and individuals are protected by law. And the dialogue should be initiated by those with power and authority—the South African Government itself.

Sixth, if postapartheid South Africa is to remain the economic locomotive of southern Africa, its strong and developed economy must not be crippled.

And, therefore, I urge the Congress—and the countries of Western Europe—to resist this emotional clamor for punitive sanctions.

If Congress imposes sanctions, it would destory America's flexibility, discard our diplomatic leverage, and deepen the crisis. To make a difference, Americans—who are a force for decency and progress in the world—must remain involved. We must stay and work, not cut and run.

It should be our policy to build in South Africa, not to bring down. Too often in the past, we Americans—acting out of anger and frustration and impatience—have turned our backs on flawed regimes, only to see disaster follow.

Those who tell us the moral thing to do is to embargo the South African economy and write off South Africa should tell us exactly what they believe will rise in its place. What foreign power would fill the vacuum if South Africa's ties with the West are broken?

The Need for Coordination

To be effective, however, our policy must be coordinated with our key Western allies and with the front-line states in southern Africa. These countries have the greatest concern and potential leverage on the situation in South Africa. I intend to pursue the following steps.

- Secretary Shultz has already begun intensive consultations with our Western allies—whose roots and presence in South Africa are greater than our own—on ways to encourage internal negotiations. We want the process to begin now, and we want open channels to all the principal parties. The key nations of the West must act in concert. And, together, we can make the difference.

We fully support the current efforts of the British Government to revive hopes for negotiations. Foreign Secretary Howe's visits with South Africa's leader this week will be of particular significance.

- And second, I urge the leaders of the region to join us in seeking a future South Africa where countries live in peace and cooperation. South Africa is the nation where the industrial revolution first came to Africa; its economy is

a mighty engine that could pull southern Africa into a prosperous future. The other nations of southern Africa—from Kinshasa to the Cape—are rich in natural resources and human resources.

• Third, I have directed Secretary Shultz and AID [Agency for International Development] Administrator McPherson to undertake a study of America's assistance role in southern Africa to determine what needs to be done and what can be done to expand the trade, private investment, and transport prospects of southern Africa's landlocked nations. In the past 5 years, we have provided almost $1 billion in assistance to South Africa's neighbors. And this year we hope to provide an additional $45 million to black South Africans.

We're determined to remain involved, diplomatically and economically, with all the states of southern Africa that wish constructive relations with the United States.

This Administration is not only against broad economic sanctions and against apartheid; we are for a new South Africa, a new nation where all that has been built up over generations is not destroyed, a new society where participation in the social, cultural, and political life is open to all people—a new South Africa that comes home to the family of free nations where it belongs.

To achieve that, we need not a Western withdrawal but deeper involvement by the Western business community, as agents of change and progress and growth. The international business community needs not only to be supported in South Africa but energized. We'll be at work on that task. If we wish to foster the process of transformation, one of the best vehicles for change is through the involvement of black South Africans in business, job-related activities, and labor unions.

But the vision of a better life cannot be realized so long as apartheid endures and instability reigns in South Africa. If the peoples of southern Africa are to prosper, leaders and peoples of the region—of all races—will have to elevate their common interests above their ethnic divisions.

We and our allies cannot dictate to the government of a sovereign nation. Nor should we try. But we can offer to help find a solution that is fair to all the people of South Africa. We can volunteer to stand by and help bring about dialogue between leaders of the various factions and groups that make up the population of South Africa. We can counsel and advise and make it plain to all that we are there as friends of all the people of South Africa.

In that tormented land, the window remains open for peaceful change. For how long, we know not. But we in the West, privileged and prosperous and free, must not be the ones to slam it shut. Now is a time for healing. The people of South Africa, of all races, deserve a chance to build a better future. And we must not deny or destroy that chance.

[1]Text from Weekly Compilation of Presidential Documents of July 28, 1986. ■

The U.S. Approach to South Africa

Secretary Shultz's statement before the Senate Foreign Relations Committee on July 23, 1986.[1]

It is always a pleasure for me to appear before this committee, and especially today when I have an opportunity to expand on and support the President's ringing denunciation of apartheid yesterday, his call to South Africans of all races, and for all of us here who are interested in what happens in that troubled country, to have in our minds a vision of what can be if apartheid can be ended, and if and when a government where the rights of majorities, minorities, and individuals are respected by constitutional guarantees and where full advantage can be taken of the extraordinary resources and talents that are there. That is our vision; that is what we are trying to achieve. And third, the President called attention and specified what he takes to get there, primarily what it takes on the part of the people of South Africa to get there. And he talked about the role of the United States in helping to support those objectives. It was an important, vigorous, and principled statement of which we can be proud.

We Americans are witness to a mounting tragedy in South Africa that stirs our emotions and prompts us to ask ourselves those very American questions: what can we do about apartheid? What can we do about the violence and destruction it generates and about the spill-over effects of South Africa's trauma on its many neighbors? How can we help all South Africans build a just and prosperous society? Those are our questions, and I recognize them in the statements that have been made here.

In the past few months, the situation in South Africa has taken a further, sharp turn for the worse. Slender hopes for peace and reconciliation have fallen victim to a headlong rush toward violence. Doors that need to be open have been slammed shut. Forces of political fragmentation and racial polarization have been set loose. They will be very difficult to contain.

Our policy toward any region takes into account changing facts on the ground. While our goals and basic purposes remain constant, U.S. interests

and values, and hence our actions, are directly affected by what happens. We have reviewed the southern African situation. We have concluded that, despite narrowing odds, we should be doing all we can to reverse an impending tragedy. In my remarks to you today, I will describe the forces at work in South Africa and the region, discuss the broad approach which President Reagan outlined yesterday in his speech, and make clear what actions we think make sense in this new situation.

What Must Be Done

But, first, I want to outline the approach the President and I believe we must follow.

First, it is the leaders of South and southern Africa and their people, black and white, who have the major responsibility. The fate of southern Africa is in their hands. This is their drama, their dilemma, their challenge. But they are not alone. We are prepared to talk to all of them and to help them talk to each other. We and our allies will engage our influence in every way possible to help them meet the challenge. But, most fundamentally, it is they who must rise to it.

Second, the nature of the challenge the South African Government faces is clear. Progress toward peace there requires:

- A timetable for the elimination of all apartheid laws;
- The release of all political prisoners, including—especially—Nelson Mandela;
- The unbanning of black political movements;
- An end to repressive measures, especially the state of emergency; and
- The urgent beginning of dialogue among all parties, leading to a democratic system of government in which the rights of majorities, minorities, and individuals are protected by a bill of rights and firm constitutional guarantees.

Third, the choices before black South Africans are equally clear. We call on them:

- To avoid the easy descent into violence, terrorism, and extremism;
- To demonstrate by their actions that they understand the need for compromise;
- To remember that they may soon share the responsibility for governing and reconstructing South Africa—I would say sooner or later, the sooner the better, that they will share it and they have to think that way, that responsibility; and
- To seek out and accept realistic openings for dialogue and negotiation with the government.

Fourth, our policies and those of our allies should ensure that expanded political liberties in a postapartheid South Africa are accompanied by an expansion of economic opportunities for all South Africans. This will require an expanding South African economy that is strong enough to meet South Africa's pressing social and economic needs, healthy enough to raise black living standards rapidly toward those of whites, and open and vigorous enough to spur economic development regionwide.

Finally, a free South Africa is essential to the kind of southern Africa we and most southern Africans seek. Only a South Africa which preserves Africa's strongest and most developed industrial economy can galvanize a dynamic and balanced regional economy, mobilize capital and labor, spread advanced technology and management, and strengthen trade and transport ties. Only a South Africa of democratic freedoms can foster such freedoms beyond its borders. In this connection, there is no place in our vision for South African forces in Namibia or Cuban forces in Angola. Both the South Africans and the Cubans must go home.

These are the objectives to which all our efforts must be directed. This is our approach. We commend it to the American people. We commend it to our allies. And we commend it to African peoples and their leaders across the continent. Let there be no doubt—no doubt whatsoever—about what the American Government and people stand for. I dare say, in listening to your comments and reading things that all of you have said from time to time, that on these objectives and these steps, which are the guts of the matter, there is broad bipartisan agreement.

The Current Situation and Its Implications

Now let me review the current situation and its implications. It is essential to understand the facts in southern Africa to judge what the results of various courses of action by the United States might be. I have said there is a bad situation, getting worse. Let us look more deeply at what is going on and what it means.

The market is speaking clearly about where the hardening positions of the South African Government and its violent opponents are taking South Africa. South Africa is under siege by self-imposed economic sanctions. Foreign capital, technology, and expertise are pulling out. Currency controls, import controls, and import-substitution policies cannot replace them.

The index of South African business confidence now stands at only three-fourths of what it was in 1980. Gross fixed capital formation fell by 40% in 1985 and is continuing to decline. Gross domestic product was down by 1% in the first quarter of this year. There is net emigration among whites for the first time since 1977. Most significantly, an increasing number of the country's skilled professionals are leaving.

Over the past year, the book value of American investment in South Africa has fallen by about a third. Investment from other countries is falling by comparable orders of magnitude, and voluntary disinvestment is accelerating. Nearly 200 corporations are in various stages of disengagement from the South African economy.

The commercial rand has depreciated to less than 40¢, from $1.28 in 1980. The financial rand, used for offshore transactions, now trades around 20¢. Despite the government's frequent and heavy interventions in the exchange markets, South Africa's currency shows no sign of recovery. Capital flight between September 1985 and March of this year was about $1 billion, equivalent to more than a month of imports. Sweeping exchange controls have not staunched the outflow, which seems to be accelerating. There is no new lending from abroad. In the past, South African foreign exchange reserves have been sufficient to cover 5–6 months of imports. Now they barely cover 1 month's imports. Ninety-five percent

of this year's debt service payments have had to be rescheduled.

The government is holding the prime rate at an artificially low 14%. Inflation persists at 17.5%, so interest rates are, in fact, negative. This should stimulate borrowing and investment—no doubt that's their intent. Nevertheless, real borrowing has fallen by 5%. And rates of investment are now so low that they cannot cover the depreciation of plant and equipment. The wages of white workers rose by 10.5% from mid-1984 to mid-1985, but inflation then stood at 15%, leaving them worse off. The fall in the standard of living for whites has since accelerated. Real per capita income is declining even more rapidly for blacks.

The turn toward a siege economy only increases the size and cost of government at the expense of productive economic activity and the tax base. Three-fifths of employed Afrikaners and one-fifth of the English-speaking white workforce already work for the South African Government or its agencies. Military callups under the state of emergency are diverting additional resources out of the productive sector. The recent arrests of labor leaders have brought chaos to labor-management relations, adding further to the economy's woes.

Unemployment among urban blacks now stands at 25% and runs over 50% in some urban areas. And, for the first time since the National Party came to power, white unemployment is a serious problem. From March 1985 to March of this year, 40,000 whites lost their jobs. There are over 250,000 new job seekers in South Africa every year; the economy needs real growth rates of 5% just to keep unemployment at current levels. With no growth in prospect, the country cannot create jobs for either blacks or whites.

South Africa has costly economic and social problems which cry out to be addressed. For example, 3-4 million new housing units will be required over the next 15 years. Public health demands immediate attention, with only 1 doctor for every 25,000 people in the rural areas. Black education is grossly underfunded. The South African Government, to its credit, is trying to increase the amounts of money it devotes to addressing these problems. But the state of emergency is imposing additional heavy burdens on the country's budget, as are the government's military adventures in the region.

Current developments are, in fact, eroding the capacity of any future South African Government to address the country's problems. They are causing South Africa's economic base to deteriorate. Skilled manpower is fleeing the country. Domestically generated capital is bleeding away. These developments are looting South Africa of the patrimony on which its reconstruction in the postapartheid era must rest. They should be of concern to all who hope to see a prosperous, democratic South Africa emerge from the miseries of apartheid. They should be of as much concern to South African blacks as to whites.

Only the establishment of a system that answers the aspirations of the South African people for justice and equality and ends policies and actions that put South Africa at odds with all its neighbors can open the path to prosperity and progress for all, not just in South Africa but throughout the southern African region.

With so many opponents of apartheid in jail under the state of emergency, leaders on both sides find it hard to meet, much less negotiate. Politics in South Africa is increasingly polarized and shrill; suspicion and mistrust abound. The youth, black and white, are being schooled in a style of politics that sees violent retribution, rather than open debate, as the natural reaction to any expression of views different from their own. The rising violence provokes terrorism from extremists on all sides, which, in turn, elicits more extreme measures by both the government and its opponents in what is becoming a cruel game of oneupmanship.

These trends have implications that resound well beyond South Africa's borders and affect all of southern Africa. Until 1985, the regional picture showed signs of hope. Our diplomatic efforts were having clear success. This conflict-ridden region was moving, albeit fitfully, toward negotiated solutions. Tireless American diplomatic efforts had brought South Africa, Angola, and other parties within range of a possible accord on Namibia's independence under UN Security Council Resolution 435 and on a timetable for Cuban troop withdrawal from Angola. After a period of confrontation, the Nkomati accord between South Africa and Mozambique created a framework for economic cooperation and good neighborly relations. This agreement contained regionwide potential for leashing the dogs of war and ending Mozambique's endless agony of poverty and strife. Fragile, but substantive, exchanges were occurring betwen South Africa and other neighbors to resolve cross-border security problems. We support continued efforts by South Africa's neighbors to stop guerrilla operations from their territory.

I might say that 2 days after South Africa's raid into Botswana, the Foreign Minister of Botswana was in my office, and she told me that on the day before the raid she had been exchanging telexes with the South African Government about still another meeting on security-related matters, having to do with cross-border violence. And she stated her view and her government's view that they did not want to harbor any terrorists, and if South Africa would tell them where they are, they'd get after them. And that night she was greeted by the raid, and who was killed in the raid? A government official who spends his off hours teaching school, hardly a terrorist. So it's a tragedy. Nevertheless, I think the efforts of South Africa's neighbors to stop guerrilla operations from their territory are essential, and we support them.

These hopeful beginnings have been dealt body blows by the events of the past 18 months. South African strikes against Lesotho, Zambia, Botswana, and Zimbabwe and Pretoria's continued relationship with the Mozambican rebel movement have shattered the emerging climate of regional moderation. Soviet-armed ANC [African National Congress] guerrillas have embarked upon expanded terrorist violence inside South Africa, dragging neighboring states inexorably into a cauldron of conflict with a South African Government increasingly eager to shift the blame for its internal woes to its neighbors. The MPLA [Popular Movement for the Liberation of Angola] regime in Angola, encouraged by massive Soviet arms shipments, has used South African attacks and internal problems as an excuse to suspend negotiations and pursue an illusory military option against

UNITA [National Union for the Total Independence of Angola]. Despite hints of possible flexibility, the MPLA has refused to respond constructively to our 1985 compromise proposals on Namibia and Angola or to explore South Africa's professed readiness to begin implementation of a compromise plan now.

This new shift toward political confrontation is paralleled by economic trends. South Africa and its neighbors are diverting increasingly scarce resources to their security forces. Internal strife and socialist inefficiency in Angola and Mozambique have severely damaged or destroyed the region's natural transport infrastructure, rendering landlocked neighbors increasingly dependent on costly long-distance routes through South Africa. All you have to do is look at a map and you see how nonsensical from a rational economic point of view what's happening is. The Benguela rail line—long of importance for the Zairian and Zambian mining industries—is hostage to Angola's civil war. Rail and road links to Tanzanian and Mozambican ports—and the ports themselves—are functioning at a mere fraction of their potential capacity. For eight of its neighbors, South Africa now provides the outlet for 25%–100% of their export trade; and it has 75% of the region's rail network; provides a major source of electric power to four neighbors; and is the source of most neighbors' imported chemicals, foodstuffs, petroleum, and machinery. It is estimated that as many as 10 million people in nearby states live on the remittances of foreign workers in South Africa.

Appeals by African states for mandatory economic sanctions against South Africa represent a political message to us. Yet those states cannot themselves implement such sanctions and would be the first victims of South African countermeasures now being loudly brandished as a threat by Pretoria. Don't forget, we're not the only ones that can put on sanctions. And the declining pace of economic activity in South Africa itself will have direct and predictable results among its neighbors as capital, expertise, and job opportunities are victims of South Africa's downward slide. *We need to understand clearly that the* human tragedy in South Africa is occurring in the economic hub of a region that includes a dozen states with some 150 million people. The damage inflicted on South Africa by the marketplace, by political measures of governments, and—above all—by the South Africans themselves is rippling across and dragging down an entire region.

The fundamental cause of all this damage is the system of apartheid and the mounting and inevitable reaction to it. Apartheid must be brought to an end and be replaced by a democratic system of government in which the rights of majorities, minorities, and individuals are protected by a bill of rights and firm constitutional guarantees.

Now, that is a rather laborious summary of some of the trends that are taking place, and I personally believe it is quite sobering. And I think it is quite clear that if you are wondering if there is a message being sent, it is being sent. It's being sent diplomatically, it's being sent politically, it's being sent economically, and it's being sent with violence, unfortunately. I think there is some merit to the argument that the message delivered by the marketplace is a more powerful and deeper message than a message that might be delivered by some action that would be taken here. If you impose a political sanction, you are in effect, saying that there is capital and business and everything that is just dying to get in here and take advantage of those opportunities, and you are going to stop it from doing so. It is more devastating to realize that without any such interposition capital is not coming; capital is leaving, and the economy is in a rapid downward spiral. That is a very powerful message being delivered, and I think you should think twice before you piggyback on it and to a certain extent disturb it. Now, let me turn to the role of the United States.

The Role of the United States

South Africa is now a society ruled by fear. Fear on the part of whites that their property and their values, which they cherish, will be destroyed if blacks attain real political power. Fear on the part of blacks that they will be subjected to even greater violence and repression and despair that their legitimate grievances will ever be redressed. South Africa's true friends can and must make the case that there are actions to be taken to alter this climate of fear and despair.

For if South Africa is now a country in torment, it is also one of enormous potential. Both the South African Government, which now seems so unconcerned about international opinion, and its black opponents, who often seem to dismiss the efforts of the outside world to help, still look to us for understanding and support. South Africans, in short, continue to search for solutions. We should help in this search.

Through several Administrations, including this one, U.S. policy has sought the elimination of apartheid and rapid peaceful change to a democratic system. Our voice has, of course, been only one of many urging the South African Government to act. South Africans—some inside, many outside the government—have expressed quiet appreciation for the role we have played in opposing forced removals of populations, detentions of individuals, and abuse of detainees. We believe that our support for an end to apartheid has made it easier for the South African Government to go forward with the politically divisive process of ending the pass laws, expanding rights of residence and private property ownership, and restoring citizenship to those from whom these rights were stripped in an earlier era.

We are proud to stand with South Africans who feel as strongly about what replaces apartheid as they do about the urgent need to end it. And our role has gone beyond moral suasion. We and U.S. businesses have not just spoken, we have acted by bringing black and white South Africans together in the workplace and in our homes on the basis of friendship and equality. American business has spent over $200 million outside the workplace since 1977 to prepare black South Africans for the postapartheid society they anticipate. The U.S. Government has allocated $45 million in this fiscal year and the coming one for the same purpose. We want to do more. I might say, I believe that rather than excoriating American businesses who are there in South Africa, they should be praised. They have performed magnificently. They have put into place in their workplaces standards that show the way, and they have acted as really good citizens in the community. We can be proud of what they have done. We don't want them to leave there; they're a force for good, they're a

force for progress. But, of course, they are leaving.

The President has forcefully articulated our strategy and the results we seek from it. Getting there from here will require both patience and courage on our part. We must not become part of South Africa's problems; we must remain part of their solution. We must not aim to impose ourselves, our solutions, or our favorites in South Africa; such an intrusion would be unwanted and unwise for any outside party. But we must always be willing to help South Africans in their search for their own answers to their country's ills.

Our access to various groups and individuals gives us openings for using diplomacy and political and moral persuasion—the most effective tools available to us in these dangerous times. We continue to urge the South African Government to communicate with all parties, and it makes sense for the United States to do the same, and we will. Like our allies, we intend to raise the level and the frequency of our contact with the South African Government's black opposition, including—among others—the African National Congress.

We have serious questions about the ultimate objectives of the ANC, as well as about the role in its inner circles of the Soviet-controlled South African Communist Party. We are also disturbed that the ANC appears to be imitating the South African Government's preference for violence and intimidation rather than dialogue with its opponents. But the ANC has emerged as an important part of the South African political equation. There is a compelling need to ensure that its leaders—like other opponents of apartheid—hear an authoritative statement of U.S. policies and interests and that we have equally authoritative insight into theirs. And, I might say, with Nelson Mandela as their president—I have never met him, but I've talked to many who have, and uniformly they come away from their meetings with him, thinking very highly of him as an individual.

In our diplomacy, we are trying to assist an unhappy nation and its diverse peoples lay the basis for a better future. Our moral responsibility each day must be to think through the results of our actions. When President Reagan signed

Working Group on South and Southern Africa

The working group was formed at the direction of the President in the fall of 1985. It is an interagency effort led by the Department of State to communicate U.S. goals and objectives in South Africa to domestic and foreign audiences. The working group also builds cooperation among U.S. Government agencies and private groups that seek positive involvement to promote fundamental change in South Africa.

Apartheid, South Africa's system of legally enshrined racism, is contrary to the principles of liberty and equality of opportunity on which the United States was founded. It violates basic human rights. The Administration is categorically opposed to this practice and has sought actively to promote a process of peaceful and rapid change away from apartheid toward a nonracial South Africa.

U.S. influence in South Africa is limited, but our history, our concern for the protection of human rights, and our role as leader of the free world are fully consistent with U.S. involvement to induce change toward a more just society.

The central theme of U.S. policy is one of support and pressure for constructive change toward a postapartheid system in which all South Africans participate, where the rights of both majorities and minorities are respected. In this regard, we reject the premise that it is necessary to destroy South Africa to change it. Consequently, U.S. policy is firmly opposed to punitive economic sanctions.

As a nation of builders, not destroyers, a central element of the U.S. role should include efforts to prepare South Africans for a nonapartheid future. Such efforts span a wide range of fields through government, nongovernment, and cooperative programs and activities. The Administration does not believe that constructive purposes will be served by actions that could undermine or destabilize the economic base of South Africa, which remains a source of hope for the future of its citizens and its neighbors throughout southern Africa.

To underscore the Administration's commitment to these goals and beliefs, the working group conducts activities aimed at the following objectives:

- To respond to the American public's high level of interest about U.S. policy toward South Africa, through an active program of speeches, seminars, publications, and press briefings—ensuring that constructive suggestions from the public are brought promptly to the attention of U.S. policymakers;
- To encourage the private sector—broadly defined from businesses to religious groups—to become meaningfully involved in promoting the emergence of a nonracial society in South Africa and in helping the black majority to overcome the legacies of apartheid;
- To explain Administration goals to Congress and to work intensively to develop a consensus on U.S. policy which furthers America's interests and enables the United States to play a useful role in South Africa;
- When asked, to serve as a resource for State and local governments seeking information about U.S. policy on divestment and positive alternatives to disengagement and loss of American influence in South Africa;
- To encourage and facilitate U.S. Government agencies—especially the Agency for International Development (AID), U.S. Information Agency (USIA), and Department of Commerce—in carrying out programs totaling more than $50 million to help those disadvantaged by apartheid; and
- To communicate U.S. policy goals and programs to audiences beyond the United States, particularly in Europe, South Africa, and other parts of Africa.

For further information contact:

The Working Group on South and Southern Africa
U.S. Department of State
SAWG, Room 3243
2201 C Street, N.W.
Washington, D.C. 20520 ■

his Executive order on South Africa last September, he said that he wanted to work with Congress to increase bipartisan support for U.S. policy toward that country. In his speech yesterday afternoon, he added:

> America's view of apartheid has been, and remains, clear. Apartheid is morally wrong and politically unacceptable. The United States cannot maintain cordial relations with a government whose power rests upon the denial of rights to a majority of its people, based upon race.
>
> If South Africa wishes to belong to the family of Western nations, an end to apartheid is a precondition. Americans . . . are united in this conviction.

U.S. policy proceeds from that premise. Our purpose is to underscore our message to the South African Government that the United States—its Executive, its legislature, and most importantly, its people—reject apartheid and that we, like growing numbers of the South African people, want it replaced by a genuinely democratic system in which all can participate, regardless of race.

Coordination With Allies

In this connection, it is vital to coordinate what we do with our principal allies. American influence in South Africa is limited. But the influence of the industrialized democracies of the EC [European Community], Japan, and the United States as a group is significant. Together we constitute South Africa's major trading and investment partners. Together we embody the values of the democratic world that South Africans of all races seek to join. Together we stand a better chance of helping them to do so.

In the coming weeks, both the Commonwealth nations and the European Community will be consulting about possible measures aimed at inducing positive change in South Africa. In those contexts, a broad range of measures has been put forward. These include punitive actions such as commodity import bans, further export/import and investment restrictions, curtailing air travel and visa facilities, and various other political sanctions. They include measures to protect our interests against the possibility of catastrophe, such as coordination of stockpiling policies for strategic minerals from South Africa. Let's not forget that we import some very important commodities from there. Other positive measures have also been proposed, such as increased aid to apartheid's victims. We have our own ideas and are prepared to join our allies in formulating a common approach. As the President said yesterday, however, it cannot make sense—politically, economically, or morally—to compound the suffering of an entire region and remove our remaining influence as a gesture of outrage. That is not responsible.

A special EC emissary, British Foreign Secretary Sir Geoffrey Howe, has also been mandated to visit the region to pursue possibilities for negotiations. He is now in South Africa. He will meet today with State President Botha and expects to meet with him again on July 29. The President and I conferred with Sir Geoffrey last week. He has our full support in the difficult mission he has undertaken. His findings and his recommendations at the conclusion of the trip will have a major bearing on the decisions we shall be considering in concert with our allies. His mission, and our diplomacy, will aim at restoring the hopes for dialogue first kindled by the Eminent Persons' Group, whose negotiating concept made more headway than many thought possible.

We cannot, and should not, attempt to deal with the crisis in South Africa in isolation from the disastrous consequences it can have for the entire southern African region. Accordingly, I am asking AID [Agency for International Development] to join the Department of State in our consultations with our allies.

We will consider a range of positive measures that would give substance to the President's wish to promote economic progress throughout the southern African region. South Africa now dominates an economically irrational regional transport network that provides high-cost outlets for all of its neighbors except Angola, and which renders them vulnerable to retaliation and economic penalties. These front-line states have shorter, more economic alternatives, but these routes have deteriorated over the years, are inefficient, and require upgrading. We and our allies have already begun to work on a program of rehabilitating some transportation links. Similarly, we intend to pursue ways of opening the region to more commerce, developing transportation routes and industry along the major alternative corridors, adding to the locomotive and rolling stock of the front-line states, and stimulating more trade between South Africa's neighbors.

For example, the Beira corridor through Mozambique is a natural egress to the sea for many of the landlocked southern African states. It is an economic, if partial, alternative to dependence on South Africa for states as far away as Zaire, which now sends 43% of its mineral and metal exports through the South African road and railway system. Development of the Beira corridor could be vital to the future economic growth of the region, lowering export costs, and improving terms of trade, regardless of what happens in South Africa. Support for this project would lay a more balanced foundation for economic relations between the front-line states and a postapartheid South Africa.

Investments in regional transportation and trade development projects are not simply gestures against South African domination of the economies of its neighbors. These are solid foundations for the future of the regional economy.

These investments would also reduce the extent to which we depend on South Africa for access to the region's mineral supplies. U.S. participation in these positive, forward-looking programs demonstrates to all the front-line states our commitment to the region's postapartheid future. They are subjects of vital interest to everyone concerned about what happens in southern Africa after apartheid has passed into history. We intend to consult closely with Congress on these and other proposals that address the problems of the region.

The Role of Congress

Here I want to point out the obligation we all share toward Africa, the poorest continent. We all know the grim statistics of Africa's economic crisis. But there is also a message of hope as nation after nation discards discredited statist economic development policies. African leaders have joined a growing chorus—heard loud and clear at the UN

Special Session on Africa in May, which I attended and found to be an inspiring event, as you see that change in thinking that's going on throughout that continent—that recognizes that free market forces are the key to ending the continent's economic tailspin. Now is the time for Americans to be at Africa's side economically. This Administration has played a leading international role in helping shape the new policy consensus on Africa. Resource flows have expanded to enable us to back Africa's winners and support the politically costly process of policy reform.

But congressional foreign assistance levels threaten this important American achievement. We have many important priorities and responsibilities around the globe, including in Africa. To be effective, our foreign policy and national strategy must, I repeat, must be adequately funded. And, ladies and gentlemen, it is not being adequately funded in the kind of budget numbers that are being talked about. It is being cut to ribbons, and our ability to do anything constructive in the area we're focusing on today, let alone other areas, is being reduced to a shambles. And so I wonder when I hear of all the calls for economic sanctions against South Africa whether people have thought of the economic price tag for southern Africa. Instead of focusing on how much damage we can do in sending a message, let's send a message to South Africa's neighbors of our support for their economies, their infrastructures, and their independence. But it costs money, and we don't have it.

Meanwhile, I know this committee has before it several legislative proposals designed to send messages to the South African Government. These proposals include the House bill, which amounts to a declaration of economic war on the people of southern Africa. Its passage would end our capacity to have any positive influence on the struggle for justice and human rights in southern Africa. Other legislation, although less extreme, would similarly weaken our ability to have a positive effect on what happens in South Africa.

The President and I share the sense of outrage at the situation in South Africa that has led you and your colleagues in the House to consider these actions. We are prepared to take action, with our allies, to change the mix of our pressures—positive and negative—to meet the rapidly changing course of events in South Africa and to play an essential supporting role in advancing South Africans toward the objective of a decent, democratic, prosperous, and civilized society for all who live there.

But I want forcefully to underscore the need for us to have maximum flexibility to carry out our diplomacy. This is not a situation in which we can afford to be locked in the straitjacket of rigid legislation, no matter how well intended or carefully drafted to anticipate events that may or may not occur. There's a lot taking place right now and over the next month or so, and you can't foretell it. We need the authority to act. Presidential discretion is necessary to introduce new measures if we conclude that they are necessary, or—equally important—to lift some should real progress be made. Remember, we're not talking about whether measures should be taken or not. There are lots of things in place. They go back to the early 1960s when President Kennedy joined other countries in embargoing shipment of arms to South Africa, and they've continued since, including the President's Executive order. So there are lots of things there. The question you have before you is whether you're going to pull the final pin and leave.

We feel strongly that the way to proceed is not to take actions that assuage our indignation but aggravate the currently deteriorating situation in South Africa. And, as I've said, from the standpoint of economic sanctions they're doing it to themselves. And it's a very powerful message to them to say, look, the way you're conducting yourself, never mind what anybody else thinks, you're ruining yourself. There's no hope for your economy unless you turn it around. It's not what somebody else is doing to you; it's what you are doing to yourself, which, of course, is saying if you want to change, you can change. We need to maintain our capacity to play a role in the emergence of a new South Africa. We must not condemn the inhabitants of the South Africa of the future to a life of economic stagnation. The way to proceed is not to punish those South Africans persecuted by apartheid but to target pressure on those who defend and enforce apartheid. The way to proceed is not, in short, to add to the misery of South Africans but to set about helping them solve South Africa's problems and to build a society of expanding liberties and economic opportunities.

Conclusion

Let me sum up. The South African Government has, by its policies, isolated itself politically and diplomatically. Its most recent actions are having the effect of isolating it economically as well. If current trends continue, the outlook for South Africa is dismal. In such a South Africa, there will be no winners, only losers. We have a different vision of South Africa's future. We want a democratic and prosperous South Africa, where all races participate politically and economically, at the center of a peaceful and rapidly developing southern African region. To achieve this, apartheid must go. All South Africans need to be represented in negotiations to determine the system of government that will replace it. Such negotiations are urgent. We cannot prescribe their outcome. But our policies and actions must be calculated to encourage the process of peaceful change and help it along.

And to do this, we must, as I have indicated, coordinate with our allies for maximum effect. The international consultations we have begun and our own review process, as well as our gauging of South African Government intentions, will all come to a conclusion in September, when further exchanges with our key allies will cap the process of coordination between us. We will be coming to you for your support and will consult closely with you as we examine how we can best achieve the results we all want.

Upcoming events give State President Botha ample opportunities to set out on a path that would take South Africa out of its present stalemate. He'll be speaking to his party convention, as I understand it, on August 12. We urge him to seize such opportunities. The responsibility to save South Africa from the violence, impoverishment, and hopelessness into which it is slipping rests first and foremost with the South African Government. It is that simple. If courageous and far-sighted decisions are taken, South Africans will find us ready to join with our allies in helping them to

build a better future for all the people of their country. The industrialized democracies must be prepared to take actions to help South Africans hasten apartheid to an early end and to help them replace it with a democratic society in which the rights of all are respected and protected.

[1]Press release 149. ■

Misconceptions About U.S. Policy Toward South Africa

During the past year and a half, apartheid—the system of legally entrenched racism long practiced in South Africa—has emerged as a highly sensitive political issue in the United States. Americans have been bombarded with news about South Africa, as televised scenes of racial conflict have entered American living rooms. But South Africa also has captured the attention of many Americans because of the antiapartheid actions of black South African leaders such as Bishop Desmond Tutu, who was awarded the Nobel Peace Prize in 1984 for his role in the struggle. In the United States, many citizens have chosen to engage in nonviolent protest against apartheid in front of the South African Embassy and its consular offices throughout the country. Other Americans have demonstrated in favor of stockholder divestment and corporate disinvestment from South Africa. South Africa not only has dramatically captured the attention of the media but continues to be an intensely debated issue in Congress, in State and local governments, and on many university campuses and elsewhere.

The purpose of this article is to put the debate over U.S. policy in factual perspective. Public interest in and debate on foreign policy issues are a central ingredient of a healthy democracy. As public awareness grows of the complexity of the South African drama, it is important that it be based on facts. Misconceptions regarding U.S. policy, goals, and objectives have clouded clear understanding of the issues and needlessly polarized our public discourse. This article addresses some of the common misconceptions.

Misconception: U.S. policy props up apartheid and the white minority government in South Africa at the expense of the black majority.

Facts: U.S. officials over several Administrations repeatedly and consistently have stated this country's strong opposition to apartheid. On September 9, 1985, President Reagan stated the following:

> The system of apartheid means deliberate, systematic, institutionalized racial discrimination denying the black majority their God-given rights. America's view of apartheid is simple and straightforward: we believe it's wrong. We condemn it. And we're united in hoping for the day when apartheid will be no more.

The explicit aim of U.S. policy is to end apartheid. The U.S. Government uses all its influence and urges private American citizens with influence in South Africa to press the South African Government to take immediate steps to dismantle apartheid. We attempt to persuade the South African Government to open talks, without preconditions, with the full range of leaders—black and white—and to negotiate the establishment of a political system that would enable all South Africans to participate in a government based on the consent of the governed.

As we continue to encourage accelerated, peaceful change in South Africa, we have:

- Maintained public and strong private pressure on the South African Government to translate into concrete actions its statements of intent to abandon apartheid;
- Worked aggressively through diplomatic and public channels to curtail human rights abuses, obtain releases of political prisoners, cease "forced removals" of settled black communities, extend civil rights to black victims of apartheid laws and policies, and promote the abandonment of those laws;
- Worked as closely as possible with those inside and outside South Africa who are actively seeking peaceful change;
- Sent clear signals to the South African Government in the President's Executive order of September 9, 1985, and in private communications, that the pace of reform must be accelerated; and
- Initiated an impressive range of assistance programs targeted to help black victims of apartheid in the fields of education, trade unionism, small business development, human rights, and legal defense. Funding for such projects in FY 1986 will total $20 million compared to $4.2 million in FY 1982. From 1981 through 1985, the United States provided assistance amounting to $27.9 million.

Misconception: The Reagan Administration has no consistent policy toward southern Africa in general or South Africa in particular.

Facts: Upon taking office in January 1981, the Reagan Administration determined to focus on the many threats to stability in southern Africa and developed a policy toward the region that seeks to:

- End the unjust policy of apartheid in South Africa and promote a system of government based on the consent of all the governed;
- Diminish regional and cross-border violence and promote negotiations as a means of settling differences;
- Bring about Namibian independence based on UN Security Council Resolution 435 and, in that context, the withdrawal of Cuban and other foreign troops from Angola; and
- Reassert U.S. influence in the region.

These objectives have been consistent over several past Administrations. Although U.S. leverage is limited, Americans can make and have made a difference.

In South Africa, the United States has the best chance of all outside parties to help South Africans move toward peaceful and positive change and to overcome the disabilities imposed by apartheid. We maintain contact and have credibility with all parties—blacks and whites. Just as we engage in dialogue with other governments whose form and policies we disagree with, we must continue to communicate our views to the South African Government. The United

States must continue to be a force for peaceful change in South Africa and for a reduction of regional violence. We need to use all the influence we have to work for change. We cannot hope to influence South Africa unless we remain involved there and continue to use our leverage wisely to promote reform.

Moreover, we must recognize that South Africa is an integral part of and major player in southern Africa. Our influence with South Africa on ending apartheid is related to the success of our efforts in the region as a whole. A climate of regional insecurity and armed conflict damages hopes for peaceful change in South Africa.

Misconception: "Constructive engagement" is merely engagement with the white minority in South Africa and a means of allying the U.S. Government with the South African Government.

Facts: Constructive engagement has been maligned because it has been misunderstood or misperceived, both within South Africa and without. The policy has promoted continuing contact with all peoples in South Africa, black and white, and indeed, with the governments and peoples of neighboring states. The U.S. Ambassador and his staff have been and are in touch with a wide spectrum of people from all South African communities, including black leaders representing a number of political organizations. We also have consistently urged the South African Government to enter into meaningful negotiations with black leaders looking toward development of a government based on the consent of all the governed.

Although the policy occasionally has been criticized, no responsible entity either within South Africa or without has ever asked that the United States discontinue its involvement in efforts to promote stability and positive change in the region. U.S. influence is limited, but it is still significant, and we intend to apply it where it may be most effective. Meanwhile, we will continue to carry on a dialogue with all South Africans in an effort to move forward the process of change now underway.

Misconception: The U.S. Government has done nothing to demonstrate its opposition to apartheid, and its relationship with the South African Government has always been business as usual.

Facts: The U.S. Government consistently has spoken out against the apartheid system and repeatedly protested specific human rights abuses in South Africa. The U.S. Government has adopted many restrictive measures to dissociate itself from apartheid and to help the black majority.

- Exports to South Africa of U.S. arms, ammunition, and equipment for their manufacture and maintenance were unilaterally embargoed by the United States in 1963. The U.S. embargo is broader than the later 1977 UN Security Council embargo to which the United States also subscribes.
- Since 1978 the U.S. Government has prohibited the export of computers to the South African military and police. From 1978 to 1982, the United States also banned the export of computers that would be used to enforce apartheid. Since 1982 the ban has precluded exports of computers for any purpose to all "apartheid-enforcing" entities of the South African Government.
- Since 1978 the United States has prohibited Export-Import Bank support of exports to the South African Government or its agencies. In addition the United States has prohibited such export assistance to private individuals or corporations in South Africa, unless they have endorsed and implemented employment practices that promote racial equality.
- The Overseas Private Investment Corporation (OPIC) does not provide guarantees for South Africa, and since 1983 the U.S. representative to the International Monetary Fund (IMF) must "actively oppose any facility involving use of fund credit by any country practicing apartheid" unless the Secretary of the Treasury makes certain certifications to Congress.
- In December 1984, the United States joined with other UN Security Council members in voting for an embargo on imports of arms and ammunition produced in South Africa.
- Since 1985 the United States has prohibited the export of all items to the South African military and police. The only exceptions to this ban are medical supplies and items used to prevent unlawful interference with international civil aviation.
- The United States rejects the South African Government's policy of granting "independence" to the so-called black "homelands" of Transkei, Venda, Ciskei, and Bophuthatswana in South Africa; refuses to recognize their independence or that of any other South African "homeland" in the future; and continues to hold the South African Government responsible for human rights abuses and other developments in the "homelands."

On September 9, 1985, the President issued Executive Order 12532 imposing carefully targeted sanctions against South Africa. The President's action was designed not to destabilize the South African economy but to send a clear signal to the South African Government that official repression of protest is an unacceptable response and that accelerated change is essential. These measures include:

- A tightening of restrictions on computer exports to the South African military, police, and apartheid-enforcing entities;
- A specific prohibition on exports of nuclear goods and technology to South Africa, except those necessary to implement International Atomic Energy Agency (IAEA) nuclear proliferation safeguards, or those exempted by the Secretary of State for humanitarian reasons to protect health and safety. These 1985 restrictions tightened the prohibitions on most nuclear trade and exports to South Africa which had been implemented as a function of U.S. general nonproliferation policy since 1978;
- An express prohibition on the import of arms, ammunition, and military vehicles produced in South Africa. This import ban implemented the provisions of the voluntary arms embargo established by the UN Security Council in 1984;

• A ban on loans by U.S. financial institutions to the South African Government, its agencies and institutions, except in exceptional cases when a loan is deemed to improve economic opportunities for black South Africans, or for educational, housing, and health facilities that are open and accessible to South Africans of all races;

• A ban on U.S. Government marketing export assistance to any U.S. firm employing at least 25 persons that does not adhere to certain labor standards which promote racial equality; and

• A ban on the import of Krugerrands, the gold coin minted in South Africa.

The Executive order also directs a substantial increase in funding of scholarships for South Africans disadvantaged by apartheid and for the promotion of human rights activities in South Africa, such as legal assistance to political detainees and support for antiapartheid organizations.

Misconception: The United States claims it opposes apartheid in South Africa but has virtually no programs to aid blacks disadvantaged by that system.

Facts: An essential part of U.S. policy toward South Africa involves programs aimed at improving the quality of life for black South Africans. Since 1981 the Reagan Administration has directed the U.S. Embassy in Pretoria and its Agency for International Development (AID) mission to develop and fund programs that address problems of inferior education, unemployment, and human rights protection for black South Africans.

In FY 1986, the U.S. Government will finance, through AID, projects in South Africa amounting to about $20 million. AID works directly with private voluntary organizations, local community-based groups, and concerned individuals in South Africa to address needs in the fields of education, labor relations, legal defense, private enterprise, community development, and employment. These programs include:

• The external and internal scholarship programs, to finance undergraduate and professional study in the United States and university training within South Africa for disadvantaged black South Africans. In FY 1986, AID will spend about $12 million on these programs;

• The entrepreneurial training project, to provide training for black owners and operators of small businesses. AID has committed $3 million to this 3-year project;

• A grant of $1.5 million in FY 1986 to the African-American Labor Center of the AFL-CIO to continue funding training programs for black South African trade unionists in the areas of collective bargaining and grievance procedures;

• A human rights fund of up to $1.5 million in FY 1986 administered by the U.S. Embassy to support antiapartheid groups inside South Africa working to promote economic, social, juridical, and political change. Among the activities supported is direct legal assistance to victims of apartheid and their families;

• A special fund supporting self-help projects within black townships and rural areas to ameliorate social and economic problems. In FY 1986, $275,000 has been allocated to this program which, because of its matching character, has significant impact at the local level; and

• Through the community outreach and leadership development program, AID will obligate $2.5 million for the initial phase of a 5-year program to help new community organizations develop leaders and established community organizations to expand their operations.

The U. S. Information Agency will spend $1.7 million in FY 1986 on exchange programs such as the international visitors program, Fulbright scholarships, and journalist training program for South Africans working to change the status of blacks, "colored," and Asians through university programs, teacher training, labor unions, or black commercial enterprise-building.

The U.S. Department of Commerce has implemented a series of programs in FY 1986 to assist black-owned businesses in South Africa, including a "Matchmaker Fair" (held April 24–26, 1986, near Johannesburg) aimed at increasing sales of black manufacturing and service companies to U.S. and other firms operating in South Africa; helping the South Africa Urban Foundation to publish a directory of black businesses; and counseling U.S. firms seeking to enter into business relationships with black-owned companies in South Africa.

Misconception: U.S. policy toward South Africa has been ineffective in dismantling apartheid and achieving political equality for blacks. The South African Government won't make significant changes until "forced" to do so by punitive economic sanctions.

Facts: Though American leverage to bring about change in South Africa is limited, we strongly oppose apartheid and are committed to its abolition and the right of blacks to full political, economic, and social participation in South African society. The South African Government is in no doubt about our convictions on the matter. U.S. policy is to urge the South African Government to end apartheid and negotiate a system of governance based on the consent of all the governed. We are not satisfied with the current pace of change and recognize that much remains to be done. We do note that some important changes have taken place in recent years. We will judge the South African Government by how completely it implements these changes, which are described below.

• Public acknowledgment by the South African Government that discrimination on racial grounds cannot be justified and that it intends to end such discrimination;

• Abolition of numerous "influx control" laws which had restricted the employment and residence of blacks and were enforced through the "pass" system. Their abolition will result in greater freedom of movement for many blacks residing in townships outside of urban areas. This includes abolition of

the old pass book and its replacement with a uniform identity document issued to all South Africans regardless of race and since April 18, 1986, the cessation of arrests for violation of influx control laws and the release of thousands detained or serving sentences for such offenses. We have urged the South African Government to apply the principle of freedom of movement to all South Africans irrespective of race;

- Limited restoration of South African citizenship to blacks denationalized by the independence of the "homelands." It has been estimated that 1.75 million black township residents of 5-years standing who are permanently employed have acquired housing and now reside with their families in urban areas. We have pressed the South African Government to extend such citizenship to all 9 million who are now considered citizens of the so-called independent homelands, consistent with State President Botha's earlier acceptance of the principle of universal citizenship;
- Virtual abolition of job reservation formerly restricting 26 categories of employment to "whites only";
- Recognition of the freedom of any individual, regardless of race, to form and bargain in free trade unions, and the elimination of all references to race in labor legislation;
- Permission for universities to admit students on the basis of academic qualifications only, rather than race; private primary and secondary schools are now eligible for government subsidies without reference to the racial composition of their student bodies;
- Opening of central business districts to black entrepreneurs in most, if not all, major metropolitan areas;
- Acceptance of the permanence of blacks in urban areas. Black South Africans may now purchase property in designated black urban areas;
- Elimination of the Colored Preference Area in the Western Cape, recognizing the claims of blacks there to residence rights and employment;
- Repeal of the Political Interference Act, which prevented different racial groups from belonging to the same political party;
- Desegregation in national sports. All races may now actively participate together in such sports as cricket, soccer, track and field, and boxing;
- Repeal of laws requiring segregation of hotels, restaurants, cinemas, beaches, and public transport facilities. The right of admission is now reserved to the individual proprietor;
- Repeal of the Immorality and Mixed Marriages Acts, which formerly made interracial sex and marriage a criminal offense.

The United States is applying targeted pressure in a wide variety of ways to demonstrate our dissatification with the pace of change and to promote the accelerated end of apartheid. The argument that punitive economic sanctions would force the South African Government to rapidly end apartheid, however, ignores the ability of a strong and diversified South African economy to withstand sanctions, to pass at least some of their negative effects onto black neighboring states, and even to increase their economic misery with retaliatory countersanctions. Additionally, we believe that punitive sanctions would strengthen the resistance of many white Afrikaners and the South African Government to change, thus risking further violence and harming black South Africans already victimized by apartheid.

Misconception: U.S. policy is inconsistent because the Administration supports "freedom fighters" in Nicaragua and Afghanistan but not those in the African National Congress (ANC) who are struggling for freedom and against apartheid.

Facts: In each case the facts and circumstances are different. For that reason, each must be judged on its own merits.

In South Africa, unlike Nicaragua and Afghanistan, there is a government that is moving toward change and reform. A transition has begun. We are encouraging the government to move rapidly toward engaging all parties in negotiations leading to the establishment of a political system based on the participation and the consent of all the governed.

The ANC is one of several organizations with substantial political support in South Africa, primarily but not only among blacks. Some of the ANC's proclaimed political objectives, such as ending apartheid and establishing a nonracial system of government, are accepted in the United States and the West. Other ANC goals, reflected in the organization's continuing close ties via the South African Communist Party to its Soviet counterpart, do not merit U.S. support.

The ANC advocates violence and revolution to bring down apartheid; it has claimed responsibility for many acts of violence in South Africa. The United States cannot condone the use of violence by any party in South Africa as a means to achieve its goals. Just as U.S. policy opposes official violence against unarmed demonstrators, it also opposes guerrilla or terrorist violence as a means of pursuing political ends.

The United States considers the ANC one of many political organizations that should be included as South Africans negotiate their future. We favor the release from prison of ANC leader Nelson Mandela and other political prisoners. We have supported efforts to negotiate understandings that would assure an end to violence, the return of exiled leaders, and the legalization of political parties.

U.S. policy does not believe that it is a morally responsible course to support violent solutions in South Africa. Given the enormous military power in the government's hands, support for violent struggle by guerrillas and terrorists would be tantamount to support for a bloodbath, the principal victims of which would be blacks. Moreover, black organizations inside South Africa increasingly have demonstrated their capacity, using nonviolent means, to organize and to press their demands for change. Similar circumstances do not exist in Afghanistan or Nicaragua.

Misconception: The sale of American products, particularly U.S. arms and computers, bolsters the system of apartheid in South Africa.

Facts: The premise of that statement is incorrect. The United States in 1963 unilaterally embargoed exports to South Africa of arms and ammunition, as well as equipment for their manufacture and maintenance. In 1977 the United States joined with the United Nations in imposing a mandatory embargo on arms sales to South Africa.

Certain controlled items on the State Department's "munitions list" have been licensed for export to South Africa during this Administration, as in previous ones. These items are always of a nonlethal nature and are strictly for commercial and civil application. For example, more than 90% of the export licenses approved for such items in the last 5 years have been for automated bank teller machines, which are on the munitions list because technically they are "encryption devices." We license the export of these devices only for use by private entities such as banks, financial institutions, and U.S. corporate subsidiaries. There are no items for military purposes approved for export.

Regarding computer sales, the President's 1985 Executive order toughened the already strict controls on the sale of these high-technology items in South Africa. No computers can now be sold to apartheid enforcing agencies of the South African Government or to any police or military entities.

Over the years, our tightening of export controls on computer sales to South Africa has contributed to a decline in the value of such sales to South Africa. U.S. computer exports to South Africa fell from $199 million in 1984 to $126 million in 1985; we anticipate a further drop in 1986. All these sales are carefully reviewed by the State and Commerce Departments. Our position is that sales of U.S. computers and certain items from our "munitions list" should not be stopped when their uses have nothing to do with apartheid.

Misconception: U.S. firms in South Africa dominate the economy and prop up apartheid for their own economic benefits.

Facts: U.S. businesses do not dominate the South African economy. They have only a minor role. According to U.S. Department of Commerce figures:

- From 1960 to 1985, 96% of direct investment in South Africa came from South African sources. Foreign investment in South Africa accounted for about 4% of all new direct investment there. Of that 4%, U.S. firms accounted for about 20%, or slightly less than 1% of total new direct investment in South Africa;
- In 1985 there were over 250 U.S. firms with operations in South Africa; the year-end book value of direct American investment there amounted to about $1.3 billion; and
- Only about 8.3% of South Africa's exports go to the United States, compared with about 23% to the European Community and 8% to Japan.

American firms in South Africa employ 96,000 workers (of which 61,000 are black), or about 2.2% of the total South African workforce (although the percentage is higher in manufacturing and high-technology industries).

American companies are not propping up apartheid; they are helping to break it down. U.S. firms have been among the principal forces working for reform. They have led the way in promoting an end to segregation in the workplace. As of May 1986, there were nearly 200 signatories to the Sullivan principles—named after their originator, Rev. Leon Sullivan of Philadelphia—of fair employment practices. Close to 90% of all black South African employees of U.S.-affiliated private companies in South Africa are covered by the Sullivan principles.

U.S. firms have spent more than $150 million outside the workplace since 1977 to build health centers, improve schools, award scholarships, and in at least one case even to undertake the legal defense of individuals victimized by apartheid. (General Motors, for example, has promised to undertake the legal defense of any employee who is arrested for deliberately using a segregated beach near one of its plants in Port Elizabeth in protest against apartheid.) Such efforts help improve the quality of life for black workers disadvantaged by apartheid and help break down racial barriers.

Fair employment practices based on the Sullivan principles were incorporated into the President's Executive order of September 1985. These principles require all companies to give equal pay for equal work, regardless of race; train nonwhites for supervisory, administrative, clerical, and technical jobs within firms; promote black employees into these positions; and desegregate all eating, comfort, locker room, and work facilities within a firm. Marketing export assistance will be withheld from firms failing to implement these principles.

In sum, American business firms in South Africa are making a vital contribution to peaceful change toward a more just society, helping to end apartheid, and improving the quality of life for black workers disadvantaged by unfair laws.

Misconception: Disinvestment (withdrawal) by U.S. firms operating in South Africa will be an effective weapon for bringing about reform and is overwhelmingly favored by South African blacks.

Facts: Disinvestment is disengagement and would result in diminishing U.S. influence to promote peaceful change to a more just society in South Africa.

- If American firms withdraw from South Africa, South African investors stand ready to purchase their assets at bargain prices with nonconvertible rand. Furthermore, none of those potential buyers could be counted upon to adopt Sullivan-type codes of fair conduct for black workers, and they would be unlikely to share the American social commitment to improve the lives of black employees.
- A case in point is the withdrawal of Motorola, a Sullivan signatory, in 1985. Its assets were purchased by a South African firm (Altec), which continues to produce similar products and faces no restrictions on sales to the South African military and police. Thus, the net effect of Motorola's withdrawal was to concentrate more capital and influence in the hands of white South African managers.

• Experience has shown that once an American company leaves a host country, the decision is likely to be permanent. That is a formula for nonparticipation in the shaping of South Africa's future.

• If American business firms were to withdraw from the South African economy, it would result in loss of jobs and opportunities and also end the efforts of those American companies working for change.

Despite widespread assertions by some South African and American proponents of sanctions that "blacks are prepared to suffer," recently conducted surveys cast doubt on whether the majority of black South Africans actually support sanctions against South Africa. In fact, a London *Sunday Times* poll released in August 1986 indicates that 32% of South African blacks oppose sanctions while 29% favor them. The rest have never heard of, or have no opinion about, sanctions. This poll represents the first effort to survey blacks living in rural areas as well as in urban areas. Support for sanctions is less among rural blacks than among urban blacks. Among rural blacks (who comprise 56% of all black South Africans), 34% oppose sanctions and 22% favor them. Among urban blacks, 47% favor sanctions and 29% are opposed.

Another opinion survey carried out by the Institute for Black Research at Natal University (spring 1986) suggests that more than 73% of blacks are not prepared to support disinvestment or sanctions against South Africa if this should lead to greater hardship among blacks. This poll by Professor Fatima Meer corroborates a 1984 opinion survey conducted by Professor Lawrence Schlemmer, also of Natal University. Schlemmer concluded that most blacks (76%) "fear the economic consequences of disinvestment more than they welcome its possible political effects." In fact, Dr. Meer, an active supporter of the pro sanctions United Democratic Front, a multiracial political opposition movement, had originally suspected the accuracy of the Schlemmer poll which her own survey later confirmed.

In short, claims by proponents of sanctions that there is a consensus among blacks in support of sanctions are not substantiated by the data.

Misconception: Apartheid in South Africa is no different from the racial segregation that once existed in the United States and must be dealt with in the same way.

Facts: Our unique national history, with its legacy of racial strife, is, paradoxically, both helpful and unhelpful in understanding the current reality in South Africa.

It is helpful because Americans appreciate the emotional dimension of racial politics and the polarization that can result from that kind of debate. Many Americans realize that, despite our impatience, the problems of a racially divided society are not instantly solved. Our experience demonstrates forcefully that a growing economy can help break down racial and social barriers. It also offers hope to nations with distinct multiracial and multicultural patterns by showing that a political structure ***can*** embrace rich diversity.

Our experience is unhelpful if it leads us to believe that South Africa's racial and social problems are simple and easy to resolve or that tactics employed in our civil rights movement are easily transferable to South Africa.

While there are certain similarities between the circumstances facing blacks in South Africa today and those facing American blacks in the 1960s and earlier, important differences also exist. To cite two examples:

• In the United States individual rights of ***all*** persons are guaranteed and protected by the Constitution; in South Africa there is no similar Bill of Rights; and

• Black Americans acquired suffrage and full citizenship and could work through established political channels and institutions to achieve social and civil rights denied under segregation; in South Africa the legal and political rights of blacks are severely circumscribed. ■

Why Democracy Matters in Central America

President Reagan's address to the nation on June 24, 1986.[1]

My fellow citizens, the matter that brings me before you today is a grave one and concerns my most solemn duty as President. It is the cause of freedom in Central America and the national security of the United States. Tomorrow, the House of Representatives will debate and vote on this issue. I had hoped to speak directly and at this very hour to Members of the House of Representatives on this subject but was unable to do so. Because I feel so strongly about what I have to say, I've asked for this time to share with you—and Members of the House—the message I would have otherwise given.

Nearly 40 years ago a Democratic President, Harry Truman, went before the Congress to warn of another danger to democracy, a civil war in a faraway country in which many Americans could perceive no national security interest.

Some of you can remember the world then. Europe lay devastated. One by one, the nations of Eastern Europe had fallen into Stalin's grip. The democratic Government of Czechoslovakia would soon be overthrown. Turkey was threatened, and in Greece, the home of democracy, communist guerrillas, backed by the Soviet Union, battled democratic forces to decide the nation's fate.

Most Americans did not perceive this distant danger, so the opinion polls reflected little of the concern that brought Harry Truman to the well of the House that day. But go he did. And it is worth a moment to reflect on what he said.

In a hushed chamber, Mr. Truman said that we had come to a time in history when every nation would have to choose between two opposing ways of life. One way was based on the will of the majority—on free institutions and human rights. "The second way of life," he said, "is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio, fixed elections and the suppression of personal freedoms. I believe," President Truman said, "that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures."

When Harry Truman spoke, Congress was controlled by the Republican Party. But that Congress put America's interest first and supported Truman's request for military aid to Greece and Turkey—just as 4 years ago Congress put America's interest first by supporting my request for military aid to defend democracy in El Salvador.

The Threat to Democracy

I speak today in that same spirit of bipartisanship. My fellow Americans and Members of the House, I need your help. I ask first for your help in remembering—remembering our history in Central America so we can learn from the mistakes of the past. Too often in the past the United States failed to identify with the aspirations of the people of Central America for freedom and a better life. Too often our government appeared indifferent when democratic values were at risk. So we took the path of least resistance and did nothing.

Today, however, with American support, the tide is turning in Central America. In El Salvador, Honduras, Costa Rica—and now in Guatemala—freely elected governments offer their people the chance for a better future, a future the United States must support.

But there's one tragic, glaring exception to that democratic tide—the communist Sandinista government in Nicaragua. It is tragic because the United States extended a generous hand of friendship to the new revolutionary government when it came to power in 1979. Congress voted $75 million in economic aid. The United States helped renegotiate Nicaragua's foreign debt. America offered teachers, doctors, and Peace Corps volunteers to help rebuild the country. But the Sandinistas had a different agenda.

From the very first day, a small clique of communists worked steadily to consolidate power and squeeze out their democratic allies. The democratic trade unionists who had fought Somoza's National Guard in the streets were now told by the Sandinistas that the right to strike was illegal and that their revolutionary duty was to produce more for the state.

The newspaper *La Prensa*, whose courage and determination had inspired so much of the Nicaraguan revolution, found its pages censored and suppressed. Violeta Chamorro, widow of the assassinated editor, soon quit the revolutionary government to take up the struggle for democracy again in the pages of her newspaper.

The leader of the Catholic Church in Nicaragua, Archbishop—now Cardinal—Obando y Bravo, who had negotiated the release of the Sandinista leaders from prison during the revolution, was now vilified as a traitor by the very men he helped to free.

Soviet arms and bloc personnel began arriving in Nicaragua. With Cuban, East German, and Bulgarian advisers at their side, the Sandinistas began to build the largest standing army in Central American history and to erect all the odious apparatus of the modern police state.

Under the Somoza dictatorship, a single facility held all political prisoners. Today, there are eleven—11 prisons in place of one.

The Sandinistas claim to defend Nicaraguan independence. But you and I know the truth. The proud people of Nicaragua did not rise up against Somoza—and struggle, fight, and die—to have Cubans, Russians, Bulgarians, East Germans, and North Koreans running their prisons, organizing their army, censoring their newspapers, and suppressing their religious faith. One Nicaraguan nationalist, who fought in the revolution, says: "We are an occupied country today."

I could go on, but I know that even the Administration's harshest critics in Congress hold no brief for Sandinista repression. Indeed, the final verdict has already been written by Cardinal Obando himself in the *Washington Post*. Listen carefully to the Cardinal's words. He says: that the Sandinista regime "is a democratic government, legitimately constituted, which seeks the welfare and peace of the people and enjoys the support of the overwhelming majority" is not true. To accept this as true, the Cardinal says, "is to ignore the mass exodus of the Miskito Indians, the departure of tens of thousands of Nicaraguan men and women of every age, profession, economic status, and political persuasion. It is to ignore the most terrible violation of freedom of the press and of speech in the history of our country, the expulsion of priests and the mass exodus of young people eligible for military service." As for the Catholic

Church in Nicaragua, we have been "gagged and bound," the Cardinal says.

Many brave Nicaraguans have stayed in their country despite mounting repression—defying the security police, defying the Sandinista mobs that attack and deface their homes. Thousands—peasants, Indians, devout Christians, draftees from the Sandinista army—have concluded that they must take up arms again to fight for the freedom they thought they had won in 1979.

The young men and women of the democratic resistance fight inside Nicaragua today in grueling mountain and jungle warfare. They confront a Soviet-equipped army, trained and led by Cuban officers. They face murderous helicopter gunships without any means of defense. And still they volunteer. And still their numbers grow.

Who among us would tell these brave young men and women: "Your dream is dead; your democratic revolution is over; you will never live in the free Nicaragua you fought so hard to build?"

The Sandinistas call these freedom fighters *contras*—for "counterrevolutionaries." But the real counterrevolutionaries are the Sandinista *comandantes*, who betrayed the hopes of the Nicaraguan revolution and sold out their country to the Soviet empire.

The *comandantes* even betrayed the memory of the Nicaraguan rebel leader Sandino, whose legacy they falsely claim. For the real Sandino—because he was a genuine nationalist—was opposed to communism. In fact, Sandino broke with the Salvadoran communist leader, Farabundo Marti, over this very issue.

The true Nicaraguan nationalists are the leaders of the United Nicaraguan Opposition: Arturo Cruz—jailed by Somoza, a former member of the Sandinista government; Adolfo Calero—who helped organize a strike of businessmen to bring Somoza down; and Alfonso Robelo—a social democrat and once a leader of the revolutionary government.

These good men refused to make any accommodation with the Somoza dictatorship. Who among us can doubt their commitment to bring democracy to Nicaragua?

U.S. Vital Interests

So, the Nicaraguan people have chosen to fight for their freedom. Now we Americans must also choose. For you and I and every American have a stake in this struggle.

Central America is vital to our own national security, and the Soviet Union knows it. The Soviets take the long view, but their strategy is clear: to dominate the strategic sealanes and vital chokepoints around the world.

Half of America's imports and exports, including oil, travels through the area today. In a crisis, over half of NATO's supplies would pass through this region. And Nicaragua, just 277 miles from the Panama Canal, offers the Soviet Union ports on both the Atlantic and Pacific Oceans.

The Soviet Union already uses Cuba as an air and submarine base in the Caribbean. It hopes to turn Nicaragua into the first Soviet base on the mainland of North America. If you doubt it, ask yourself: why have the last four Soviet leaders—with a mounting economic crisis at home—already invested over $1 billion and dispatched thousands of Soviet-bloc advisers into a tiny country in Central America?

I know that no one in Congress wants to see Nicaragua become a Soviet military base. My friends, I must tell you in all seriousness, Nicaragua is becoming a Soviet base every day that we debate and debate and debate—and do nothing.

In the 3 months since I last asked for the House to aid the democratic resistance, four military cargo ships have arrived at Nicaraguan ports, this time directly from the Soviet Union. Recently we have learned that Russian pilots are flying a Soviet AN-30 reconnaissance plane for the Sandinistas.

Now, the Sandinistas claim this is just for making civilian maps. Well, our intelligence services believe this could be the first time Soviet personnel have taken a direct role in support of military operations on the mainland of North America.

Think again how Cuba became a Soviet air and naval base. You'll see what Nicaragua will look like if we continue to do nothing. Cuba became a Soviet base gradually over many years. There was no single dramatic event—once the missile crisis passed—that captured the nation's attention. And so it will be with Nicaragua.

The Sandinistas will widen and deepen another port while we debate: is it for commercial vessels or Soviet submarines? The Sandinistas will complete another airstrip while we argue: is it for 707s or Backfire bombers? A Soviet training brigade will come to Nicaragua; half will leave and half will stay. And we will debate: are they soldiers or engineers?

Eventually, we Americans have to stop arguing among ourselves. We will have to confront the reality of a Soviet military beachhead inside our defense perimeters—about 500 miles from Mexico. A future President and Congress will then face nothing but bad choices, followed by worse choices.

My friends in the House, for over 200 years the security of the United States has depended on the safety of unthreatened borders, north and south. Do we want to be the first elected leaders in U.S. history to put our borders at risk?

Some of you may say, well, this is fearmongering. Such a danger to our security will never come to pass. Well, perhaps it won't. But in making your decisions on my request for aid tomorrow, consider this: what are the consequences for our country if you're wrong?

The Democratic Resistance: Popular Support and the Need for U.S. Aid

I know some Members of Congress who share my concern about Nicaragua have honest questions about my request for aid to the democratic resistance. Let me try to address them. Do the freedom fighters have the support of the Nicaraguan people? I urge Members of the House to ask their colleague, the Chairman [Les Aspin] of the House Armed Services Committee, who recently visited a town in Nicaragua that was a Sandinista stronghold during the revolution. He heard peasants, trade unionists, farmers, workers, students, and shopkeepers all call on the United States to aid the armed resistance.

Or listen to the report from *Time* magazine of Central American scholar Robert Leiken, who once had hopes for the Sandinista revolution. He says, "I have gone to a number of towns in Nicaragua where I have found that the youth are simply not there. I ask the parents where they've gone, and they say, they've gone off to join the *contras*." In Managua, Leiken reports 250 Nicaraguans stood on a breadline for 3 hours. "Who is responsible for this?" he asked. "The Sandinistas are responsible. The Sandinistas." That's what the people said. "The Sandinistas," Leiken concluded, "have not only lost support, I think they are detested by the population."

Can the democratic forces win? Consider there are 20 times as many Nicaraguans fighting the Sandinista dictatorship today as there were Sandinista fighters a year before Somoza fell. This

is the largest peasant army raised in Latin America in more than 50 years. And thousands more are waiting to volunteer if American support comes through.

Some Members of Congress—and I know some of you—fear that military aid to the democratic resistance will be only the first step down the slippery slope toward another Vietnam. Now, I know those fears are honest. But think where we heard them before. Just a few years ago, some argued in Congress that U.S. military aid to El Salvador would lead inevitably to the involvement of U.S. combat troops. But the opposite turned out to be true.

Had the United States failed to provide aid then, we might well be facing the final communist takeover of El Salvador and mounting pressures to intervene. Instead, with our aid, the Government of El Salvador is winning the war, and there is no prospect whatever of American military involvement.

El Salvador still faces serious problems that require our attention. But democracy there is stronger, and both the communist guerrillas and the right-wing death squads are weaker. And Congress shares credit for that accomplishment. American aid and training are helping the Salvadoran Army become a professional fighting force, more respectful of human rights. With our aid we can help the Nicaraguan resistance accomplish the same goal.

I stress this point because I know many Members of Congress and many Americans are deeply troubled by allegations of abuses by elements of the armed resistance. I share your concerns. Even though some of those charges are Sandinista propaganda, I believe such abuses have occurred in the past, and they are intolerable.

As President, I repeat to you the commitments I made to Senator Sam Nunn. As a condition of our aid, I will insist on civilian control over all military forces; that no human rights abuses are tolerated; that any financial corruption be rooted out; that American aid go only to those committed to democratic principles. The United States will not permit this democratic revolution to be betrayed nor allow a return to the hated repression of the Somoza dictatorship.

The leadership of the United Nicaraguan Opposition shares these commitments, and I welcome the appointment of a bipartisan congressional commission to help us see that they are carried out.

U.S. Policy Goals

Some ask: what are the goals of our policy toward Nicaragua? They are the goals the Nicaraguan people set for themselves in 1979: democracy, a free economy, and national self-determination. Clearly the best way to achieve these goals is through a negotiated settlement. No humane person wants to see suffering and war.

The leaders of the internal opposition and the Catholic Church have asked for dialogue with the Sandinistas. The leaders of the armed resistance have called for a cease-fire and negotiations at any time, in any place. We urge the Sandinistas to heed the pleas of the Nicaraguan people for a peaceful settlement.

The United States will support any negotiated settlement or Contadora treaty that will bring real democracy to Nicaragua. What we will not support is a paper agreement that sells out the Nicaraguan people's right to be free. That kind of agreement would be unworthy of us as a people. And it would be a false bargain. For internal freedom in Nicaragua and the security of Central America are indivisible. A free and democratic Nicaragua will pose no threat to its neighbors or to the United States. A communist Nicaragua, allied with the Soviet Union, is a permanent threat to us all.

President Azcona of Honduras emphasized this point in a recent nationwide address:

> As long as there is a totalitarian regime in Central America that has expansionist ambitions and is supported by an enormous military apparatus...the neighboring countries sharing common borders with the country that is the source of the problem will be under constant threat.

If you doubt his warning, consider this: the Sandinistas have already sent two groups of communist guerrillas into Honduras. Costa Rican revolutionaries are already fighting alongside Sandinista troops.

My friends in the Congress, with democracy still a fragile root in Central America—with Mexico undergoing an economic crisis—can we responsibly ignore the long-term danger to American interests posed by a communist Nicaragua, backed by the Soviet Union, and dedicated—in the words of its own leaders—to a "revolution without borders"?

Keeping Faith With a Commitment to Freedom

My friends, the only way to bring true peace and security to Central America is to bring democracy to Nicaragua. And the only way to get the Sandinistas to negotiate seriously about democracy is to give them no other alternative. Seven years of broken pledges, betrayals, and lies have taught us that.

And that's why the measure the House will consider tomorrow—offered, I know, in good faith—which prohibits military aid for at least another 3 months, and perhaps forever, would be a tragic mistake. It would not bring the Sandinistas to the bargaining table—just the opposite.

The bill, unless amended, would give the Sandinistas and the Soviet Union what they seek most—time: time to crush the democratic resistance, time to consolidate power. And it would send a demoralizing message to the democratic resistance: that the United States is too divided and paralyzed to come to their aid in time.

Recently, I read the words of a leader of the internal democratic opposition. What he said made me feel ashamed. This man has been jailed, his property confiscated, and his life threatened by the security police. Still he continues to fight. And he said:

> You Americans have the strength, the opportunity, but not the will. We want to struggle, but it is dangerous to have friends like you—to be left stranded on the landing beaches of the Bay of Pigs. Either help us or leave us alone.

My friends in the House of Representatives, I urge you to send a message tomorrow to this brave Nicaraguan and thousands like him. Tell them it is not dangerous to have friends like us. Tell them America stands with those who stand in defense of freedom.

When the Senate voted earlier this year for military aid, Republicans were joined by many Democratic leaders: Bill Bradley of New Jersey, Sam Nunn of Georgia, David Boren of Oklahoma, Howell Heflin of Alabama, Lloyd Bentsen of Texas, Bennett Johnston and Russell Long of Louisiana, Fritz Hollings of South Carolina, John Stennis of Mississippi, and Alan Dixon of Illinois.

Today, I ask the House for that kind of bipartisan support for the amendment to be offered tomorrow by Democrats Ike Skelton of Missouri and Richard Ray of Georgia and Republicans Mickey Edwards of Oklahoma and Rod

Chandler of Washington. This bipartisan amendment will provide the freedom fighters with what they need—now.

With that amendment, you also send another message to Central America. For democracy there faces many enemies: poverty, illiteracy, hunger, and despair. And the United States must also stand with the people of Central America against these enemies of democracy.

And that's why—just as Harry Truman followed his request for military aid to Greece and Turkey with the Marshall Plan—I urge Congress to support $300 million in new economic aid to the Central American democracies.

The question before the House is not only about the freedom of Nicaragua and the security of the United States but who we are as a people. President Kennedy wrote on the day of his death that history had called this generation of Americans to be "watchmen on the walls of world freedom." A Republican President, Abraham Lincoln, said much the same thing on the way to his inauguration in 1861. Stopping in Philadelphia, Lincoln spoke in Independence Hall, where our Declaration of Independence had been signed. He said far more had been achieved in that hall than just American independence from Britain. Something permanent—something unalterable—had happened. He called it: "Hope to the world for all future time."

Hope to the world for all future time—in some way, every man, woman, and child in our world is tied to those events at Independence Hall, to the universal claim to dignity, to the belief that all human beings are created equal, that all people have a right to be free.

We Americans have not forgotten our revolutionary heritage. But sometimes it takes others to remind us of what we ourselves believe. Recently, I read the words of a Nicaraguan bishop, Pablo Vega, who visited Washington a few weeks ago. Somoza called Pablo Vega the "communist bishop." Now, the Sandinistas revile him as "the *contra* bishop." But Pablo Vega is really a humble man of God. "I am saddened," the good bishop said, "that so many North Americans have a vision of democracy that has only to do with materialism." The Sandinistas "speak of human rights as if they were talking of the rights of a child—the right to receive from the bountifulness of the state—but even the humblest *campesino* knows what it means to have the right to act. We are defending," Pablo Vega said, "the right of man to be."

Well, Reverend Father, we hear you. For we Americans believe with you that even the humblest *campesino* has the right to be free. My fellow citizens, Members of the House, let us not take the path of least resistance in Central America again. Let us keep faith with these brave people struggling for their freedom. Give them, give me, your support; and together, let us send this message to the world: that America is still a beacon of hope, still a light unto the nations. A light that casts its glow across the land and our continent and even back across the centuries—keeping faith with a dream of long ago.

[1]Text from Weekly Compilation of Presidential Documents of June 23, 1986. ■

An Essay on Peace

Excerpt from President Reagan's remarks to the graduating class of Glassboro High School in Glassboro, New Jersey, on June 19, 1986.[1]

. . . .

And that brings me to the international scene and our relations with the Soviet Union. It's important to begin by distinguishing between the peoples inside the Soviet Union and the government that rules them. Certainly we have no quarrel with the peoples, far from it. Yet we must remember the peoples in the Soviet Union have virtually no influence on their government.

There's a little story that indicates what I mean. It seems that an American and a Soviet citizen were having a discussion about who had more freedom. And the American said, "Look, I can march into the White House, the Oval Office, and I can pound the desk and say to the President, 'Mr. President, I don't like the way you're running our country.' " And the Soviet citizen said, "Well, I can do that." And the American said, "You can?" He said, "Yes, I can walk into the Kremlin, into General Secretary Gorbachev's office, and I can say, 'Mr. General Secretary, I don't like the way President Reagan's running his country.' " [Laughter] I told that story to General Secretary Gorbachev in Geneva. And thank goodness he laughed, too. [Laughter]

We must remember that the Soviet Government is based upon and drawn from the Soviet Communist Party—an organization that remains formally pledged to subjecting the world to communist domination. This is not the time to delve deeply into history, but you should know that the emergence of the Soviet Union is in many respects an expression of the terrible enchantment with the power of the state that became so prominent in the first half of our century. In his widely acclaimed book *Modern Times*, Paul Johnson has argued just this point: that modern ideologies had exalted the state above the individual.

This rise of state power affected my life as it did the lives of many of your parents and nearly all of your grandparents. In the late 1920s, I graduated from high school full of hope and expectation, like you today. Then just as I'd established myself in a career, and just as my generation had established itself, we were at war. We fought valiantly and well, but not without a sense of all that might have been. In the end representative government defeated statism. Indeed, Japan, Germany, and Italy, once our deadly enemies, all soon became thriving democracies themselves and are now our staunchest allies. But not the Soviet Union. There statism persists.

You know, there's something you should be very proud of and aware of. Back through the history of man there have been revolutions many times. Ours was unique. Ours was the only revolution that said, we, the people, control the government. The government is our servant. Those other revolutions just exchanged one set of rulers for another set of rulers.

What then are we to make of the Soviet Union? My own views upon the character of the regime are well-known. And I am convinced that we must continue to speak out for freedom, again and again, making the crucial moral distinctions between democracy and totalitarianism. So, too, I am convinced that we must take seriously the Soviet history of expansionism and provide an effective counter.

At the same time, we must remain realistic about and committed to arms

control. It is, indeed, fitting to pay particular attention to arms negotiations in these days, for if the Soviet Union proves willing, this can represent a moment of opportunity in relations between our nations.

When I met Mr. Gorbachev last November in Geneva, he and I agreed to intensify our effort to reduce strategic arms. We agreed on the next steps: negotiating a 50% reduction in strategic nuclear forces and an interim agreement to cover intermediate-range missiles. And we both spoke of the ultimate goal of eliminating all nuclear weapons.

By November 1st, we had presented new strategic arms reduction proposals designed to bridge the gap between earlier Soviet and American proposals. Our proposal would've achieved a 50% reduction in strategic nuclear forces in a manner both equitable and responsible. Then in mid-February we proposed a detailed, phased approach for eliminating an entire class of weapons—the so-called longer range intermediate-range weapons, or INFs—by 1990. And we repeated our offer of an "open laboratories" exchange of visits to facilities performing strategic defense research. Until recently the Soviet response has been disappointing in a number of ways.

But in recent weeks, there have been fresh developments. The Soviets have made suggestions on a range of issues, from nuclear powerplant safety to conventional force reductions in Europe. Perhaps most important, the Soviet negotiators at Geneva have placed on the table new proposals to reduce nuclear weapons. Now, we cannot accept these particular proposals without some change, but it appears that the Soviets have begun to make a serious effort. If both sides genuinely want progress, then this could represent a turning point in the effort to make ours a safer and more peaceful world. We believe that possibly an atmosphere does exist that will allow for serious discussion.

I have indicated to General Secretary Gorbachev my willingness for our representatives to meet to prepare for the next summit. The location is unimportant. What matters is that such a meeting take place in mutual earnestness so that we can make progress at the next summit.

Certainly Mr. Gorbachev knows the depth of my commitment to peace. Indeed, when we went to Geneva my advisers told me that if we could achieve nothing more than an agreement to meet again, if we could do no more than that, then all our work at that summit would have been worthwhile. On the first day of meetings, Mr. Gorbachev and I took a little walk together alone. He happened to mention that there was a great deal in the Soviet Union that he wanted me to see, and I answered that I wished that he could visit the United States. Next thing you knew, we have an agreement to meet here in 1986 and in the Soviet Union in 1987. Now, that wasn't so hard, was it?

In this essay on peace, then, we can assert that the time has come to move forward. Let us leave behind efforts to seek only limits to the increase of nuclear arms and seek instead actual arms reductions—the deep and verifiable reductions that Mr. Gorbachev and I have agreed to negotiate. The goal here is not complicated. I am suggesting that we agree not on how many new, bigger, and more accurate missiles can be built, but on how to reduce and ultimately eliminate all nuclear missiles.

Let us leave behind, too, the defense policy of mutual assured destruction, or MAD, as it's called, and seek to put in its place a defense that truly defends. You know—let me interrupt right here and say that possibly you haven't considered much about this system. This MAD policy, as it's called—and incidentally, MAD stands for mutual assured destruction, but MAD is also a description of what the policy is. It means that if we each keep enough weapons that we can destroy each other, then maybe we'll both have enough sense not to shoot those weapons off. That's not exactly the way for the world to go on, with these massed terribly destructive weapons aimed at each other and the possibility that some day a madman somewhere may push a button and the next day the world starts to explode. Even now we're performing research as part of our Strategic Defense Initiative (SDI) that might one day enable us to put in space a shield that missiles could not penetrate, a shield that could protect us from nuclear missiles just as a roof protects a family from rain.

And let us leave behind suspicion between our peoples and replace it with understanding. As a result of the cultural exchange agreement Mr. Gorbachev and I signed in Geneva, the Soviet Union has already sent to our nation, just recently, the Kirov Ballet and an exhibition of Impressionist paintings. We in turn will send to the Soviet Union scholars and musicians. Indeed, the Russian-born American pianist Vladimir Horowitz has already performed in Moscow. And we hope to see a large increase in the number of everyday citizens traveling between both countries. Just last week at the White House I met with high school students your age who will visit the Soviet Union this summer. Surely it's in our interest that the peoples in the Soviet Union should know the truth about the United States. And surely it can only enrich our lives to learn more about them. As a matter of fact, I believe with all my heart that if a generation of young people throughout the world could get to know each other, they would never make war upon each other.

This brings us at last to our conclusion. If I may, then, a few final thoughts, from the heart. I have tried to speak to you today of peace and freedom. As your President it's my duty to do so, and because in my lifetime I have seen our nation at war four times. During the Second World War, hundreds of thousands of Americans died, including friends and relatives of mine and including friends and relatives of your families. Perhaps some of you have pictures in your homes of great-uncles you never knew, soldiers who fell fighting. The Soviets suffered even more painfully than we. As many as 20 million people in the Soviet Union died in World War II, and the western third of their country was laid waste—parallel, if you will, to what would be the destruction of all the United States east of Chicago.

All the world has cherished the years of relative peace that have followed. In the United States we have seen the greatest economic expansion and technological breakthroughs known to man—the landing on the Moon, the development of the microchip. But our greatest treasure has been that you, our children, have been able to grow up in prosperity and freedom.

It falls to us now—as it soon shall fall to you—to preserve and strengthen the peace. Surely no man can have a greater goal than that of protecting the next generation against the destruction and pain of warfare that his own generation has known. There can, therefore, be no more important task before us than that of reducing nuclear weapons. I am committed—utterly committed—to pursuing every opportunity to discuss and explore ways to achieve real and verifiable arms reductions. What our two nations do now in arms control will determine the kind of future that you and, yes, your children and your children's children will face. So, I have come here today to say that the Glassboro

summit was not enough, that, indeed, the Geneva summit was not enough, that talk alone, in short, is not enough. I've come here to invite Mr. Gorbachev to join me in taking action—action in the name of peace.

. . . .

[1]Text from Weekly Compilation of Presidential Documents of June 30, 1986. ■

International Terrorism

President Reagan's radio address to the nation on May 31, 1986.[1]

History is likely to record that 1986 was the year when the world, at long last, came to grips with the plague of terrorism. For too long, the world was paralyzed by the argument that terrorism could not be stopped until the grievances of terrorists were addressed. The complicated and heartrending issues that perplex mankind are no excuse for violent, inhumane attacks, nor do they excuse not taking aggressive action against those who deliberately slaughter innocent people.

In our world there are innumerable groups and organizations with grievances, some justified, some not. Only a tiny fraction has been ruthless enough to try to achieve their ends through vicious and cowardly acts of violence upon unarmed victims. Perversely, it is often the terrorists themselves who prevent peacefully negotiated solutions. So, perhaps the first step in solving some of these fundamental challenges in getting to the root cause of conflict is to declare that terrorism is not an acceptable alternative and will not be tolerated.

Effective antiterrorist action has also been thwarted by the claim that—as the quip goes—"One man's terrorist is another man's freedom fighter." That's a catchy phrase, but also misleading. Freedom fighters do not need to terrorize a population into submission. Freedom fighters target the military forces and the organized instruments of repression keeping dictatorial regimes in power. Freedom fighters struggle to liberate their citizens from oppression and to establish a form of government that reflects the will of the people.

Now, this is not to say that those who are fighting for freedom are perfect or that we should ignore problems arising from passion and conflict. Nevertheless, one has to be blind, ignorant, or simply unwilling to see the truth if he or she is unable to distinguish between those I just described and terrorists.

Terrorists intentionally kill or maim unarmed civilians, often women and children, often third parties who are not in any way part of a dictatorial regime. Terrorists are always the enemies of democracy. Luckily, the world is shaking free from its lethargy and moving forward to stop the bloodshed.

Nearly a month ago in Tokyo, the leaders of the major Western democracies hammered out an agreement on tough measures to eradicate this evil. Ironically the progress made in Tokyo is now imperiled by a lack of consistent support at home. For nearly a year now a handful of United States Senators have held up approval of a supplementary extradition treaty between the United States and the United Kingdom. This agreement, when ratified, would prevent terrorists who have kidnapped, killed, or maimed people in Britain from finding refuge in our country. Today these killers are able to do just that by labeling their vile acts as political.

Well, in Tokyo the democracies declared there is no political or any other justification for terrorist acts and those who commit them should be brought to justice. The world is watching. If actions by a few Senators allow terrorists to find safe haven in the United States, then there will be irreparable damage. Refusal to approve the supplementary treaty would undermine our ability to pressure other countries to extradite terrorists who have murdered our citizens. And rejection of this treaty would be an affront to British Prime Minister Margaret Thatcher, one European leader who, at great political risk, stood shoulder to shoulder with us during our operations against Qadhafi's terrorism.

Some members of the Senate Foreign Relations Committee have gone so far as to prepare a substitute treaty permitting those who have murdered British policemen and soldiers, for so-called political reasons, to avoid extradition. Well, this substitute is not a compromise; it's retreat. Its passage would be a victory for terrorism and a defeat for all we've been trying to do to stop this evil.

One concern about the treaty is that it may set a precedent for other treaties, which will then be used against those who simply oppose totalitarian regimes. We can never permit that to happen. Our country will always remain the beacon of hope and freedom to all oppressed peoples.

I therefore urge the Senate to promptly approve the revised treaty and reinforce the momentum building against terrorism. With good sense, courage, and international cooperation, our struggle against terrorism will be won. And the United States will lead the way into a freer and more peaceful tomorrow.

[1]Broadcast from Camp David, Maryland (text from Weekly Compilation of Presidential Documents of June 9, 1986). ■

Vice President Bush Visits Canada

Vice President Bush was in Canada June 10–13, 1986.

. . . Our recent disputes have stirred talk in both countries of a brewing trade war. . . . We don't want a trade war. We want expanded trade. We don't want to see more barriers. We want to see barriers on both sides come down. We don't want protectionism. We want a healthy, growing trade relationship with you—our friends from Canada. . . .

Americans, as the world's largest exporting nation, have a tremendous stake in free trade. We export over $200 billion annually in goods and services. One out of every four farm acres planted in the States is for export, and one of every six manufacturing jobs is related to export. Almost one-quarter of those exports go to Canada.

Canada's stake in free and enhanced trade is also huge. Canada is the world's sixth largest exporter. Three-quarters of your exports go to our country. Just in the last decade, trade between the United States and Canada has more than tripled—from about $39 billion in 1974 to over $120 billion last year. It is in both of our interests to help that trade grow even more.

One unfortunate result of the protectionist sentiment sweeping sections of both of our countries is that it has led some to suggest that we should walk away from our most recent effort to strengthen our historic ties—the comprehensive freer trade negotiations which Prime Minister Mulroney and President Reagan agreed to undertake some months ago. Some Americans see our nearly $20 billion trade deficit with Canada, and they want more protection, not less.

Meanwhile there are some in your country who worry that a free trade agreement will subsume Canadian culture. I think they are wrong. The key to strengthening our respective cultures, the key to enhancing our respective legacies, is to ensure the health of our respective economies. And the key to a stronger economy, for both of us, is a freer trading system. . . .

Vice President Bush
Board of Trade
Vancouver, British Columbia
June 12, 1986

. . . From our earliest days, our peoples have enjoyed the strength that cooperation and friendship bring. From the days when we crossed and tamed a continent together, to the current day, when we explore the stars together, we have a history of working together to solve common problems and to reach for shared dreams. Today we are partners in many undertakings.

Prime Minister and Mrs. Mulroney and Vice President and Mrs. Bush in Ottawa.

We are the world's largest trading partners, and despite our isolated differences and problems, we are now joined in an effort to try to improve and enhance that trading relationship. . . .

We are partners in the Atlantic alliance, and we share a commitment to and a responsibility for the defense of the North American Continent. . . .

We are neighbors, sharing the longest land and the longest water boundary in the world. As such we have a mutual responsibility to protect and preserve the natural bounty with which our continent has been blessed. . . .

. . . we share a commitment to freedom and democracy. As that commitment is tested by terrorists and tyrants, we are grateful for your cooperation in meeting these threats in the name of a freer world.

In short no relationship is as important to the people of the United States as our ties with Canada. Too often, perhaps, we do not fully appreciate how intertwined our lives have become and how valuable that relationship is for both of us. But I think it can safely be said that our example—the example of a peaceful border across which ideas, goods, capital, and people flow freely—is a model for the rest of the world. . . .

Vice President Bush
Luncheon Remarks
Ottawa, Ontario
June 13, 1986 ■

(White House photos by Dave Valdez)

The Vice President and Canada's Minister of Transport Donald F. Mazankowski in Vancouver, with Expo '86 in the background.

Secretary Visits East Asia and the Pacific

Secretary Shultz visited Hong Kong (June 21–23), Singapore (June 23–24), Brunei (June 24), the Philippines (June 24–28) to participate in the Association of South East Asian Nations (ASEAN) postministerial conference, and Palau (June 28).

Following are his remarks and news conferences made on various occasions during the trip, and remarks by Secretary Schultz and New Zealand Prime Minister David Lange at the conclusion of their meeting on June 27.

NEWS CONFERENCE, SINGAPORE, JUNE 24, 1986[1]

Q. Can you tell us if the Soviets have now offered a date for a meeting between you and Mr. [Eduard] Sheverdnadze? And secondly, can you give us any indication of the discussion that [Soviet Ambassador Yuri] Dubinin and President Reagan may have had?

A. No, I don't have any comment on that. I think that's basically a Washington story at this point.

Q. Despite the reduction on U.S. dollars, there are indications that there will be some protectionist measures implemented. How would your Administration handle this?

A. The President is firmly and deeply opposed to protection. He believes in open trading and he applauded the speech, the wonderful speech, outstanding speech made by [Singapore] Prime Minister Lee in Washington to a joint session of our Congress last year. So he is opposed to things like the bill that passed our House recently, and he said he will veto it if it were to ever wind up on his desk.

Q. I have two questions. The first one, are you going to meet with [New Zealand] Prime Minister Lange in Manila, and does the United States—

A. The answer to that is yes.

Q. Does the United States have any indication that New Zealand is going to modify its antinuclear policy in the ban on U.S. ships?

A. I don't have any indications. However, I look forward to my meeting with Prime Minister Lange and I'll see what he has on his mind.

Q. The second question is, here in Singapore—

A. I thought that was two.

Q. In your talks here in Singapore, did the subject of potential leakage of U.S. technology come up, and is the U.S. satisfied with the unilateral steps that Singapore is taking to try to prevent that sort of thing?

A. The possible agreement on the technology transfer memorandum of understanding is under discussion and review. And, as a matter of fact, I think there is a [Singapore] team in Washington right now discussing it. So we talked about it briefly, and it's a matter under close review. Of course, we think, and Prime Minister Lee and Singaporeans agree, that it's a great mistake for technology—advanced technology—that might be useful for military purposes, to leak to the Soviet Union.

Q. Are the unilateral—

A. That's your quota. Next? No, well, then you can continue if nobody else has any questions.

Q. I was going to ask you to follow up with the unilateral steps Singapore is taking. Are they enough for the United States, or is the United States going to continue to press for a signed agreement?

A. We think it's good to have a clear agreement between countries. We have them with many other countries, but at any rate, it's a matter under discussion.

Q. Mr. Reagan was kind enough to take ASEAN issues to the Tokyo summit, but we are now hearing reports that the ASEAN foreign ministers are quite unhappy with the outcome. I think there are probably three issues involved: low commodity prices; the flow of investment which is starting to slacken; and protectionism. Would you comment on how you view these issues?

A. The Tokyo summit could hardly change the level of the commodity prices. They are basically set by market forces; and, I might say, some of us who had to suffer with the very high oil prices, for example, are not unhappy to see them where they are right now. But, I recognize that the level of commodity prices is a problem for those who produce and sell and depend on the commodity. I think it is important to look at what's happening to the long-term market for some of these commodities. And, without wanting to pick out particular ones and talk about them, the fact is that the nature of what's being manufactured that has traditionally contained the commodities is changing. Things are lighter; there are more plastics in them; and so you are seeing a change in the structure of demand for many commodities. And, no doubt, that has something to do with the prices, and commodity agreements won't solve that problem, as the experience with the tin agreement shows. So, that's a deep problem.

As far as the issues of protection are concerned, I think it was addressed quite squarely at the Tokyo summit and, of course, it has been addressed squarely by President Reagan. That isn't to say there aren't protectionist issues all around the world. And I think that many of them exist in developing countries. And, I believe myself—I noticed in the papers this morning that some of the ASEAN ministers and [Philippines President] Mrs. Aquino, in particular, called for more open markets within ASEAN. I think that's a good point, but we have supported—and the Tokyo summit supported—the start of a new GATT [General Agreement on Tariffs and Trade] round. That's a market opening measure. The GATT rules need to be extended to include other matters—services and intellectual property rights—I might say, a controversial issue here. So I think the Tokyo summit addressed these matters.

It also discussed the problem of agricultural subsidies and the impact of some of the agricultural programs of the developed countries on those agricultural markets and agreed to study that carefully. That's kind of a breakthrough. It's the first time it's been done.

Q. Declining flows in investment?

A. Declining flows in investment. Well, from the standpoint of the United States, it continues to be strong. I think our investments here, for example, amount to about $5 billion and continue to come in, but investment flows to places where the investors feel they get a good rate of return. So, the world is very competitive on investments, and here I think that there are some steps that the ASEAN countries could take. Actually Singapore has taken a move in this direction that's very constructive I think, and that is to pass legislation that protects the intellectual property of investors. An awful lot of what's

invested these days—take the computer area and the software or take pharmaceuticals or many other kinds of investments—bring with them proprietory rights, and if you have no protection for those proprietory rights, the investment hesitates to come. So there are things that can be done that will improve conditions for investment and we'd like to see those things done.

Q. As you know, Singapore is experiencing its second year of negative growth after a long time of very high growth spurts. The news from places like Japan is that their growth rate is fairly low; the United States, while growing, is not growing at a very rapid rate. Does it look like the big growth spurts of the places like Singapore and some of the other new industrialized countries, the era is over and it is going to be no growth and slow growth here from now on?

A. I think the case of Singapore is a little different, in that it's this 2-year period you referred to probably is associated with the fact that costs in Singapore got up pretty high relative to competing places, and I see that the Singapore authorities are taking steps to deal with that and beginning to see some response to it. So, if you create noncompetitive costs, you tend to feel the effects of that fairly fast in a rapid market. I think that we are going to see good substantial growth in the years ahead, and there is no reason why a developing country that sets itself up right can have rates of growth well in excess of average growth in the world economy generally. To deal adequately with the problems we have in this world, the debt problems and the general problems of poverty and the aspirations to get ahead, we have to have conditions that generate economic growth. And, I think they can be found, and I think we are in the process of doing that better and better.

Q. What do you think of the Indonesian idea about the establishment of a free zone in this region? [Inaudible] as you know, they will discuss this situation in Manila.

A. I think people have to focus on what the real problem is. The real problem is that there are large stockpiles of nuclear weapons, and President Reagan has called for radical reductions in these stockpiles, leading eventually, if possible, to zero. And that's what we are advocating in our negotiations with the Soviet Union.

As long as the Soviet Union has these nuclear weapons, then it is important for the United States, in particular, to maintain a deterred capability; and so the U.S. nuclear capability is a very important force for stability in this part of the world as well as elsewhere. So, I think that the thing to do is to concentrate on what the real problem is or what the real objective should be, namely to reduce nuclear weapons generally, rather than try to prohibit them in certain areas. After all, what you want to prohibit is the nuclear weapon landing on you, and the best way to avoid that is to get them reduced and eliminated.

Q. Following up on the same question, Moscow, in the form of a delegation from the Soviet Presidium, came down, too, last month, and they said it in Singapore and in Malaysia that the United States in collusion with Japan and South Korea are using their economic influence on ASEAN to build up military blocks. And, one of the indications mentioned was the arms stockpile in Thailand and they said the biggest threat countering the ASEAN perception of the Soviet threat was that America and the new allies are the threat to ASEAN. What is your comment on that?

A. I can see by the sound of your voice that you think it sounds a little hollow, and I agree with you. After all, here is the Soviet Union and Cam Ranh Bay supporting its quiet Vietnam who is occupying Cambodia. The ASEAN countries, I think very skillfully, along with help from China, are trying to do something about it. So, when the Soviet Union comes to this region with that kind of message, what they need to hear is why don't they stop their aggression, and allow more stability to take place here.

Q. Will proposed spending on the Strategic Defense Initiative (SDI) affect conventional investments in the U.S. Navy and Air Force, and does this have implications for the military balance in Southeast Asia?

A. The Strategic Defense Initiative of President Reagan's is an important contribution potentially to the system of deterrence because it makes your capability of avoiding the impact of a first strike much greater, assuming that it works out and can be developed successfully. I might say, it's also quite clear that it has got the Soviet's attention, and it has become a centerpiece in the negotiations at Geneva. So, to the extent that people favor these discussions on arms control, the existence and the importance of SDI is a major contribution to that. So, I think that it's a very important development.

As to its impact on conventional force matters, in theory, there shouldn't be any particular impact, I think, on the whole. In NATO, in particular, we see the importance of improving our conventional force capacility and, as the saying goes, "raise the nuclear threshold" by having a greater conventional capability than we do. Obviously, this is expensive, and one of the reasons why countries have gone to the nuclear deterrent is that it is a less expensive way than conventional arms. But, nevertheless, we need to look to our conventional capability without a doubt. Insofar as this area is concerned, of course, anything that contributes to stability in the world political system helps this area.

Q. The multifiber talks between the United States and Hong Kong broke down. Can you tell me what directions in the next round of talks will probably take place?

A. These textile talks are always breaking down and picking up. They broke down, but they are reconvening and it seems to be part of what a negotiation is about. The problem is that the U.S. textile industry has a large employment base and is seeing its market in the United States erode. And to a certain extent, quite rapidly lately, as the shipments into the United States or countries that sent us textile goods had been exceeding their quotas by quite a large amount. And, that has made the negotiations much more sticky as they seek to enlarge the products covered and things of that kind. So, the way the textile industry works around the world through the multifiber agreement, just produces perpetual negotiations, and they are always failing and then reconvening and so on. Hong Kong is going through that process. It is not a particularly satisfactory system; but it is the system that the world has fallen into, and for reasons that I guess are understandable.

Q. The British Government announced today—yesterday, I think it was—that it is hoping to have talks with Mr. Oliver Tambo of the African National Congress (ANC), about ways of alleviating violence. Would the United States also like to have such high-level talks with the ANC?

A. We are interested in whatever that can be done to move toward a reduction of violence and a start of genu-

ine negotiations. To that extent, we have had periodic contacts with the ANC, and there isn't any doubt that the ANC is a force in the South Africa picture. So, we will follow the British talks with great interest, and in the general, be looking to anything that can move in the directions that I outlined.

NEWS CONFERENCE,
MANILA,
JUNE 25, 1986[2]

When I was here only 6 weeks ago, I certainly had the feeling that while there were major problems, they were soluble. And I must say, in the discussions today, I couldn't help but feel that additional progress was being made to solving the problems. So, I have come away from this experience of these discussions today feeling, again, very good about the future of the Philippines.

Q. Just before you arrived, Joker Arroyo, the Executive Secretary of the Government and the Minister of Information, made remarks critical of your approach to helping the Philippines solve its problems. One was on the $200 million being nothing particularly special and why was such a fuss being made about it when it was only rent for the bases anyway, and the Information Minister's comments that your own comment in New York in your speech, that being bullish about the Philippines, was just a load of hot air. Did you discuss these problems today? Are you concerned about these kinds of comments?

A. I was interested that quite a number of people commented to me on how pleased they were with the comments I made in my speech in New York, and everybody was interested in when the $200 million check was going to arrive. But the fact is, that when I was here before, one of the requests made was that funds that were in the pipeline, already appropriated funds, be speeded up. And so, responsive to that request, I went back to Washington and we worked on it with the help of the Ambassador, with the help of [AID Administrator] Peter McPherson and others. President Reagan and we have speeded up this payment. I'm not holding it up as any big deal, it's only $200 million, but I still am a small-town boy, I think that's a lot of money.

Q. I understand you're also going to meet with New Zealand's Prime Minister, Mr. Lange, at some stage?

A. Yes, we're scheduled to meet.

Q. Given that it's possibly the last chance for a direct meeting between the two administrations before the antinuclear legislation becomes law, I wonder if you could please spell out, in your view, what it would take to settle the differences between the two countries, restore ANZUS [Australia, New Zealand, United States security treaty], and allow American ships to again visit New Zealand, or do you believe it's too late?

A. We in the United States have great affection for the people of New Zealand and wish them only well. We have had a treaty with New Zealand and Australia, the ANZUS Treaty, that looks to each other's mutual security.

A central undertaking on the part of New Zealand is to provide a place where our ships can come and they are ships—some are nuclear powered, some are nuclear armed. That's necessary, under the circumstances, given the Soviet threat that exists in this part of the world as others, and so particularly in the light of our unwillingness to disclose the location of certain kinds of ships, we have a policy of not confirming or denying the presence of nuclear weapons on ships. That's been a long-time policy and that is our policy.

If New Zealand says that our ships can't come there under those circumstances, well, we're sorry about that and we wish it weren't so. But under those circumstances, New Zealand is basically withdrawing itself from its security arrangement, and we're sorry about that, but that's New Zealand's decision. That is, I hope it won't be, but that seems to be what it is.

Q. You've frequently referred to former President Marcos as part of the past of the Philippines, but he continues to be part of its future by interfering via long distance in the country's political process, and allegedly by injecting money into that political process in terms of fomenting demonstrations. Is there nothing the United States can do to correct that? Have we made it clear that Marcos may not be welcome in the United States?

A. We have made our views clear. Of course, he is in the United States. He's welcome to stay in the United States, we've made that clear. But I was pleased that really there wasn't very much discussion about Mr. Marcos during this visit; and I think it is healthy that people are going on to focus on the future. He is not a part of the future here, he is a part of the past.

Q. Philippine Defense Minister [Juan Ponce] Enrile said today that it would take something of a miracle to reach agreement with the communist insurgents, and he implied that he didn't expect such a miracle. Can you give us your analysis of the possibility of reconciling with the insurgents or of the possibility of meeting them on the battlefield?

A. I think the people here are much better to give assessments than I am, but I see a strategy here that's not that different from, for example, our strategy in meeting the communist threat in our own hemisphere. And the strategy has many aspects to it, as we have been applying it, for instance, in Central America.

We have said, first of all, part of the problem is the need for political reforms. So let us find our way to democracy. Let us find our way to the rule of law. That's exactly what President [Corazon] Aquino is trying to do here in the Philippines.

Second is the importance of economic development and giving attention to that so people can find their way to have a job and to have some income. Again, I think the reforms being conducted are very much along those lines.

Third, there is the necessity, obviously, of providing for strength of the security forces. And I think that the military reform being conducted is very much along those lines so that they are able to confront any insurgency with the fact that they can't succeed by armed efforts.

And along with that, as we have been doing—as for example President Duarte has been doing in El Salvador—to say there is strength, and there is conviction, and there is an ability to deal with this militarily if we must. But we're ready for dialogue—not about power sharing, but about a return of people to the normal stream of life and an ability to take part in the political process if they want to undertake it. So, I think that's a good strategy. Obviously, in the tactical implementation of it, there is all sorts of room for difference of view for exactly how to go about it, but it seems to me that's a sensible strategy.

Q. If I read correctly, you suggest that you would try your best to get the donor countries to raise $2 billion for the Philippines. If that were so, what happened to your efforts to do so? The second question is what will be your input into the dialogue meeting here in Manila?

A. Into the what?

Q. Into the dialogue together with the ASEAN countries. Will there be any initiative on your side, any new ideas you will raise here?

A. On the latter, we come with the same old ideas that we all need to give attention to economic development, that that has a—is a primary responsibility of each country individually in the first instance; and then to have an international arrangement that allows people to benefit from each other, and primarily that refers to open trade. So, I come here carrying a very antiprotectionist message. I say it on behalf of the United States to the United States, and I say it to others as well.

The other part of our old ideas is that security is part and parcel of what it takes to have a reasonable chance for economic progress. So, the ASEAN effort to look to that problem in their attitudes toward the Vietnamese and Soviet-sponsored occupation of Cambodia is something that we support. Beyond that, there are all sorts of issues around the world that will be discussed and I'll have an intervention.

Insofar as your first question is concerned, a donor meeting was convened in Tokyo about 3 weeks ago, I guess, something like that, and the question of assistance to the Philippines was thoroughly discussed. The Philippines made a fine presentation of their plans. I think people are looking to see the implementation of these plans. It isn't just donor countries.

It is also the international financial institutions—the IMF [International Monetary Fund], the World Bank, the Asian Bank, and also commercial banks—that need to participate in this effort. But, I think it's coming along pretty well on the whole and, of course, leading it is action in the Philippines that people support. I was pleased, for example, to hear—to take a broad thing in a small thing—from the Finance Minister that the tax reform package which is quite important and sweeping has been thoroughly discussed in the Cabinet and approved by the Cabinet. So, that's progress on a major matter.

Then, as a sort of little indicator of things you pick up just walking around, so to speak, I was pleased that the hotel manager here greeted me when I came and escorted me to my suite and we were talking about how are things. He said, "Well, things are pretty good. We have 83% occupancy in the hotel, and that's very different from what it used to be." Well, it's an interesting little indicator.

Q. You talked awhile ago about open trade, the Philippines opening up its economy to world trade, but it seems that the United States is very protectionist. It's one-sided when it comes to open trade. For example, you have that so-called war chest consisting of $300 million which is in effect a subsidy for U.S. domestic industries against upsurge of imports. And secondly, I would like to know the prospects of the multifiber agreement being passed next month in the U.S. Congress, and how this would affect the Jenkins bill which is about to be passed in Congress also in August.

A. I hope you're wrong about the latter. The Jenkins bill was vetoed by the President, and there are those who want to override the President's veto, and we will fight that very hard. We expect to win. So, I hope you're wrong about saying that it will pass Congress. Certainly the President will be standing firmly against it.

The multifiber agreement, of course, is an international agreement; and it is, by way of the international community deciding how the flows of textile goods around the world will be handled. It's a departure from the system of open trading that characterizes the U.S. economy on the whole, and it's a different system, and whatever its merits or demerits, it exists, and people operate under it. The United States has the largest flow of imports of textiles of any country in the world, which isn't surprising since we have the largest economy, and we have the largest total amount of imports. So, I think your characterization of us as a protectionist country can't quite possibly be true given the big trade deficit we have and the huge amount of imports that we have.

The export enhancement program, the war chest program that you mentioned, is the result of the fact that the European Economic Community has a heavily subsidized program of promoting the production of farm products, we think, in a manner not consistent with the principles of comparative advantage. It makes no sense for the Europeans to be big sugar exporters, for example, when the Philippines are much better able to produce sugar. But, anyway, their program has done that, and it has produced articles that compete with U.S. farm products and have displaced us in a number of markets, we think, in an unfair way. And, so, we're fighting back—and that's what the export enhancement program is designed to do.

Q. Perhaps you are well aware of the ongoing public hearings and the sessions at the Constitutional Commission drafting now of our new charter. One of the basic issues there is the abrogation of the Philippines-U.S. bases. Have you—has the U.S. Government informed the Aquino government of what's its intention with regards to the earlier announcement of President Aquino that the abrogation of the Philippines-U.S. bases will be determined by the Constitutional Commission?

A. The Constitutional Commission, of course, is the business of the Philippines; and the people of the Philippines will work that out. In the view of the United States, and I assume in the view of the Government of the Philippines, the bases operate to the advantage of both governments and, for that matter, to the security of the region as a whole. So, they are good things. They also provide quite a flow of economic activity in the area of the bases in particular.

Insofar as their current status is concerned, President Aquino has said that the agreement under which they operate goes on until 1991, and beyond that, she'd keep her options open, and we're perfectly content with that position.

Q. A minute ago you talked about the strategy toward the insurgency here in the Philippines. Earlier this month, the senior representative of the Pentagon, the Assistant Secretary of Defense, testified in Washington that, I quote, "this military situation is serious and getting worse with the communists enjoying the initiative and assuming *de facto* control in areas where government influence has been eroded over the years." Have you heard anything here in the Philippines from Mr. Enrile, General Ramos, or President Aquino that would shed light on this U.S. Government assessment, and are you concerned in the light of this kind of assessment that things are going backward instead of forward as far as the insurgency is concerned?

A. It's not my impression, from my visit, that the view that you quoted is the general view. Obviously, an insurgency is a problem. And it's a problem that the government inherited, and they're struggling with it with a somewhat different strategy. I certainly hope that they succeed. My estimate of the sense of determination exhibited by the President, by the Defense Minister, by the Chief of Staff is that they will succeed.

Q. One, did you and Mrs. Aquino work out a time for her visit to the United States; and secondly, there have been a number of statements by Soviet spokesmen in the last couple of days including, I think, a press conference by the Deputy Foreign Minister today, saying that the United States was ruining the chances for the next summit by not making any concessions in the arms talks. This has been a Soviet line for some time, but do you think there is a possibility for some American give or something in the next few weeks, or is it just a case of the Soviet Union trying to get something—just to have talks?

A. On the first question, we have been discussing dates for a visit by Mrs. Aquino. President Reagan is looking forward to having her in the United States and to welcoming her. I know that she will find a very warm welcome throughout the country and among the American people. I hope that it will be possible to work out dates before Congress adjourns so that she will be able to meet with Members of Congress as well as members of the executive branch and, of course, getting out around the country. We discussed dates and I think we're focusing in on them, but I don't have anything to announce on that at this point. I hope that there will be something shortly.

As to your second question, referring particularly to the Geneva talks, the United States has had on the table in Geneva some very interesting positions for some time in the strategic arms area and also in the space defense area. In the INF (intermediate-range nuclear forces) area, the Soviets responded to our proposals and we responded back. And so that proposal is on the table. Recently, the Soviets, just in the last week or two, have moved, and the President took note of that in his comments at Glassboro. He said that he regards those moves as serious, and so we are studying those moves and deciding what response is appropriate for us to make. And when we have decided that—when the President has decided that—we'll make it.

Q. Thailand and Asian countries are very concerned about the effect of the farm act and agricultural subsidies. Have you any new assurance for them from the Administration?

A. Well, I think probably from Thailand you are particularly concerned about the rice program. Am I right on what your question is about really?

Well, we discussed this question—the President did with [Thailand] Foreign Minister Siddhi in Bali, and I expect I'll be discussing it again with him and others while I'm here. I think it's a question of seeing how this program works out.

The rice program is one of following the market—that is the U.S. Department of Agriculture, under this program, sets prices at which U.S. rice will be sold and changes them periodically following the market, not leading the market. So, this is not being administered in a way that, so to speak, breaks the market. Now what has been happening, as in other areas of agriculture, is that the supplies have been increasing and so there has been a lot of pressure on the price. The price has declined recently. In the last 4 or 5 weeks in taking a look at this price, we see that it stabilized and perhaps moved slightly upward. But at any rate, as we have experienced with the program, we'll know better how its effects may play out. But the rice program is very much one of following what market trends are, rather than leading them.

Q. Do you believe the impasse between the United States and New Zealand can be resolved, and if so, how?

A. I don't know. I think from our standpoint, there is a very simple proposition, and I tried to spell it out in connection with the prior question.

We would like very much to see New Zealand remain an ANZUS alliance partner and hold up its end. And if they can find their way to do that, we'd be really delighted. But so far I haven't seen any sign of that. Nevertheless, I look forward to meeting with Prime Minister Lange and hearing what his views are. But this is really New Zealand's decision, not a U.S. decision.

Q. Do you find Mr. Lange an easy man to deal with?

A. He's a very pleasant man, but he doesn't seem to share our view about nuclear power.

Q. Back to the bases for a second. Did you have any discussions today about the bases, about the timing for the talks and about the possibility of an amendment in the Constitutional Committee that might rule out any foreign bases in the future?

A. No. the subject didn't come up and it is in the situation that I described and that's satisfactory to us. There was nothing for us to raise and nobody else raised it.

Q. Six weeks ago when you were here, you and President Aquino agreed on some goals that you both might like to work for over the intervening months, and you went public with the different things that she requested of the United States or some of them. Were there requests made today for additional steps? Can you tell us what they were—of additional help from the United States?

A. First on the things that we talked about when I was here before that I undertook to get done. Those all have been followed up on and I think basically done or [are] rolling. In the case of this visit, a number of requests were made for a variety of things that people thought would be helpful and we've listed them. And they cover a kind of a miscellany of things of major substance, some of less importance in terms of the quantitative amounts. And so the approach we're taking is to try to develop a close working relationship so that when things come up, little things or big things, we can get them into the stream of consideration and get them worked out.

I'll give you some examples, and that is funds. There're small amounts of funds under our so-called IMET [international military education and training] program for military training. A point was made about how those might be used in a manner that would stretch them out a little bit and provide more training by an additional element of flexibility in their administration. This was not something that I had heard about before, but we have noted it down. To the extent it makes sense as we study it and is consistent with our ability to administer it under our law, we'll certainly want to do it. There are a variety of things like that. I don't have them all in my head but we made a list. That's one of the things I always do on these trips is make a list of the things we said we'd do. And then I asked the Assistant Secretary involved, Gaston Sigur, to give me that list as soon as we get back to Washington. Then, every week or so, I ask him how we're doing on the list. So that causes people to follow up, and we try to get things accomplished that way. And if I don't ask him, the Philippines will. So that's an additional way of getting something done.

Q. The whole issue of this nuclear-free zone in the South Pacific seems to have become a nonissue, at least as far as the United States is concerned. Can you tell me why you don't seem particularly concerned or are we missing

it? Have you discussed the issue with the people you've met with?

A. It's not something that we have discussed extensively. I noticed it had discussion in the ASEAN meeting, and I made some comments on it the other day. But I think basically, what we're trying to focus on is reducing the levels of nuclear arms. That's what our discussions in Geneva are about. That's been the objective the President has had all along—radical reductions in levels of nuclear arms, hopefully getting to the point where they're eliminated.

Now, as long as you have them, however, and if the Soviets are going to have them, it is essential from our standpoint—and the standpoint of all our allies and friends—that we have them too, so that the deterrent effect is there. If we lose that deterrent, we lose badly. So the thing to focus on is getting them reduced.

In the meantime, we have to live with that proposition. And we don't want to get our eye off the main ball by seeming to eliminate them in parts of the world. After all, they go a long ways and the question is where do they hit?

Q. You said you feel very good about the Philippines and you made a convincing speech in New York about the Philippines. But apparently your view is not shared by the investors. Why, in your sense, are they worried to put in their money here?

A. The change has just started here, but I think its effects are already quite apparent. It does seem to me that there is beginning to be a change in investor attitudes. For example, the tendency of funds to leave the Philippines in the last couple of years of Mr. Marcos' tenure here was quite marked and that has stopped. And it's begun to turn around. The foreign exchange position of the government now is improved by quite a lot.

In the talks this afternoon with the economic ministries, most of them had been out around visiting the United States, particularly in the last week or so, and one of them said, "Your speech must have done some good because I have found people referring to it in various places I went. And the interest in investment here seems to have picked up." I might say that I don't think my speech had anything much to do with it. It's more what the Philippines have done that creates the confidence that investors look for.

So, I think the premise of the question that there isn't any interest isn't borne out by the facts. There is an interest. As the confidence flows back here that things are moving up and getting stronger, as I feel there very much is, then you'll see interest in investment pick up.

So again, I'll end this news conference where I started when I said in New York, "I'm bullish on the Philippines." I'm glad to be here talking with people.

STATEMENT, ASEAN OPEN DIALOGUE, MANILA, JUNE 26, 1986[3]

First let me join others in thanking you for your hospitality, and also to join others in sensing the exciting moment here in Manila, and the opportunity we have to talk with you not only about ASEAN problems and world developments, but also about the Philippines.

This is the time for us to congratulate you but also to be ready to help you. As we have a saying in the United States, put your money where your mouth is. And that includes trade and support for economic development, support for the security reforms you're undertaking, and the political reforms. So I congratulate you on behalf of the United States on what you have done and what you are doing, and I want to assure you that we're there and we're trying to support you in every way that we can.

The United States obviously places a high value on our consultations with ASEAN as was shown by President Reagan's visit with the foreign ministers not long ago in Bali; by the attention paid to your own document as we and others considered it at the Tokyo summit; and by our continuing attention both in the region and various settings, not just this one; and in Washington through our dialogue with our ASEAN friends. So we continue to welcome it.

I'm the sixth hitter in this lineup and last hitter, and so I find myself in the position where much that is written out in my notes has already been said and I don't want to take your time by reading it out. But I would like to emphasize a few of the things that have been mentioned already, just to underscore them.

The emphasis placed by some on the importance of the problem of terrorism is most welcome to me. This is a major problem. We all do face it. It has a real spread to it, and it's important for us to recognize it realistically and to, of course, talk about it, to take action so that we put it down, and end and win the war on terrorism.

I was also very struck and pleased by the emphasis many placed on the problem of drug abuse and international drug trafficking. This, too, is a great problem, and in all too many cases, directly connected with terrorism. It's a way of financing the terrorists. So the proposals to focus on this, perhaps to have some regional discussion about it and work on it as Mr. Clark suggested, I think is a very welcome suggestion. You all know how seriously we take this problem in the United States and, of course, the First Lady, Nancy Reagan, visited in this region recently to discuss that subject, particularly in Malaysia and Thailand.

Everyone has spoken about our support for what ASEAN is doing in fighting the aggression of Vietnam in Cambodia. I never know whether to call it Cambodia or Kampuchea, it seems to vary with the times. But at any rate, it is aggression and it needs to be resisted, and we support what you are doing. We also support, of course, the effort to bring about a peaceful resolution of the issues, and your own reaction and blessing of the eight-point program we recognize. We support you in a general way. I would have to say that, as with Mr. Hayden, we cannot bring ourselves to support a government that might include Pol Pot, given the track record that he exhibited when he did have access to power.

I also welcome the discussion about the importance of working on the problems of agriculture, the surpluses, and in some cases surpluses promoted by subsidy. This subject was discussed intensively at the Tokyo summit as Mr. Clark indicated, and his government led the way. I think it was a good discussion and it was noteworthy that for the first time, the governments involved recognized the harm that can be done by the subsidy programs and agreed to work actively on it. I'm a great believer that you can never solve a problem until you recognize there is a problem. That's the first step, and I believe it's an important step, potentially. The suggestion that there be some sort of international experts group to work on this, supplementing the OECD [Organization for Economic Cooperation and Development] efforts, that I think again Mr. Clark suggested, seems to us to be a good one. We need to progress on this subject and keep the ball moving.

I might also say that the outline of the various things done in the Tokyo economic summit, I thought, was a very good one. We agree with those who have said that this was an outstanding summit from many dimensions, and one that I think will go down historically as having a turning point in many respects.

I'd like to call your attention to a subject that has not been mentioned by anybody else, just so that it gets on your agenda. On May 28, the UN Trusteeship Council adopted a resolution calling for an end to the agreement under which the United States has administered the Trust Territory of the Pacific Islands. The Soviet Union alone voted against the recommendation despite the strong appeals from the Micronesian leaders. The question of termination will now be brought before the Security Council. The peoples of Micronesia have freely exercised their right of self-determination in UN-observed plebiscites. They've called for prompt and unconditional termination of the trusteeship.

Members of the South Pacific Forum, individually and collectively, support the validity of the plebiscites—endorsed prompt termination. We look to the members of ASEAN for support within the United Nations of our efforts to terminate the trusteeship in accordance with the expressed will of the Micronesian peoples.

Finally, let me just make my own personal comment about the problem of protection that many have mentioned. I share the general view of the importance of fighting these protectionist trends—it's vital to our world. The problem exists everywhere. It exists in your country, it exists in my country, and it exists in the countries around the table. There are various things that need to be done to fight it, and they have been mentioned here. The GATT round is an important opportunity. The ability to coordinate economic policies better opens a real prospect for changing the patterns. From our standpoint, we feel as we fight the protectionist trends in our Congress, that it is essential for us to be able to say that other countries who are our trading partners open their markets to us, just as we open our markets to them. If we can't say that, we are undermined in our discussions with our Congress.

I might note, in that connection, some of the statistics about ASEAN's trade, just to put your own comments into perspective. In the 4 years encompassing 1983 to 1986, with the 1986 sort of a reasonably accurate forecast of what's likely, we see that ASEAN's exports to the United States increased from about $14 billion to a little over $16 billion—an increase of about $2.2 billion. If you look at ASEAN's exports to the rest of the world—that is you take your total and you subtract the United States from it—instead of the increase in your exports reflected in your relation with the United States, you see a decline of about $3.3 billion. I think that tells you where your problem is, and where it isn't—not that the problems of rice, the problems of textiles, the problems of sugar don't get involved with some of our difficulties in the United States, and they need to be worked out and talked about, but I think this reflects some of the overall trends that need to be thought about and dealt with as we work on this problem of protection.

I think myself that it represents an important economic challenge and problem to us. But beyond that, it represents an important political challenge as we advocate freedom. How do we do that if we draw back from freedom in the economic sphere? And, as we consider the strategic situation if we indulge in a pattern of protection and retaliation and so on that might very well take place, what we will wind up with is a compartmentalized world economically and, therefore, a world that is changed strategically and much more dangerous. And so, we don't want to see that happen. I believe that we all need to join and see what can be done, country-by-country and collectively, to lick this problem of protection because it is a very severe one.

Let me conclude by saying that I look forward to our consultations, to candid exchanges in the six-plus-one sessions, and the individual meetings that all of us have with each other. You have organized a forum that is very useful. I welcome the chance to take part in it again.

REMARKS AT CONCLUSION OF BILATERAL MEETING, MANILA, JUNE 27, 1986[4]

Q. Did you make any progress, Mr. Shultz?

Secretary Shultz. No, we didn't. We discussed the general ship visit problem and our policy, and New Zealand's policy and I'm afraid that we were not able to resolve that issue. It is essential from the standpoint of the United States that the policy of neither confirm nor deny the presence—is something that the Government of New Zealand doesn't feel it can live with. So we part company as friends, but we part company.

Prime Minister Lange. Please be clear that the New Zealand Government does not challenge the neither confirm nor deny policy. The New Zealand Government's policy is not to have any nuclear weapons in New Zealand. The United States has been quite consistent and has been with considerable integrity perceived all along that that is not consistent with its view of New Zealand's role as an alliance partner. In a very—not in a passionate way or anything—we have come to review the two policies and the Secretary has said that the views at this stage are not reconcilable.

REMARKS, OPEN SESSION OF SIX-PLUS-ONE MEETING, MANILA, JUNE 27, 1986[5]

I would like to put the discussion of trade and political cooperation between our countries, first of all into a global context. There are significant trends at play in our favor—both in the current world economy and in East-West relations. These trends bear out the wisdom of our countries' commitment to democratic principles and market-oriented economies, and to policies of firmness and realism in dealing with aggressors.

It is fitting that we are meeting today in Manila, a city which bears special witness to the flowering of democracy. In recent months, the Filipino people have provided an exhilarating demonstration of what men and women committed to democratic ideals can achieve. Under the new government of President Corazon Aquino, they seek not only to revitalize democracy within their country, but to rejuvenate their economy as well. The Filipino people have the strong confidence and support of the United States in this effort. I can assure you President Reagan is firmly determined to help the Government of the Philippines make the most of this current opportunity to overcome its political, security, and economic problems.

Within the world today, the members of ASEAN and their partners have a special importance. All of us share an important stake in preserving peace, in protecting independence

against aggression, and in ensuring continued growth through market-oriented economies and liberalized international trade.

Precisely because of the scope of our common interests, consultations between ASEAN and the United States have intensified in recent months, as you noted. President Reagan's meetings with you in Indonesia last month, under Secretary of State [for Economic Affairs W. Allen] Wallis' subsequent discussions in Singapore and Jakarta, and this session today are all evidence of a robust dialogue. It is a dialogue with direct and tangible payoffs. Before going to the Tokyo summit, the President benefited from your presentation of ASEAN's economic concerns and objectives. And in turn, your arguments gave special force to America's effort at the summit to gain further liberalization of the world trading system.

I might say this was an example where, through consultation and identifying your concerns, which for the most part turned out to be rather parallel with ours, we were able at that discussion to say here's what we think and, furthermore, there are countries in this region of a varying nature who have given us this document, and you gave similar material to others, who have the same point of view and that tends to reinforce what is being advocated.

Sustaining International Economic Growth

I share President Reagan's assessment that the Tokyo summit was the most successful of the six economic summits he has attended. The final communique accurately reflected the generally favorable situation emerging on the international economic front.

Consider, for example, the following developments which are shaping the economic policies of industrialized and developing nations alike. I point these up because I know there is a sense, as you said, that the era of easy economic growth is over, and there is a questioning sense, some sense of uncertainty in many quarters. My own feeling is that we are sort of on the verge or maybe even in the midst of something that is taking us to a new frontier and one that will be as exciting as the ones that we have seen before.

Just to tick off these items, there is increasing international consensus that the private sector, operating in a free market and drawing upon individual entrepreneurship, is the engine of sustained, noninflationary growth. I think the more that idea spreads around and is put into place, the more fruitful the interaction of those of us who follow those policies will have.

There has been a corresponding disillusionment with socialist, planned economies. Developing nations that once pursued state-controlled economic development strategies are now turning to a greater reliance on the market and international commerce. Just last month African nations issued an extraordinary document at the United Nations calling for liberalized trade and economic policies. I think some of you were there. I think I saw you there, Dr. Mochtar [Indonesia's Minister of Foreign Affairs], and if you were like me, you couldn't help but be thrilled by this conference because it was so fresh and different a turn for the African nations. They have observed a simple truth: the countries with the greatest economic advances—and many of them are represented in this room—are those which have taken the greatest advantage of the free market.

At the same time, there is a better understanding of what indebted developing countries must do to reorder their economies. They must reduce the economic burden of government, expand trade, stimulate growth, and encourage domestic savings and foreign equity investments. You go from country to country where there are big debts and difficult budget problems, and you find that a very high proportion of the budget problem is due to state enterprises that lose money. And now interesting patterns of debt equity swaps are taking shape that will—as they develop—reduce debt, bring in equity, and move those enterprises into private hands where they will necessarily be managed more efficiently or else they won't exist. Of course, no one will buy them unless they think they can make them work at a profit.

The United States is ready to help in all this. At Tokyo, the Summit Seven endorsed measures to assist these adjustment efforts. These included the Baker plan on Third World debts, stressing far-reaching, market-oriented policy reform to establish the economic conditions which can support sustained growth.

For those countries trying to restart economic growth, particularly those struggling with high debt-service burdens, there is good news in the form of lower interest rates. In certain cases, including some ASEAN countries, oil price declines may create near-term problems; but on the whole, the drop in oil prices will also have a major impact on the world economy.

There is now a better sense of how the major industrialized nations can pursue mutually supportive macroeconomic policies. At Tokyo, the Summit Seven agreed on measures to sustain future growth and to improve coordination of economic policies. We also agreed upon economic indicators to gauge our progress. Our objective is more effective cooperation in supporting broadly based economic growth, more open trade and investment, and greater exchange rate stability.

Finally, there is an emerging recognition that policies of domestic subsidy and protection for agriculture are bad. As the economic declaration put it, "We note with concern that a situation of global structural surplus now exists for some important agricultural products, arising partly from technological improvements, partly from changes in the world market situation, and partly from long-standing policies of domestic subsidy and protection of agriculture in all our countries." In other words, everybody was saying "We're part of the problem. This harms the economies of certain developing countries, and we talked about rice, and we talked about sugar, so people are aware of these problems and it's likely to aggravate the risk of wider protectionist pressures. This is a problem which we all share and can be dealt with only in cooperation with each other."

It was something of a breakthrough to get these countries together to say we are doing some things that have explanations that come out of our own political environment, but we have the courage to look at them and say there are many adverse effects and we ought to try to do something about it. That's not a solution, but you can't solve a problem, I don't believe, until you recognize that a problem exists and then you can start talking about solutions in a more constructive way.

The recent growth of the U.S. economy has strengthened a global economic environment capable of supporting these potentially promising developments. The major industrialized countries have recovered for the 1980–82 world recession at varying rates. But in the United States, Administration policies have spurred a solid 3-year recovery. Fueled largely by strong investment demand, this recovery has helped, in turn, to stimulate the economies of other nations.

We have, however, experienced unusually large imbalances in our economy during this same period—a heavy net capital inflow; an overly strong dollar; a massive trade deficit; and a large deficit in the U.S. Federal budget. They must be corrected if the United States is to maintain the momentum of its economic success and, in turn, if all of us are to keep the world economy on the path of sustained, noninflationary growth.

We are already making progress. The Plaza agreement of last September among the five major industrialized nations has contributed to exchange rate conditions which better reflect economic realities. The Tokyo summit arrangements should lead to improved growth, smaller trade imbalances, and greater stability in exchange rates among the seven major industrialized nations.

At home, we are trying to bring discipline to Federal spending. Unfortunately, it even hits the foreign affairs budget; it hits it too much, and I have to object to the severity of some of the cuts that are contemplated in our own budget for the Administration and the assistance that we believe we should provide in our own interests. Nevertheless, there is a very determined effort in the United States to bring spending under control.

Tax reform—we have a major tax reform bill that is virtually certain to pass. It will encourage investors to make decisions for sound business reasons rather than for tax purposes. And regulatory reform frees resources for more productive activities.

That's good, but not good enough. For industrialized and developing countries alike, world economic growth depends heavily on the continued openness of the world trading system. President Reagan believes that the best way for nations to correct debt and other problems is by fostering opportunities for growth, not by restricting trade. We are committed to promoting greater fairness and liberalization in international commerce. The President is prepared to resist strong domestic political pressures to keep that commitment. However, our trading partners must also work to reduce their own protectionist practices and demonstrate an equal commitment to more open trade.

At Tokyo, we gained Summit Seven endorsement of our call for an early beginning of the new multilateral round of trade negotiations in the GATT. Here again we were able to cite the support of ASEAN for a similar objective for broadly the same reasons. We look to the launching of this new round this September at the ministerial meeting in Uruguay. A new GATT round provides an opportunity to improve the rules of liberalized international trade and extend them into new areas not only covering agriculture, but also services, intellectual property, and investment.

I hear it sometimes said by some countries, classified as developing countries—of course, we classify ourselves in the United States as a developing country; we've been developing very rapidly in recent years, and I think you have to look at yourself that way—but lower income developing countries, what have they got to gain? I think they have a great deal to gain, if for nothing else than a willingness to impose on themselves more open trading practices. If you look around the world, perhaps understandably some of the most protectionist practices are followed by developing countries, and we could name some of them here very easily; without even having to look around this room we could name them. And they don't help matters, particularly they don't help in the long run. So I think there is a great deal to be gained just in that, plus these other areas that I've indicated.

We look forward to working closely with members of ASEAN to that end. As the GATT preparatory committee in Geneva begins work for the September ministerial, we will no doubt hear from nations, both developed and developing, resisting a comprehensive agenda of liberalization. This makes cooperation between us especially important both before and during the September ministerial.

We should have no illusions about the common danger we will face if we fail to cooperate. Increased protectionism would be destructive for us all. I can understand the short-term concerns and political pressures moving some groups to propose protectionist measures as an answer to trade problems. But the remedies they seek are wrong. Those advocating protectionism underestimate the damage that a new cycle of restriction and retaliation would inevitably inflict on export-oriented sectors of our respective economies. They neglect the cost to consumers in the form of higher prices and inflationary pressures. And they neglect the political and strategic value of economic freedom.

If we divide the world into watertight trade compartments, others will find ways of breaking these compartments, as we learned to our sorrow in the 1930s. I might say that one of your members, the Prime Minister of Singapore [Lee Kuan Yew], not quite a year ago, gave an address to a joint session of our Congress, and he focused on these matters. It was an outstanding address; and it had a major impact, in part because he raised the discussion of the problems of protection and open trade to a strategic level. Not that the economic aspects aren't of vital importance, but he showed everybody, in very clear terms, the great stakes involved much more generally for our values and for our strategic interests. It is required reading in the State Department and throughout our executive branch. We just hope some Members of Congress will reread it.

Long-term economic growth, however, requires a stable and secure peace, one in which all nations are free from the threat of aggression. The United States and ASEAN have a special responsibility for creating and maintaining the conditions necessary for such a peace. This is a twofold task, requiring a willingness to maintain the strength to deter aggression and a readiness to resolve international differences through negotiation. It is basically the ASEAN formula here with respect to Cambodia.

Relations between the Soviet Union and Western democracies have been marked by deep differences in political values and purposes. This is unlikely to change. But we also know that, in President Reagan's words to the Japanese *Diet* in the fall of 1983, "A nuclear war can never be won and must never be fought." Thus, the fundamental task for the United States in dealing with the Soviets is to manage the competition peacefully.

At the same time, President Reagan is determined to build a more stable and constructive relationship with the Soviet Union. To that end, the United States is ready for another summit this year, as the President and General Secretary Gorbachev agreed last November in Geneva. We think both sides can benefit from such a meeting, and we regret the apparent reluctant attitude of the Soviets.

In arms control, we continue to seek deep and stabilizing reductions in offensive nuclear arms. As the President indicated last week in his speech to students at Glassboro, "There can be no more important task before us than reducing nuclear weapons. I am committed, utterly committed," he said, "to pursu-

ing every opportunity to discuss and explore ways to achieve real and verifiable arms reductions."

I noticed in your communique that you stated your disagreement with the President's decision involving SALT II; and while I recognize that you have made up your minds, and you have issued your communique, I would, nevertheless, like to take this opportunity to explain why the President feels as he does about that treaty.

First, I would call to your attention the fact that the treaty is more and more obsolete in its nature—that is, it derives from an era when it was thought that the thing that you most wanted to control was launchers of nuclear weapons. That is its basic concept. But we all know that what you fear is not the launcher; it's the hitter; it's the warhead. And what has happened is that as launchers have been restricted in number, both sides have learned how to put more and more warheads on a launcher. So it hasn't been the right unit of account. The right unit of account is the warhead, not the launcher.

Of course, it is a treaty that was negotiated by President Carter and was withdrawn from the Senate by him, particularly after the Soviet invasion of Afghanistan. It has never been ratified, so it doesn't have standing; that's the second problem.

Third, the treaty has been violated by the Soviet Union in respects that are significant militarily. The treaty restricts the numbers of new types of missiles that you can develop to one. The purpose of such a restriction is to put a curb on the tendency for modernization of the weaponry. So you can see that is of considerable importance. The Soviet Union now has developed and deployed two new systems. This is a violation of the treaty that is important.

Furthermore, in any treaty of this kind it is essential that you be able to verify it, and one of the means of verification that is important, given the nature of the verification problem, is the ability to read the telemetry of the missiles that are fired. The Soviet Union has heavily encrypted the telemetry, thus denying the opportunities for verification.

So there have been very important violations of the treaty on the part of the Soviet Union. They have given more attention to the numerical limits imposed by the treaty on launchers; and the warhead restrictions, of course, are large so that both sides can build up their warheads. That, of course, is another reason the President objects to this treaty: It is a limitation on ***increases*** in nuclear weapons. What he believes we should have is ***decreases***.

So you have a whole pattern of problems in connection with this treaty. What the President has suggested is—and bear in mind the Soviet Union is now in violation of the treaty; the United States is not currently in violation—that we intend to shift gears and what we need to do is judge our activities according to what they do.

We in the United States have a heavy responsibility, on our own behalf and on the behalf of everybody, to maintain deterrent capability. We have no offensive intentions or objectives; but we have a defensive responsibility. Particularly in a day of budget stringency, we need to look at the things that will provide that deterrent at the least cost; and we need to watch the behavior of the United States and adjust ourselves so that our deterrence remains effective. And that is the posture that the President has put us in, as distinct from a posture that says regulate yourself not according to the deterrent needs but according to a treaty that is unratified and obsolete and being violated.

Now, his shift of gears is a shift in the sense of restraint; and his message, if you read it—I hope before you made your statements you all read his very careful statement personally so you know what he had in mind here—but he describes the pattern of restraint involved. I'll just read some of the concluding, summarizing aspects of it.

He says, "I do not anticipate any appreciable numerical growth in the U.S. strategic offensive forces. Assuming no significant change in the threat we face as we implement the strategic modernization program, the United States will not deploy more strategic nuclear delivery vehicles than does the Soviet Union." That is a flat statement. "Furthermore, the United States will not deploy more strategic ballistic missile warheads than does the Soviet Union." That is a flat statement. "In sum, we will continue to exercise the utmost restraint, while protecting strategic deterrence, in order to help foster the necessary atmosphere for significant reductions in strategic arsenals of both sides. This is the urgent task which faces us. I call on the Soviet Union to seize the opportunity to join us now in establishing an interim framework of truly ***mutual*** restraint."

"...I want to emphasize"—still the President talking—"that no policy of interim restraint is a substitute for an agreement on deep and equitable reductions in offensive nuclear arms..."

So that is where the priority is. As I say, I recognize that you have taken your position and made up your minds and issued your statement, but I did not want to bring this out to you because you shouldn't think that the President made this decision lightly, or without reasons, that at least I consider to be very powerful ones.

At any rate, as we continue to work for effective control of these awesome nuclear arsenals, it is important and indeed essential that there be solidarity as we approach these negotiations. The Soviets must understand that their efforts to divide the United States and its friends and allies will not work.

Arms, however, are only one symptom of East-West differences; they are not the root cause. A more immediate threat to peace lies in the readiness of the Soviet Union and its surrogates to use military force and the threat of force to accomplish political ends.

The Vietnamese military occupation of Cambodia—with all of its dismal consequences for a land and a people already scarred by tragedy almost beyond comprehension—is only one of the most immediate examples. We see comparable instances of aggression in Afghanistan and Central America. Although there are unique, local aspects in each of these cases, it would be a mistake to consider them in isolation from each other.

In Nicaragua, for example, we see opposition parties, the media and the Church systematically harassed and intimidated. Thousands of those who disagree with the Nicaraguan communist regime have been driven to take up arms to resist this attempt to consolidate totalitarian rule. Thanks to Moscow and Havana, a massive military machine without precedent or parallel in Central America—just as I think the Vietnam military regime is without parallel in Southeast Asia—has been erected in Nicaragua. With a credo that, in the words of Interior Minister Tomas Borge, "this revolution goes beyond our borders." In other words, they advocate and do engage in subversion of their neighbors actively; so Nicaragua actively supports subversion against its Central American neighbors.

Let me note an important parallel. Both Cambodia and Central America are cases of Soviet-backed expansionism; both must be of concern to us. Vietnamese aggression in Cambodia has an immediate meaning for ASEAN states

which are directly affected by this threat to the peace and stability of the region. Soviet- and Cuban-backed actions by Nicaragua have a comparable importance for freedom and stability of Central American democracies.

Our objectives in Central America, and those of our friends and allies in the region, are straightforward. We want the Nicaraguan regime to reverse its military buildup, send its foreign advisers home, and stop oppressing its citizens and subverting its neighbors. We want it to keep the promises of the coalition government that followed Somoza's fall—democratic pluralism at home and peaceful relations abroad.

Just as we fully support ASEAN's efforts against unacceptable Vietnamese expansionism, we seek ASEAN's support, in the United Nations and elsewhere, for efforts to resist a comparable threat in the Western Hemisphere.

In Cambodia, the Khmer people continue to resist the Vietnamese occupation of their country. We salute the heroism and sacrifice of the noncommunist fighters. Their actions make clear that Vietnamese force of arms cannot destroy either the Khmer nationalist spirit or fierce desire for independence.

Armed resistance alone, however, is unlikely to resolve the Cambodian tragedy. For that reason, we welcome ASEAN's diplomatic efforts to negotiate a solution to the Cambodian problem. I think, as you were suggesting, many of you yesterday, that you don't have alternatives here; you don't have the alternative of saying let's have a diplomatic strategy but no strategy of building up the military capability, or let's have a military strategy with no diplomatic strategy. The two things go together; power and diplomacy complement each other. They are not alternatives, and I see that very strongly in this situation.

Your leadership since December 1978 in putting forth reasonable proposals to end the suffering of the Khmer people and give them self-determination has garnered global support. That the UN General Assembly has called for the removal of Vietnamese troops from Cambodia is evidence of the effectiveness of that leadership. The United States has consistently supported your efforts. We will continue to do so.

In March of this year [Cambodian] Prince [Norodom] Sihanouk proposed an eight-point peace plan for a political settlement of the Cambodian problem. While the various members of ASEAN, as well as China and other governments, have welcomed this development, Vietnam has rejected it outright.

From the point of view of the United States, this eight-point plan contains some important, positive elements, including the call for negotiations among concerned parties a cease-fire withdrawal of Vietnamese troops, and UN supervision and observation of free elections. It is critical that the Cambodian people be allowed to express their will under internationally supervised elections. Given a free choice, the Cambodian people will clearly reject the two communist systems competing for power in Cambodia.

Consistent with this diplomatic effort, Vietnam must understand that its international isolation, economic stagnation, and continuing hardship are the direct results of its own policies. A change in Vietnamese policies that leads to serious negotiations and a peaceful solution in Cambodia would be welcomed by us all. The United States wishes to play a constructive role in this effort, to include normalization of relations with Vietnam in the context of and after a settlement.

Foremost among United States' bilateral concerns with Vietnam is resolution of the fate of American servicemen and civilians missing and unaccounted for during the Indochina war. The feelings of the American people and the Congress on this issue are deep, and they require full Vietnamese cooperation.

We support the efforts ASEAN has made in urging further Vietnamese cooperation, and we appreciate it deeply. We have made some progress over the past year with your help. Vietnam has agreed that this issue is separate from other differences between us, including normalization. They have developed a work plan which we have supplemented with cooperative actions to support its implementation. Now that the agreements are in place, we hope to see an acceleration of this process which is in the interest of both the United States and Vietnam.

Soviet Union

Let me return to the role of the Soviet Union in the region. As President Reagan indicated in his speech before the UN General Assembly last fall, we are prepared to work with the Soviet Union and other nations to help resolve specific regional tensions in such a way that the interests of the parties most directly involved might be satisfied.

To that end, we have raised the question of a peaceful settlement in Cambodia with the Soviets in our periodic discussions of regional issues. Unfortunately, the Soviets show no desire to achieve this goal.

In the meantime, the Soviet Union continues to build up military power in Southeast Asia, now including bases within Vietnam. This growing Soviet military presence has serious consequences for the security of the region. For the foreseeable future, the stability of peace in Southeast Asia must continue to rest primarily on our individual and collective determination to resist aggression. It would be folly to rely upon declaratory measures or exclusionary zones that have little effect of the capabilities of the potential aggressor.

China

Turning to the subject of China, the United States is prepared to work with the People's Republic of China on behalf of regional peace and stability. Chinese policies on some international issues are consistent with our own. On others they are not. We believe the current Chinese emphasis on economic modernization is an encouraging development, providing the Chinese leadership with an additional stake in a more secure and cooperative regional environment.

China's ability to defend itself against the Soviet Union is an important element in the regional security balance. To that end, the United States is prepared to cooperate in selected areas that strengthen China's defensive capabilities. Yet in doing so, we will continue to consider carefully the security of our friends and allies in the region, especially the ASEAN nations.

Some challenges to the stability of the region and our common interests lie outside the traditional political-military sphere. Yet cooperation in meeting them can bolster the confidence that underpins our entire relationship.

Terrorism

International terrorism is a growing global danger. It is not an American or European or Middle Eastern problem. Terrorism is an indiscriminate assault against us all. It attacks our most basic political values. Its murderous efforts to divide us, sow confusion and fear, and disrupt diplomatic efforts to find peaceful solutions to problems have not—and will not—succeed.

But we must do more than just hold the line. We must make tough decisions and, when necessary, fight back. The threat posed by terrorism can be no less

real, no less a direct attack on the interests of our countries, than more traditional forms of aggression. For that reason, the United States welcomes the opportunity to work with ASEAN nations in antiterrorism training. We support efforts within the region to become more actively engaged, bilaterally and multilaterally, in the battle against international terrorism.

Drugs

Trade in drugs is another great threat to our societies. Mrs. Reagan's visit to Thailand and Malaysia this spring underscored the fact that the victims of this pernicious traffic include young men and women of both the United States and ASEAN countries.

We applaud ASEAN's efforts to combat this killer. With ASEAN's help, we have, over the past 5 years, dramatically cut the volume of heroin entering the United States from Southeast Asia. We must enhance our close cooperation in this area with extradition treaties, the forfeiture of assets acquired in the narcotics trade, improved training programs, and regular intelligence exchanges.

Refugees

Close cooperation is no less important in dealing with refugees. Over the past decade, more than 1½ million people have fled Indochina. This has imposed a heavy burden on the countries of Southeast Asia, but courageous decisions to provide first-asylum sanctuary have made the difference between life and death for thousands. For our part, the United States has accepted the greatest number of refugees for permanent resettlement, some 775,000. We have contributed to international humanitarian organizations for their work in the region. Despite increasing budgetary constraints, we are determined to continue to meet our commitments.

The United States and ASEAN share a common interest in more effective solutions, including expansion of an orderly departure program for those leaving Vietnam. That government's suspension of the orderly departure program earlier this year has caused untold anguish and has led to an increase in unsafe departures by boat from Vietnam. We urge you to join us in pressing Vietnam to resume interviews for orderly departure.

Specific U.S.-ASEAN Issues

Today, as we consider a mature and prospering U.S.-ASEAN relationship, the most immediate common challenge we face is that of preserving and strengthening an open trading system. I have already mentioned the special importance of our working together in the run-up to the new GATT negotiating round. There is, however, much more that needs doing.

I encourage ASEAN countries to continue correcting local situations where trade is restricted and initiative stifled. Government policies which improve the climate for investment help ensure the flows of capital and technology needed to expand trade and employment opportunities.

Under its new government, the Philippines is taking important steps to lift monopoly restrictions, reform taxes, streamline government financial activities, and encourage Filipino investors to bring their capital home.

In another welcomed move, Indonesia has recently relaxed rules on credit and distribution as applied to joint ventures. And Singapore has recently introduced legislation dealing with the intellectual property rights issue. ASEAN members should improve the protection available for domestic and foreign owners of intellectual property. This will greatly help attract entrepreneurs in high-technology industries.

In our own bilateral trade, U.S. imports from ASEAN rose 31% during the past 3 years to $15.6 billion, some $7.5 billion in ASEAN's favor. Under bilateral agreements between individual ASEAN members and the United States, textile and apparel trade has continued to grow. For the year ending 1986, ASEAN textile shipments to the United States increased 22% by volume and 6.6% by value to reach $1.52 billion. As a group, ASEAN is now the third largest supplier, after Taiwan and China, of textile and apparel imports to the United States.

The lesson of the numbers is this: ASEAN clearly benefits from access to our market, and we benefit from the ability to buy your goods. We have maintained ASEAN's access, despite strong and growing protectionist pressures from our own domestic industry. Now, to moderate those pressures while preserving the openness of our market, we seek changes in the multifiber arrangement. We want to continue to work closely with the members of ASEAN. A failure to do so could drastically increase protectionist pressure within the United States. It could lead to a more severe loss of access to our market than a revised multifiber arrangement might allow. This would be in no one's interest.

Conclusion

In closing, let me again stress that the United States is proud to be a partner with the members of ASEAN in their quest for peace, freedom, and greater prosperity. We welcome opportunities like today to share ideas, air differences, and identify ways to work together toward common objectives.

We often say that the United States and its friends enjoy, as the saying goes, "close and cordial relations," but the relationship between the United States and ASEAN is much deeper than that. As nations with a profound stake in the future of the Pacific region and Southeast Asia, we respect the responsibilities and opportunities we share. Ties bind the United States and the ASEAN countries by history, by common interests, and in some cases, by treaties. Beyond this are the private contacts of individuals and enterprises which are far more extensive than any government-to-government contact could possibly be. As our trade and economic interdependence grows, the fabric of our partnership is strengthened. We look forward to continued cooperation with ASEAN both now and in the years ahead.

EXCERPTS FROM JOINT NEWS CONFERENCE, MANILA, JUNE 27, 1986[4]

. . . .

Q. Mr. Lange, who's sitting there on your right, has just told us that you've said that the United States will withdraw its security guarantee from New Zealand because of the developments in that country. From the U.S. standpoint, what does that mean? What is the effect of withdrawal of its security guarantee?

A. As we look at it, New Zealand, in taking the position in effect that U.S. Naval ships cannot call on New Zealand ports, has taken away one of the essences of the military alliance that constitutes ANZUS. So as New Zealand has, in effect, withdrawn this essential element of its participation, it changes its participation; and in the light of that, the United States considers that the

treaty, as at least it has been understood, doesn't apply in the sense of the responsibility of the United States to extend its security responsibilities to New Zealand. At least that's the prospect of it as this is unfolding.

Q. If I can follow up on that, would the Administration veto any legislation in Congress which would seek to impose sanctions on New Zealand if it continues in its policy?

A. There isn't any prospect of that at all, and as I think Prime Minister Lange and I agreed, we part but we part as friends. New Zealand is a country that we in the United States like and admire, and we've known them—they have the same values, general system of government that we do. So we were alliance partners and the action of New Zealand basically takes us out of that relationship, but that doesn't mean that we transform an ally into an enemy, if the ally is still a friend.

Q. I wonder if you could tell us, in the view of the American Administration, what is the status of ANZUS today? It is dead, inoperative, or what is the situation? And are you contemplating drawing up a new bilateral treaty with Australia?

A. The ANZUS treaty is there, and we have no plan—and Mr. Hayden [Australian Foreign Minister] could speak for the Australians—but we don't have any plan, and we discussed it—I don't think Australia does either—to alter it at all. And we continue to operate under the treaty. The problem is, it's minus one member for the present. We'll hope to continue discussions with New Zealand, and perhaps at some future time, it will be possible to rearrange things, and then the structure will be there. It won't be a big problem to move back into it, but as of now, New Zealand's actions basically takes it out of the treaty structure. But the treaty structure itself won't change, at least we don't have any plans to make any change in it.

. . . .

Q. Tomorrow you will fly to Palau. What strategic significance, if any, do you see in recent moves by the Soviet Union to gain access to Pacific Island states by offering them attractive, lucrative fishing and trade agreements?

A. First, I look forward to landing at Palau tomorrow in a little different manner than I landed there quite a few years ago as a Marine in World War II. The growing Soviet presence in this part of the world has to be recognized by everyone as a problem. They have established bases in Vietnam, in Cam Ranh Bay, and elsewhere. Vietnam, as the country they're supporting, is occupying Cambodia, and they seek to extend their reach in this part of the world. So it's a real problem, and the extension to the Pacific island states is part of it. So, we think that's basically something that should be of concern not only to us but to others. And it has been interesting to me in coming here to find that my colleagues in the ASEAN countries, as well as others, have voiced concern about this matter.

Q. . . . In the light of the developments regarding ANZUS, do you fear that such an example, that the New Zealand attitude could spread to other alliances in other zones, and if that could be, would the U.S. harbor that fear? . . .

A. I'd hate to see the New Zealand policy spread, because it would basically cripple the ability of the United States and our allies to defend the values that we and New Zealand and others share. We don't have ships with nuclear weapons on them because we like it, we have them because the United States has a responsibility to deter aggression, and that comes from the Soviet Union. The Soviet Union has very large nuclear stockpiles. And if we don't have nuclear weapons and have the capability to deter their aggression with them, then we subject everybody—including ourselves—to nuclear blackmail by the Soviet Union. So it would be a tragedy for freedom and Western values for the policy of New Zealand to spread. Of course, one of the reasons why we must insist that our vessels can call on a "no confirmation or deny" basis and not deviate from that is that if we deviate in one place, we deviate all over the world instantly. And so we have to have a policy that is basically consistent, and
we do.

. . . .

ARRIVAL STATEMENT, BABELTHUAP, PALAU, JUNE 28, 1986[7]

I have been looking forward to visiting Micronesia, and especially Palau, for some time. As you may know, I landed here under less happy circumstances over 40 years ago. I am delighted to be able to return under totally different conditions and for considerably more pleasant reasons.

Today we stand on the threshold of a new era. Soon, very soon we hope, the U.S. Congress will complete its review of and will enact your Compact of Free Association. We have already gone to the UN Trusteeship Council to secure termination of the trusteeship, and the council took action calling for expeditious termination.

Next, the Security Council will have the opportunity to consider termination. I am confident that we will prevail in our mission of replacing the outdated trusteeship with self-government throughout Micronesia. The free association arrangement chosen by the people of Palau, the Marshall Islands, and the Federated States of Micronesia, and the commonwealth status chosen by the peoples of the Northern Mariana Islands, provide excellent frameworks for partnership as we seek to improve the social, economic, and security aspects of our lives and those of our children. The American people share the determination of the people of Micronesia to see this new and unique relationship grow and prosper.

You in the western Pacific have known more than a century of involvement by outsiders in ways which did not always represent your interests. You suffered through a terrible war not of your making. For the past two generations, you have dedicated your lives to rebuilding your islands in preparation for self-government and an era of economic growth.

My presence here represents concrete affirmation of the United States' commitment to the future of the Pacific region. Our governments have negotiated a new long-term relationship and set it out in a Compact of Free Association.

That compact was approved by the people of Palau in an act of self-determination observed by the United Nations. My government is now taking action in the Congress and the United Nations so that the will of the Palauan people can be realized. I see a future for Palau and the United States that is characterized by partnership and cooperation.

In the economic, security, and governmental fields, our common interests and goals will enliven and sustain our political relationship. In our free association partnership we will together benefit from the dynamic growth taking place in the Pacific region. The United States looks forward to this future and is determined to retain the close and fruitful partnership that has always characterized relations between our peoples. It is with pride that I note the role of the Peace Corps as symbolic of that partnership.

So, we enter together a new era and, in anticipation, I wanted to stop in Palau to revisit a significant part of my and my country's past, and to congratulate you and express our gratitude for the patience and dedication which you have exhibited during the long political status process.

So, I appreciate all of those efforts and I appreciate very much your hospitality today. The fact that the full range of high officials of your government—all branches of your government who came to the airport this morning, was one sign of that on your part. And, of course, you and I persevered. We got a little advice that we shouldn't take that boat trip around the Rock Islands. But we decided that we would and we did and it worked out great. It was very interesting and a wonderful tour. We appreciate all of that hospitality and seeing those sights and being here with you and we look to the future with confidence and pride.

[1]Press release 134. Opening remarks omitted here.
[2]Press release 145 of June 30, 1986.
[3]Press release 141 of June 30.
[4]Press release 142 of June 30.
[5]Press release 146 of July 8. Opening remarks omitted here.
[6]Press release 143 of June 30. Excerpts only of Secretary Shultz's remarks at a joint news conference with heads of ASEAN delegations following the postministerial conference.
[7]Press release 144 of June 30. ■

U.S. Policy on Arms Control: Purpose, Prospects, and Process

by H. Allen Holmes

Address before the Council on Foreign Relations in New York City on June 2, 1986. Ambassador Holmes is Assistant Secretary for Politico-Military Affairs.

I am pleased to be at the Council today to discuss U.S. policy on arms control. I would like to address the subject from three angles: purpose, prospects, and process.

Purpose

The purpose of arms control does not seem to be a difficult or controversial question. International efforts to reduce and limit weapons numbers and capabilities have a long history. Cutting forces, establishing numerical balances between opposing forces, banning certain weapons systems—all seem relatively straightforward. The objective of this Administration is to enhance security and reduce the risk of war, to ensure strategic stability at the lowest feasible level, and ultimately—some day—to do away with nuclear weapons.

In practice, of course, agreement on objectives—between ourselves and the Soviets, within the Western alliance, and within our own government—is frequently the central issue of debate. Geography, politics, history, and technology conspire to complicate the issue. Each party is likely to have a different assessment of the impact on its security of cuts of given dimension affecting given weapons systems.

In such circumstances, the only way to proceed to an accord is to work from clear principles.

- Arms control agreements are an element of each party's national security policy. They do not exist in a vacuum. We, as our allies and the Soviets, must, therefore, consider them in the context of all other elements of our respective security policies.
- Any agreement must be balanced, fair, and equitable and in the security interests of both sides.
- In a negotiation between sovereign entities, neither party can demand provisions which would give it superiority or advantage through an agreement.
- Any agreement should not damage the security interests of friends and allies of either party.
- Any agreement must be verifiable, and the parties must have effective recourse in case of noncompliance.

It is only on the basis of such clear principles that it is possible to sort through the welter of conflicting

Assistant Secretary for Politico-Military Affairs

H. Allen Holmes was born in Bucharest, Romania, of American parents, on January 31, 1933. He received a bachelor's degree from Princeton in 1954. From 1954 to 1957, he was an infantry officer in the Marine Corps, attaining the rank of captain. He won a Woodrow Wilson Fellowship in 1957 and did graduate work at the *Institut d'Etudes Politiques* of the University of Paris in 1958.

Ambassador Holmes joined the Department of State in 1958. His assignments have included: intelligence research analyst, Washington (1958–59); political and consular officer, Yaounde (1959–61); foreign affairs officer, Executive Secretariat and Operations Center, and staff assistant to the Under Secretary for Political Affairs (1961–63); political officer, Rome (1963–67); foreign affairs officer, Bureau of European Affairs (1968–69); Counselor for Political Affairs, Paris (1970–74); Director, Office of NATO and Atlantic Affairs (1975–77); Deputy Chief of Mission, Rome (1977–79); Principal Deputy Assistant Secretary and Acting Assistant Secretary for European Affairs (1979–82); and Ambassador to Portugal (1982–85). He speaks French, Italian, and Portuguese.

Ambassador Holmes was sworn in as Assistant Secretary for Politico-Military Affairs on June 13, 1985. ■

proposals for reductions and limitations in each of the fora where we are engaged.

I would now like to take a few minutes to review the scope and thrust of our present engagement and the prospects for the future. Frankly, as a participant, I find that while the prospects are potentially promising in most areas, the Soviets have yet to respond sufficiently to realize that promise.

Scope and Prospects

Working from north to south, the only talks we are engaged in which are almost certain to conclude this year are the CDE [Conference on Security- and Confidence-Building Measures and Disarmament in Europe] negotiations in Stockholm. That conference is set to end in September. We and our NATO allies hope that it will end with agreement on concrete measures to improve notification, observation, and verification of military activities from the Atlantic to the Urals. There is general support for these objectives also from the European neutrals. The Soviet Union and its allies have indicated general interest in an agreement but have not, as yet, been willing to engage in the detailed negotiation needed to draft the actual provisions. Time is getting short, and we are pressing them to join us in drafting.

Further south, in Vienna, the MBFR [mutual and balanced force reductions] talks remain stalemated. This despite NATO's decision last December to drop insistence on prior data agreement, to accept Soviet data for the purpose of Soviet reductions, and to ask only for *ex post facto* verification. It is very disappointing that the Soviets are resisting serious verification measures—particularly in light of General Secretary Gorbachev's hints that they were more open to verification. After more than a decade of argument over invalid Soviet figures, the Soviets must understand that there is no prospect of an agreement on conventional force reductions and limitations in MBFR unless they agree to accept the verification needed to ensure that those levels are being complied with. Yet, in our view, reductions and limitations on conventional forces are a key part of the arms control agenda, especially if we anticipate achieving significant nuclear reductions.

In Geneva, we are engaged in several sets of negotiations. The least well known is on chemical weapons (CW) at the Conference on Disarmament. There, the primary obstacle to agreement is not the purpose of the negotiation. Even though CW is being used as we speak, almost everyone will give rhetorical support to its elimination. The obstacle is verification. Given the relative ease of production, only on-site inspection on demand can provide an effective check and deterrent to cheating. Here again, despite Soviet indications of greater interest in verification, we have seen no concrete steps on the key question of checking potential covert stockpiles or production facilities.

The more well-known talks in Geneva are, of course, the three negotiations on START [strategic arms reduction talks], INF [intermediate-range nuclear forces], and defense and space. At the summit last November, General Secretary Gorbachev and President Reagan called for a 50% reduction in the nuclear arms of the United States and the U.S.S.R., appropriately applied, and an interim INF agreement. We are working in the START and INF talks to make good on these goals. There have been some positive developments since the summit, but overall our expectations have not yet been met.

I personally believe that sound agreements in both areas can be achieved. The proposals we have made—most recently, in February on INF and in November on START—offer a productive basis for negotiation, dealing equitably with the security interests of both sides.

Not surprisingly, obstacles remain. I will only touch on a few. In START, the Soviets are still insisting on inclusion of U.S. forward-based systems in Europe—an old saw which they raised in SALT I [strategic arms limitation talks] and SALT II and then dropped from both. They must realize that such inequitable and extraneous demands cannot be sustained in these talks any more than they could be sustained in the 1970s.

The Soviets are also linking progress in the START talks to our dropping research on the Strategic Defense Initia-

CDE Negotiations Resume in Stockholm

WHITE HOUSE STATEMENT, JUNE 9, 1986[1]

The penultimate round of the Conference on Confidence- and Security-Building Measures and Disarmament in Europe [CDE] begins in Stockholm on June 10. The 35 signatories of the Helsinki Final Act are charged with adopting militarily significant, verifiable measures designed to increase openness about military activities in Europe, from the Atlantic to the Urals. Implementation of such measures would enhance stability and security by giving all participating states greater confidence in the accuracy of information upon which European security decisions are based.

The President attaches great importance to the CDE, as an integral part of our broad concept of security, encompassing political, economic, cultural, and humanitarian issues as well as military matters. He believes that success in the CDE could contribute to improved East-West relations and help to lower the artificial barriers that divide East from West in Europe. He is concerned that, with only 10 negotiating weeks remaining before the conference adjourns, the prospects for success are diminishing rapidly and the opportunities offered by the CDE could be lost. The previous round, which we and our allies as well as many neutral and nonaligned states believed was critical, made minimal progress because of Soviet reluctance to engage seriously in the drafting process.

Upon resumption of the talks, the first task of the conferees must be to decide on the level of ground force and joint arms activities for which advance notice must be given and the measures necessary to verify compliance with such provisions. Western proposals provide extensive information on such exercises and a reasonable verification scheme. The last moment to resolve this impasse has arrived.

The President has instructed Ambassador Robert L. Barry, head of the U.S. delegation in Stockholm, to press for real progress in the conference in the next round, which ends in July.

[1]Text from Weekly Compilation of Presidential Documents of June 16, 1986. ■

tive (SDI). This is an artificial linkage which, I am convinced, will be overcome.

First, SDI is a research program, and no one has ever developed a verifiable means of constraining research. The Soviets are pursuing vigorous research efforts in strategic defense, and we expect they will continue to do so.

Second, there already is a treaty regime limiting defensive deployments, namely, the ABM [Anti-Ballistic Missile] Treaty. What is lacking is not constraint on defenses but constraint on offenses, which are still expanding rapidly.

Third, potential decisions on the deployment of strategic defenses can only be made on the basis of research of necessarily uncertain duration. Actual deployments, if they were determined to be technologically effective, survivable, and cost-effective at the margin, would still take years beyond that point to be made operational. The Soviet Union cannot seriously contend that it is unprepared to deal with the immediate issue of reduction and limitation of existing offensive systems because it is awaiting hypothetical decisions about defenses which are years away. It is no surprise that the Soviets, while pursuing their own SDI effort, are interested in slowing the U.S. program. But that is no reason for us to accept the logic of their negotiating linkage.

In INF, the Soviets in January finally dropped their artificial demand for compensation for British and French nuclear forces. They have, however, sought to cap U.K. and French forces at current levels and to block U.S. transfer of weapons and technology to third parties. We have consistently rejected such Soviet efforts to use our bilateral negotiations to affect third parties.

In addition, the Soviets are insisting that the talks be limited to INF weapons in Europe. The Soviets refuse to discuss any reduction in their intermediate-range weapons which currently threaten Japan and China, among others. We have continued to insist that INF limitations be global. This reflects reality. First, the systems are mobile. Second, they can threaten any nation on the periphery of the Soviet Union. We have no interest in validating a Soviet claim to additional nuclear missiles to target any country or group of countries in any region. Moreover, it seems clear that militarily the Soviet Union has more than enough nuclear forces, including its strategic forces, to cover any conceivable target base.

Our position on INF—that reductions on missiles must be global rather than simply limited to Europe—speaks to the real issue of security for all parties. We hope the Soviets will realize this and that there will be progress in the INF negotiations—the area identified by President Reagan and General Secretary Gorbachev as the most promising for agreement in the near term.

The Arms Control Process

Beyond the prospects for the individual negotiations, however, I wanted to make a few comments on the overall process of arms control. This involves the way negotiations are approached by the parties, the way agreements are implemented, and the way the issue is treated publicly.

It seems to me that we have allowed the arms control process to become excessively politicized. This is partly a result of the major public campaigns which the Soviet Union has waged but is also a product of the intensity of internal Western debates. One result is that every decision, and every negotiating move, is almost inevitably made in public. I am not an advocate of pre-Wilsonian Cabinet diplomacy. We and our allies are democratic societies, we are used to open debate, and we can do better than the Soviets at public diplomacy—indeed, the record of the INF debate in Europe demonstrates that. But it is clear that today's degree of publicity is not a neutral element in negotiations. It can influence the choice of positions on both sides; it can limit the degree of nuance which is possible; it can hinder the ability to explore options.

Another element of the arms control process which we must look at is what happens to agreements after they are concluded. Here, the record is unsettling. Soviet noncompliance calls into question important security benefits from past accords and could create new risks. It erodes the confidence essential to an effective arms control process.

The President has provided three Administration reports to the Congress on Soviet noncompliance. The most recent—that of December 1985—reports on 18 issues. There are nine cases of violations, suggesting a pattern of Soviet noncompliance. In the cases that concern us most, the Soviet Union has violated one—and, in some cases, more than one—of its legal obligations under, or political commitments to, the ABM Treaty and the SALT II agreement.

We are not saying that the Soviet Union is disregarding all of its treaty obligations and commitments. The U.S.S.R. appears to be complying with some arms control agreements and with significant provisions of the treaties it is violating. However, selective adherence is not enough. Parties to agreements are required to honor all obligations and commitments.

Soviet noncompliance is indicative of an attitude contrary to the fundamentals of sound arms control agreements. It presents special obstacles to maintaining existing arms control agreements, undermines the political confidence necessary for concluding new treaties, and underscores the necessity that any new agreement be verifiable.

Through its noncompliance, the Soviet Union has made military gains in the areas of strategic offensive arms. The possible extent of the Soviet Union's noncompliance in the area of strategic defense also is of increasing importance and serious concern. Soviet noncompliance clearly has the potential, if left uncorrected and without a response, of undermining the essential strategic balance and the credibility and viability of our deterrent.

The Administration has been working unsuccessfully to resolve these issues through diplomatic channels, some for many years. We have used the Standing Consultative Commission to discuss SALT compliance questions on a detailed technical and legal level. We have also communicated at high levels with the Soviet Government on several occasions.

Specifics of Soviet Violations

There are three especially flagrant and disturbing Soviet violations which are familiar to you but which I wish to review briefly:

- The large, phased-array radar under construction near Krasnoyarsk;
- The mobile SS-25 ICBM now being deployed; and
- Encryption of ballistic missile test telemetry.

The Krasnoyarsk Radar. Under the ABM Treaty of 1972, radars for early warning of strategic ballistic missile attack must be located along the periphery of the parties' national territory and be oriented outward. Radars for tracking objects in outer space or national technical means of verification are not limited. Our detailed technical analysis

shows that the Krasnoyarsk radar is not, as the Soviets claim, for tracking objects in outer space or national technical means of verification but, rather, for ballistic missile detection and tracking. It is also not located along the periphery of the Soviets' national territory, and it is orientated inward and is, therefore, a clear-cut violation of the 1972 ABM Treaty.

This is not just a legal discrepancy. The prohibition on the construction of large phased-array radars like the one at Krasnoyarsk was a central pillar of the ABM Treaty. Without such radars, neither side could rapidly deploy a territorial ABM defense. The construction of the Krasnoyarsk radar, therefore, not only violates a key provision of the ABM Treaty, it also raises a serious concern that the Soviets may be attempting to create the infrastructure for a sudden future move to a territorial defense.

The SS-25 ICBM. The second violation is the Soviet SS-25 ICBM. The SS-25 ICBM is a violation of the SALT II agreement, which limits each party to one new type of light ICBM. The Soviet Union has officially informed us that the SS-X-24 ICBM is its one permitted new type. The SS-25 is, therefore, a prohibited second new type. A new type of ICBM cannot differ from an ICBM that existed at the time the treaty was signed, among other things, by more than 5% in throw-weight.

The Soviets claim that the SS-25 is a permitted modernization of the SS-13 ICBM. It is not. Our detailed analysis shows that the throw-weight of the SS-25 is considerably more than 5% heavier than that of the SS-13. In addition, under the treaty no ICBM of an existing type with a postboost vehicle and a single reentry vehicle can be flight tested or deployed whose reentry vehicle weight is less than 50% of the throw-weight of that ICBM. Even if the Soviet argument were accepted that the SS-25 is a modernization of the SS-13, the ratio of the reentry vehicle weight to the throw-weight is less than the required 50%.

Encryption of Ballistic Missile Test Telemetry. The last violation I will discuss is Soviet encryption of ballistic missile test telemetry—another unambiguous violation of the SALT II Treaty.

The treaty permits encryption of telemetric information during testing—except that which impedes verification of compliance by national technical means. Since the SALT II Treaty was signed in 1979, the Soviets have been heavily encrypting telemetry broadcasts during tests of strategic ballistic missiles. At this time, Soviet encryption is virtually "total" and uncontestably impedes U.S. verification of Soviet compliance with the treaty.

The Soviet encryption practice is both disturbing as a flagrant violation of the SALT commitment and a major potential obstacle to the verification of future agreements. Our ongoing START and INF negotiations in Geneva, for example, will come to naught without a firm Soviet commitment to facilitate, not impede, verification of compliance. Such a commitment can be of little standing without a demonstration now of Soviet commitments to existing verification provisions.

Status of MBFR Negotiations

WHITE HOUSE STATEMENT, JUNE 12, 1986[1]

The Warsaw Pact statement regarding troop reduction was made at a Warsaw Pact meeting in Budapest yesterday. This has apparently been agreed to by Warsaw Pact leaders but has not been presented for a detailed Western review in any of the conventional arms control fora. That would be not yet in Vienna, where MBFR [mutual and balanced force reductions] is being considered, or CDE [Conference on Confidence- and Security-Building Measures and Disarmament in Europe] in Geneva, or the Conference on Disarmament in Stockholm.

We find the ideas, as reported, of interest and would welcome the opportunity to analyze concrete proposals embodying them. We would note, however, that the Warsaw Pact has not responded fully to a more modest, but more concrete, NATO proposal last November at Vienna for a first step toward conventional reductions. That proposal, last November, involved initial reductions of U.S. troops by 5,000 and Soviet troops by 11,500 with a 3-year, no-increase commitment on forces in the zone. Also, it called for a development of a verification regime over 3 years and the development of an agreed database on which future reductions would be calculated.

WHITE HOUSE STATEMENT, JULY 3, 1986[2]

The most recent round of the MBFR talks has just concluded in Vienna. Regrettably, the Warsaw Pact participants continued to display a disinclination to respond constructively to the far-reaching NATO offer of December 5, 1985.

In order to make headway toward our goal of reducing conventional forces in Europe in an equitable manner, the Western proposal of last December accepted the East's own framework for a first-phase agreement of limited duration. Under such an approach, there would be initial U.S. and Soviet reductions followed by a no-increase commitment on the forces in the area of all of the participants to the agreement. Most significantly, in the interest of meeting stated Eastern concerns, the West offered to set aside its longstanding requirement that East and West reach prior agreement on the levels of the forces which would be subject to an agreement.

Unfortunately, the draft agreement which the East introduced on February 20, 1986, was woefully inadequate, particularly with respect to the vital issue of verification. Despite the recent assertions of Eastern leaders that their governments were willing to agree to reasonable verification measures, the East fell back on old proposals which had previously been rejected by the West as incapable of ensuring compliance with treaty obligations. Indeed, the East even backtracked from its earlier position on certain verification measures.

The United States and its allies will continue to make every effort to reach an equitable agreement in MBFR, as well as in other arms control areas. A significant move by the Warsaw Pact in the direction of the West in the Vienna negotiations would be an excellent first step in demonstrating whether the Warsaw Pact is, indeed, seriously interested in strengthening European security.

[1]Text from Weekly Compilation of Presidential Documents of June 16, 1986.
[2]Text from Weekly Compilation of Presidential Documents of July 7. ■

The U.S. Response

Last year, on June 10, the President made what was widely recognized as a statesmanlike decision when he decided, in spite of the clear cases of Soviet noncompliance, to "go the extra mile" and give the Soviet Union another opportunity to comply with their arms control treaty obligations and commitments and join us in a regime of truly mutual restraint. This meant that the United States would continue to carry out its political commitment to abide by treaties which are technically not in force, despite the fact that the Soviet Union had not been exercising equal treaty restraint and, as I noted, had demonstrated their capacity to violate arms control agreements. This decision was not made as an ultimatum; no deadline was issued. At the same time, however, the United State made completely clear to the Soviets through every available channel of communication that the United States could not continue to exercise such restraint unless the Soviets took measures to pursue actively arms control agreements, reverse their unparalleled military buildup, and scrupulously comply with the terms of their commitments.

A year later, we find that the situation with respect to these criteria is not encouraging. This is why the President has now decided that the United States will take the appropriate and proportionate responses to Soviet noncompliance that he suggested last June we might have to take. The United States has scrupulously kept its part of the bargain. But we cannot indefinitely and unilaterally respect agreements that the Soviets are violating. That is not what arms control is about.

In light of Soviet activities, the President has decided that from now on we will base our force posture on the nature and magnitude of Soviet strategic forces rather than the limits imposed by SALT. So, while the President has again decided to exercise the utmost restraint in the deployment of our strategic forces, he has also directed that the United States begin to take programmatic measures to ensure that the national security of the United States and its allies is protected in the face of noncompliant Soviet activities. The President does not anticipate any appreciable numerical growth in offensive strategic nuclear forces.

For example, as the Soviets have illegally deployed the SS-25 ICBM and the Krasnoyarsk radar, we will take measures to offset the security risks that those deployments entail for the United States and its allies.

For now, we'll continue to place primary importance on our existing strategic modernization program to underwrite our deterrence today, and we will also pursue the SDI research program to provide better alternatives in the future. To ensure that he has a solid range of options in the future, the President has directed a new review of a comprehensive ICBM modernization program. This includes our B-52 bomber upgrade program, which calls for about 190 B-52s to be equipped with ALCMs [air-launched cruise missiles]. He has also directed that the program of the advanced cruise missile be accelerated.

While the President decided that the United States would dismantle two Poseidon submarines when the U.S.S. *Nevada* went on sea trials on May 28, when we reach 131 ALCM carriers next fall, we will not dismantle

Nuclear and Space Arms Talks Conclude Round Five

PRESIDENT'S STATEMENT, JUNE 26, 1986[1]

Today marks the close of round five in the U.S. and Soviet nuclear and space talks in Geneva (NST). The U.S. goal in these negotiations is to obtain Soviet agreement to deep, equitable, and effectively verifiable reductions in the nuclear arsenals of the United States and the Soviet Union in a manner that strengthens strategic stability.

For the past 7 weeks, the U.S. negotiating team in Geneva has worked hard in pursuit of this goal by explaining and elaborating on the concrete proposals which the United States is offering in all three areas of these negotiations. These U.S. proposals include:

- In the strategic arms (START) negotiating group, a formula for equitable and verifiable reductions of 50% in offensive nuclear forces;
- In the intermediate nuclear forces [INF] negotiating group, a concrete, phased approach for eliminating the entire class of U.S. and Soviet land-based INF missiles; and
- In the defense and space group, an offer to engage in a dialogue on managing the transition to a more stable basis for deterrence through increased reliance on defensive systems, rather than offensive nuclear arms, and an "open laboratories" initiative to assure each side of the defensive nature of the other side's strategic defense research.

The American negotiators have presented these proposals in the spirit of last November's Geneva summit. At the summit, General Secretary Gorbachev and I promised to seek 50% reductions in offensive nuclear arms, appropriately applied, as well as an interim INF agreement. Much to our disappointment, until recently the Soviets have shown no interest in seriously following up at the negotiating table.

In the past 2 weeks, however, the Soviet negotiators at Geneva have tabled new proposals. I am hopeful that these proposals signal the beginning of a serious Soviet effort to join with us in actually reducing offensive nuclear arms. If the Soviet Union is now genuinely seeking progress, we may have reached a turning point in our efforts to build a safer and more peaceful world. I deeply hope that this is, indeed, the case.

We approach these negotiations with realism and determination. While we clearly cannot accept these Soviet proposals without changes, we are studying Soviet ideas on reductions very carefully to see how they might help to move us toward our goal of deep, equitable, and verifiable arms cuts. At the same time, we believe that if progress can be made in one of the three NST negotiating areas, it should not be held up—as the Soviets are still insisting—pending agreement in another area.

We know there is much hard bargaining ahead, but for our part, the United States is determined to do everything we can to achieve these deep reductions. If recent events indicate that the Soviet Union is now ready to work together with us in this urgent endeavor, we can begin now to ensure a safer and more stable peace for future generations.

[1]Text from Weekly Compilation of Presidential Documents of June 30, 1986. ■

other weapons systems as compensation under the terms of SALT II.

So while we remain technically SALT compliant for now, it should be clear that the Soviets must take constructive steps to alter the current situation. Should they do so, the United States will certainly take this into account.

This does not mean that we plan a dramatic expansion of our forces. Until we reach our objectives in Geneva, we will continue to exercise the utmost restraint. But we hope by now it is patently clear to the Soviet Union that noncompliance entails real costs.

As the President has stated:

> In order for arms control to have meaning and credibly contribute to national security and to global or regional stability, it is essential that all parties to agreements fully comply with them. Strict compliance with all provisions of arms control agreements is fundamental, and this Administration will not accept anything less. To do so would undermine the arms control process and damage the chances for establishing a more constructive U.S.-Soviet relationship.

I would describe the above attitude as tough but, above all, fair and realistic. If you will excuse the unintended pun, no arms control agreement worth its "salt" can afford to duck the hard facts. The man in the street in both Long Island and Leningrad senses intuitively that there are too many nuclear weapons in the world today. The Chernobyl disaster has shown us the terrible damage a slight, unintended nuclear mistake can wreak on the world. How much more damage would be wrought by an intentional nuclear detonation we can all too well imagine.

Whether we like it or not, one other fact is also clear: we share one Earth with the Soviet Union. We are locked together in a nuclear dilemma, as is the rest of the world. I fully accept the Soviet Union's contention that there can be no security for the United States without security for the Soviet Union and no security for NATO without security for the Warsaw Pact.

The U.S. proposals on the table now at Geneva are reasonable and fair and are in the security interests of both parties. We must not feel pressured to have agreements for agreements' sake, but we want very much to walk down the path of genuine arms control with the Soviet Union. And what the President said with regard to interim restraint applies equally well to arms control: we are willing to go the extra mile.■

West Proposes Initiative in CDE

WESTERN STATEMENT, JUNE 30, 1986[1]

This negotiation is still spinning its wheels on the sands of political indecision, and time is passing quickly. We are halfway through this session which we have all called critical in the search for mutually acceptable solutions based on the common ground identified so far.

We can no longer afford to repeat old arguments, valid though some of them may be. We need to reassess our respective positions, taking into account the interests and perceptions expressed by others here.

Initiatives now seem called for, to unblock the road ahead toward an agreement which, in accordance with the mandate, will begin a process meaningful for building confidence and security as well as for the confidence- and security-building measures.

In speaking on behalf of the NATO delegations, the 16 delegations which together made the first initiative at this conference, I can say that we have, therefore, decided that we would be prepared to make moves in the following areas of the negotiation.

Notification of ground force activities has often been described as the core of the agreement we have to adopt; the definition of the thresholds for ground force activities is a key element of this measure. Three approaches to this problem have been presented: One puts the emphasis on structures; another on manpower; a third one on "mobility and firepower," which in practical terms means equipment. An attempt to combine these three approaches was recently made by the neutral and nonaligned states. We think that this is the right way to proceed, and we would like to declare our readiness to draft on the basis of the proposal tabled by the Austrian delegation on June 13. We hope others will take a similarly positive view.

We must, however, make it clear that this formula, as it stands, is far from ideal from our point of view. The attempt to equal out existing disparities in force structures between participating states—that is, to achieve an understanding for CDE purposes of what a division is—is useful. Our concern, however, is to find a solution that would include all formations of ground forces that have a militarily significant capability, regardless of what participating units may be called. We believe amendments will be required to this end.

The level of the threshold is an essential issue. Our approach is to emphasize structures, and the number of troops is only one element in this approach. It has been contended that our proposal would result in an excessive number of notifications per year. We do not think that the figures which were mentioned in support of this objection are accurate. But we are ready to consider raising the numerical element of the threshold beyond the figure of 6,000 troops.

We seek increased confidence through militarily significant and verifiable confidence- and security-building measures which cover the whole of Europe. We envisage a reasonable number of notifications which would constitute a step beyond the confidence-building measures of the Helsinki Final Act. What we foresee is not 300 notifications per annum, not even 100. We believe it is a common objective that the number of notifications not be unnecessarily burdensome. We have to build constructively upon this common ground and agree to a comprehensive threshold which would correspond to this shared goal without entering into a numbers game.

Moreover, we are prepared to make another move. Understanding of mobilization practices through notification would contribute significantly to greater stability and confidence-building. However, we have heard concern expressed on our proposal relating to notification of mobilization activities. Some countries whose defense capabilities almost exclusively rely on the recall of reservists have argued that such a measure would affect their security interests.

We are willing to consider whether we could meet this preoccupation, but we would expect similar consideration of our concern in other areas such as constraints where provisions have been advocated which, in turn, would unacceptably affect our security interests.

I would like to stress that all this would constitute a significant departure from the position established in the Western proposal made at the Stockholm conference. The moves we are prepared to make are presented in order to encourage our negotiating partners to match them, *inter alia*, by contributing to solving the issue of air activities on the basis of existing common ground.

On observation, we continue to believe that agreement to observe all notifiable military activities from their beginning to their end would be a substantial improvement over the provisions contained in the Final Act. But this ambitious aim has raised many logistical and financial objections.

It is our view that observation should assist participating states in meeting the overall objectives of the confidence-building process: It must enable the observers to assess the scope and nature of military activity, which, of course, does not imply that the first man to leave and the last to return to normal peacetime locations should be observed.

Here again we are prepared to look sympathetically at the above-mentioned objections and consider a limitation on the duration of observation both as far as its starting and its ending are concerned. We expect this move to enable everybody both to agree to a low threshold for notification and to factilitate agreement on detailed and specific modalities for the observation regime.

On verification, our inspection proposal meets the mandate criteria and ensures each state equal opportunity to verify compliance with the agreed confidence- and security-building measures. Objections have been raised, however, emphasizing the burden represented by our proposal.

While we would have preferred to leave open this option for each participating state to conduct two inspections a year, we believe it is essential that each participating state should have the option to conduct at least one inspection a year. Central to our approach to verification is the position that inspections must be an essential and integral part of the result of the conference.

However, we are prepared to reduce the number of inspections each state is entitled to carry out every year from two to one as evidence of our willingness to ensure against the abuse of the right to inspect military activities of other participating states. Inspections will be used only on those occasions when doubts about compliance arise. Inspections are not meant to be onerous or unduly intrusive. But it must be clear that the inspection provisions cannot be impaired by any escape clause, defective modalities, or other flaws that would render them ineffective.

The mandate of the conference requires us to enact "new, effective and concrete actions" to increase confidence and security in Europe and thereby reduce the risk of military confrontation. To fulfill this obligation, we must agree on verifiable measures of true military significance. The 16 sponsors will not accept merely insignificant improvements of the confidence-building measures of the Final Act. None of us can afford to compromise on this point.

The time has now come for new efforts to further the drafting process. The points I have just made are intended to serve that purpose. This is not, of course, the first example of our determination to reach an agreement. May I recall that on the issue of the non-use of force, we have also made significant steps, first in agreeing to include this issue on the agenda of the conference, then in tabling the most comprehensive contribution to date, and more recently in drafting actively on this subject. We have done this even though work in the field of concrete measures was stagnating.

The initiative we are taking represents careful study and sometimes difficult decisions on our part. In making these offers—that is, in showing yet again that we are prepared to be flexible—we must, of course, make it clear that we do so in the expectation that our other negotiating partners will show matching movements not only on the issues I have mentioned but also on others, such as information, which I have not raised today. Nor would we expect negotiating partners to introduce obstacles to real progress.

The only way to reach a substantive agreement is to follow a give-and-take process. We hope that the initiative we have taken today will create a dynamism leading to such an agreement in the 8 weeks left to us before the conference adjourns on the 19th of September. We shall be prepared to do our part.

[1]Made to the Conference on Confidence- and Security-Building Measures and Disarmament in Europe (CDE) on behalf of the NATO nations by Canada's representative to the CDE, Ambassador W.T. Delworth. ■

The U.S. Foreign Service in a Year of Challenges

by Ronald I. Spiers

Address at the Department of State's 21st annual Foreign Service Day on May 2, 1986. Ambassador Spiers is Under Secretary for Management.

Almost precisely 1 year ago, I was privileged to give you a "state of the union" report on the Department of State and the U.S. Foreign Service. This is an account of where we stand 1 year further on.

This has been a difficult year for the Department of State and the Foreign Service. It has seen our introduction to the stringencies of Gramm-Rudman-Hollings, additional difficulties in accommodating our personnel structure to the 1980 Foreign Service Act, and a continuation of the problems of security and terrorism. There are also a number of accomplishments which I can report to you.

Effects of the Gramm-Rudman-Hollings Legislation

The Gramm-Rudman-Hollings legislation sets a series of deficit ceilings which progressively decrease until they reach zero in 1991 and then puts in place a spending cut procedure which becomes automatic if the Congress and the executive branch cannot agree on budget priorities.

The effect of Gramm-Rudman this year was a 4.3% cut in our already approved 1986 budget halfway through the fiscal year. This meant we had to find $62 million in savings out of our salaries and expenses accounts. The Department of State is a salaries and expenses agency. We have no big programs to cut into or postpone. We are a "presence," and if we have to save large sums of money, we have to cut people and organizational units. This year Gramm-Rudman forced us to tighten up across the board: to reduce hiring, to restrict travel, and to forgo new programs and projects. We were able to meet this target, although with some discomfort.

The picture for 1987 is clouded. If anything, the situation threatens to get worse. While the President has proposed a budget which would give us the resources we need to do our job and which reflects the high priority this Administration attaches to the activities of the State Department, the budget's reception on the Hill has not been good. The President's proposal for FY [fiscal year] 1987 would provide $4.9 billion for

the Department of State, of which $3.4 billion would be for our operating budget. This would be an increase of $740 million over what we have requested for 1986, almost all of which is for security programs. However, elements of the Congress have implied that the most we could expect would be a freeze at 1986 levels, post-Gramm-Rudman. Given inflation, exchange rates losses, and the need to finance high priority new programs, this would mean we would have to carve $210 million out of ongoing programs—in effect, a substantial cut. Others say that we should expect an even deeper slice.

With the Secretary's agreement, I commissioned a group of our senior colleagues to examine what we would have to do to achieve savings of this magnitude. The answer came back that the only way we could do so and still make room for the new programs to which the Secretary of State attaches highest importance—opening a consulate in Kiev, staffing new posts in Micronesia, building a sorely needed alternate data processing center, proceeding with the new Foreign Service Institute center at Arlington Hall, continuing to rebuild our reporting and analysis capabilities—would be closing as many as 40-50 posts.

While there is no question that some posts should be closed while others are opened, a retreat of this magnitude would carry very adverse signals about the U.S. position in the world. A massive closing of consulates would disrupt the capillaries of our information gathering and influence wielding throughout the world. Nevertheless, we see no alternative to such drastic measures if these dire budget predictions, in fact, materialize. It is ironical that the State Department operating budget of $3.4 billion is only 0.4% of the overall Federal budget.

Both the Secretary and I feel that it would be wrong to distribute equal percentage cuts among our ongoing activities. We would only end up trying to do the same number of things but doing them less well and continuing the seepage of our responsibilities to other agencies of government. It is our Foreign Service posts which, for the most part, generate the requirements for people, for buildings, for communications, for equipment, for allowances, for transportation, and for travel. This year we have already had to make plans to close seven of our smaller consulates in response to cuts made by OMB [Office of Management and Budget] even before our budget was presented to Congress. This caused us political pain in all the locales involved. However, this is nothing compared to what may lie ahead.

Implementation of the Foreign Service Act of 1980

Last year I spoke briefly about some of the personnel problems resulting from implementation of the Foreign Service Act of 1980. These problems are transitory in nature and should be seen in historical context.

The initial recommendations for Civil Service reform in the late 1970s included putting the senior grades of the Foreign Service into the Senior Executive Service. The Department resisted this attack on the Foreign Service strongly and successfully on the Hill, but the price of success was a commitment on our part to modify the Foreign Service Act to keep it in line with general U.S. Government civilian personnel policy, particularly with respect to basing our senior Service benefits and retention on performance rather than seniority. The outcome was the new Foreign Service Act.

The reason we prevailed on the Hill and kept out of the new Civil Service Act was simple: we argued that the Foreign Service was different from the Civil Service because of the obligation for worldwide service (with all the physical and health dangers such service implied) and because of its competitive nature—the up-or-out system.

During this time, there was the realization in the Department that the up-or-out system was not working well. In agreeing to work out a new Foreign Service Act, there was also a decision to develop one which restored a basic premise of the Foreign Service Act of 1946 by reviving real competition in the Service throughout the ranks. Only in that way could the continuation of the separate Service and its special benefits be justified and sustained.

Two key concepts on how to restore competition emerged.

- First, selection of senior officers would be made more rigorous. This led to the "senior threshold"—the point in a career beyond which many officers would not pass—and the idea of a smaller, more qualified Senior Foreign Service.
- The second new concept was "selection in" or the so-called limited career extensions for senior officers. The idea here was that after a period of time in class (7 years for counselor, for example), officers still in that grade would be retired unless the Department decided to offer them a 3-year extension of their time in class. This ended what amounted to nearly unlimited tenure for senior officers—essentially a Civil Service approach inconsistent with the officially competitive nature of the Service. Under this system, 72 of our senior officers have involuntarily retired due to failure to receive limited career extensions.

At the threshold level, it was decided to retire officers who had been passed over six times but to allow them to decide when or if they wished to start competing for promotion to the senior Service. The thought here was to give control over this crucial decision to the officer concerned. This is the origin of the "6-year window."

The effects of these parts of the new Foreign Service Act are now being felt. For example, about 55 FS-1s will be retired in 1987 because they will have been passed over for promotion six or more times, and these 55 are in addition to an almost equal number of FS-1s who will have to retire for time in class.

It has been said that these 55 officers would have elected to open their windows at a later date if they had known that promotion opportunities would shrink while they were competing. Perhaps that is true, but even if promotion opportunities had remained constant, we estimate that only eight of these officers would have been promoted (and we project that six will probably be promoted this year). Furthermore, many of these officers would have been retired for regular time in class within the next 2 or 3 years, in any event.

It has also been said that we are losing too many of our best officers as a result of this return to a competitive Foreign Service. First, I have to say that while these officers are good (after all, we select the very best), they have not been judged by their peers to be as good as those who have been promoted. Second, we have studied the question of skills and have concluded that these retirements will not create any serious problems. One has to remember that we are always training new officers to replace older ones, in any event, and the retirement of these and other officers on the basis of the regular time-in-class basis is a part of normal personnel and training planning.

The Foreign Service is as good as it is because of its competitive nature. Competition is costly. That is the price of the kind of Foreign Service we have and want. We have done our best to help those who cannot go on to the senior ranks. First, they are retired honorably on good pensions. Second, we do our best to help them find other employment if they are interested. In my opinion and in the view of outside consultants, the employment prospects of former members of the Service are good. Nevertheless, this is a traumatic time for many of our valued colleagues.

One of the policies that has met substantial criticism during this year was the decision to conduct a classification review of the Senior Foreign Service. This review resulted in the downgrading of almost 16% of the jobs classified at the Senior Foreign Service level, reducing them from 796 to 670. We believed it was both untenable and illegal to exempt the Foreign Service from the disciplines that apply to other elements of the public service. Jobs in the Senior Foreign Service must include a level of responsibility and skill that justifies classification at the senior level.

Furthermore, we felt that there should be a reasonable balance between the number of positions classified at the Senior Foreign Service level and the number of officers in the Senior Foreign Service. This classification review has put us in a position to defend the size of the Senior Foreign Service and to rebut those who repeatedly criticized us on the grounds that we have an unconscionably greater proportion of our people at the senior levels than the Civil Service or the military services. The Senior Foreign Service is now approximately 14% of the total number of our generalist officers, and I believe it will stay this way. One byproduct of this policy has been a somewhat lower number of promotions, but it has also done away with the problem of "corridor walkers." Whereas several years ago there were 120 in this category, there are now fewer than 30 senior officers in overcomplement status. The bulk of these are in processing for new assignments or retirement or have medical reasons for being in that category.

While both of these issues—reduction of the size of the Senior Foreign Service and the decision not to recommend a lengthening of the 6-year window—have been difficult, I believe that we have bitten the bullet and that we have established the basis for a stable and defensible Foreign Service structure for the years ahead. Too often in the past, we have ignored these problems or just let them pile up in hopes that they would go away or somebody else would do something about them.

Career v. Noncareer Appointments

The final personnel difficulty that I want to mention is a classic one—the balance between career and noncareer chief of mission appointments. The career Service has done poorly in this regard over the past year. If this trend continues, I believe it will have a very bad effect on the Foreign Service as a whole. We are now at the 60-40 ratio between career and noncareer appointees—the lowest ratio in over two decades. A number of senior people will be coming back in a few months with no onward assignments in sight. All in all, we have had a net loss of 25 presidential appointment-level positions at home and abroad since January of 1981.

This may seem an inconsiderable number, but the Service is a relatively small one, and shifts of this magnitude can have a large impact on the career outlook for our personnel at all levels. Each time a career position at this level is lost, seven promotion opportunities below it are also lost. The actual impact of a shift of 25 positions is, thus, 175 promotions and hirings. We do not promote people to fill jobs which are not there, and we risk demoralizing some of our best people at the most productive point in their careers. The Secretary and the White House have agreed that our target should be a ⅔–⅓ ratio, but it will only be possible to accomplish this gradually as posts open up under the 3-year rotation rule.

Terrorism and Security Issues

Terrorism and security have been an increasing preoccupation during the last year. The Advisory Panel on Overseas Security, which the Secretary convened in 1984, produced a report last June that contained over 90 far-reaching recommendations for the Department. Besides recommending the establishment of a Bureau of Diplomatic Security and a professional Diplomatic Security Service, the Inman panel recommended that significant new resources be sought for a comprehensive worldwide security program to protect all government employees abroad. Pursuant to this panel's report, the Department developed a diplomatic security program that would involve the expenditure of $4.4 billion spread over 5 years: $2.7 billion of this would be for construction, including more than 60 new embassies and consulates. The balance would be spent for related operating expenses, including security officers, residential security improvements, and more secure communications equipment.

The Secretary of State accepted almost all of the Inman panel recommendations. Several new security standards—a 100-foot building setback to attenuate blast effects, for example—will guide our new building program. Many of our posts now front onto busy streets. Many have extensive glass facades. Often, we share office buildings with other organizations and businesses. All this is clearly undesirable and simply unacceptable in a great many situations.

It is too soon to tell what the impact of Gramm-Rudman-Hollings will be on this proposed new security program. The Administration and President Reagan personally attach high priority to improving security overseas and believe that the expenditure of these large sums is fully justified. We have received severe criticism in Congress in the past for laxity in security. We in management have put great effort into raising the security consciousness of our personnel at home and abroad. Vigilance is not enough, however. We will need resources as well. We have gotten help from the National Academy of Sciences in designing an "embassy of the future," in which security features will be unobtrusive but effective.

As great as is the threat of physical violence from terrorism, we have become increasingly concerned about electronic penetrations of our embassies, and a large part of the contemplated expenditures is to provide protection against this threat. We have had to devote a great deal of attention to bringing our Foreign Buildings Office into the modern era, and we will have to be drawing on resources of the private sector to help construct and manage this very large enterprise.

The new embassy buildings will be expensive. We are not building ordinary office buildings but, rather, special purpose buildings designed to meet unusual physical and security standards. These standards, ranging from the size of the site to seismic characteristics to protect against blast effect, increase the cost of construction by about 50%. These buildings are more appropriately compared to hospitals or secure, hardened command and control facilities than to office buildings.

The matter is now before the Congress of the United States, and it must determine whether congressional priorities are the same as the Administration's. The Inman program has been supported in the House, which has authorized the moneys requested. The future is uncertain in the Senate, which has not yet turned its full attention to this problem. If this security program is not funded adequately, the consequences are obvious: our personnel, their families, and our national security information will be at greater risk because the United States decided that their safety was less important than some other claims on the national resources.

This proposed program will not solve all our security problems, but it will minimize them. It is comprehensive and long overdue. It addresses our most basic security concerns. It is one of our highest priorities.

Terrorism is a low-level form of warfare. Much of it is state supported. We must assume terrorism will increase rather than diminish in the years ahead. We must continue to improve our intelligence and our cooperative programs with other countries and continue to take all prudent measures of passive defense, deterrence, and preemption.

It is true that much terrorism has its roots in unresolved political grievances, many of which are beyond the present reach of diplomatic solutions. That, however, is no moral justification for terrorism or excuse for inaction on our part. We must defend ourselves as we strive to resolve the problems underlying terrorism. The fact that the roots of terrorism lie in the domain of politics underscores the critical importance of the role of the Department and Foreign Service in this battle. In the last analysis, it is only our work which can stop terrorism. We must have the people to do the job, and they must be able to work in safety. We are the front line in this war.

Accomplishments During the Past Year

I have devoted a fair amount of attention to these major problem areas, and I would like to conclude by listing a few of last year's accomplishments.

- We have made progress in restoring our reporting and analysis capabilities and in stopping the erosion we have suffered in this area. These capabilities are absolutely critical to the nation and are one of our fundamental responsibilities.
- We have improved internal communications in the Service through a monthly management cable and other communications channels in a way that has enhanced understanding and acceptance of some very difficult management policy decisions.
- We have made substantial progress in developing procedures to ensure difficult postings do not go unfilled and to achieve more equitable sharing of hardship assignments.
- We have raised the pay ceiling for senior people in hardship assignments, thereby removing serious inequities that also led to difficulties in staffing hardship posts with the best people.
- Our best people have traditionally avoided assignment to the Senior Seminar and to training in general. Yet such training is necessary to maintain and improve basic professional skills. We have put great effort into ensuring preferential assignments for seminar graduates, and it is now becoming accepted that selection for this seminar is a mark of distinction.
- We got a good start in the development of a new Foreign Service Institute at Arlington Hall. Congress has approved the transfer of land to the Department of State, and we are now beginning design competition for the building.
- We are replacing many of our local staff in Moscow with Americans. Although this is an expensive project, it is responsive to substantial congressional interest and will improve security considerably.
- The Office of Foreign Missions has made great strides in using reciprocity to ensure more equitable treatment of our personnel abroad.
- New financial management centers in Bonn, London, Brussels, and Tokyo are now in successful operation. Three more are scheduled for this year. We are completing installation of a worldwide American payroll system which will avoid many of the difficulties and inconveniences which used to be regarded as inevitable.
- We are developing computerized work force planning systems, which will mean that we can make informed and coherent decisions on promotion, recruitment, and career extensions.
- We have launched a "short tour" program which permits us to use some of our best and most senior people for specific projects in Washington. Not only does this accomplish important things which otherwise would not get done, it permits us to construct bridges between assignments. It is an economical and effective use of great talent.
- We have established a DCM [deputy chief of mission] committee which focuses high-level attention on candidates for these key management positions and ensures that all available well-qualified candidates are considered—not just those known only to the leaders of the geographic bureaus.
- We have been in touch with many major American business enterprises to see what we can learn from their management experience, particularly in the areas of personnel, recruitment, training, evaluation, and professional development.

The Challenges Ahead

Many challenges still lie before us. The Department needs more effective ways of relating resources to policy priorities. We need to reduce the levels of U.S. Government overseas presence in diplomatic missions. Department personnel now constitute only 28% of our overseas mission staffing, and the size of our overseas missions has grown by 20% during this Administration. The Secretary of State, under the President's direction, has launched a project to reduce this expanded presence. This is particularly important given the high security costs of protecting our people of all agencies overseas.

We still need to do more to achieve a higher representation of minorities, women, and administrative and consular personnel in senior positions. We have only begun to give information resource management the kind of attention this subject deserves. We want to accelerate our work on a coherent foreign affairs information system which will bring together office automation, telecommunications, and automated data processing systems in an integrated program.

Finally, let me say one last thing—perhaps the most important thing I have to say: the Department and the Foreign Service need your support as we move forward into deeper and more dangerous waters. We need your help in the form of suggestions. There are never enough good ideas. We need your support politically. Never has this country needed a stronger and more highly professional Foreign Service and Department than now. You are our best interest group. Be active. ■

Sino-American Relations: No Time for Complacency

by Winston Lord

Address before the National Council on U.S.-China Trade on May 28, 1986. Mr. Lord is U.S. Ambassador to the People's Republic of China (P.R.C.).

Introduction

I am honored and grateful to be here for several reasons.

First, you are one of the premier private organizations devoted to improving relations between the United States and the People's Republic of China. Much we have accomplished could not have happened without you. Much we need to do will require your help. As Khrushchev once remarked to Western business leaders, "You stay in power while the politicians change all the time."

Second, permit me to pay personal tributes on one change that is taking place. Chris Phillips has long been a distinguished public servant, and for 13 years he has provided strong leadership for this council. He leaves an impressive legacy. This thriving organization is fortunate, indeed, to have Roger Sullivan take over the helm. Both in government and the private sector, he has labored well on behalf of Sino-American relations.

Third, I can pause to step back from the daily pressures as Ambassador and reflect, with you, upon the broad contours of a relationship that I firmly believe is vital to both nations and to the world's hopes for peace and prosperity.

Kipling argued that between East and West the twain shall never meet. But—as his ballad itself depicts—they do meet sometimes when people with courage seize fate. Fifteen years ago, I was privileged to be present at the creation, when farsighted leaders in Beijing and Washington began opening doors and tearing down walls, indeed, even walking on them. As one who has worked ever since for better relations, I can speak with the candor of commitment.

We have made great strides since that opening. But I come here today not so much to celebrate achievement as to censure complacency. Success is a process, not a fixed condition. Many problems remain. Many opportunities beckon. And just as bad relations—indeed, no relations—were not immutable in the past, so good relations are not inevitable in the future.

My basic message is this: Let us—China and America—use this relatively quiet phase of sound relations not to cheer ourselves on what we have done but to chart a course on where we should go.

I will first address the bilateral dimension, the gains and the pains; then the international context, the sweet and the sour. In both areas, I will suggest what each country can do to strengthen our bonds.

The Bilateral Relationship

Whereas geopolitics brought us together in the 1970s, economics is now a major force driving us forward. The growth of our bilateral links is one of the astounding success stories in international relations. But this very progress has spawned new problems, even as it holds out vast potential.

This is hardly surprising. Time and space divide us. We have totally different histories and cultures. For a generation, we peered across an ocean of antagonism. There are sharp contrasts in our politics, societies, and values. China is gradually shedding a long period of estrangement from Western countries. We are still learning about the real China, trying to steer between our historical poles of romance and hostility.

Since China emerged from the holocaust of the Cultural Revolution, its national preoccupation has been modernization. Under Chairman Deng Xiaoping, the Chinese have opened up to the rest of the world and have unleashed a titanic wave of change.

- They have successfully boosted agricultural production. China now feeds its 1 billion people, with some left over for export.
- They have restructured their economy to lift living standards even as they tackle severe bottlenecks in transportation and communications and shortfalls in energy and management.
- They have created special economic and development zones along the Chinese coast to drive economic development and relay foreign technology to the less developed interior.
- They have begun enacting legislation to provide a framework for foreign trade investment.
- They have taken a more active role in global economic institutions, including the International Monetary Fund (IMF), the World Bank, and the Asian Development Bank, and they eye the General Agreement on Tariffs and Trade (GATT).
- Finally, and most ambitiously, they have embarked on an unprecedented course in urban reform. The goal effectively is to transform the industrial system which China modeled on the Soviet Union in the 1950s. They seek to replace it with one more flexible, more responsive to the market, more efficient

U.S. Ambassador to the People's Republic of China

Winston Lord was born Aug. 17, 1937, in New York. He is a graduate of Yale University (B.A., 1959) and the Fletcher School of Law and Diplomacy (M.A., 1960). He served in the U.S. Army in 1961.

He entered government service in 1962 as a Foreign Service officer in the Office of Congressional Relations. In 1962–64, he was in the Office of Politico-Military Affairs and the Office of International Trade. In 1965 Mr. Lord was a member of the negotiating team and special assistant to the chairman of the U.S. delegation to the Kennedy Round of tariff negotiations in Geneva. In 1967 he became a member of the Policy Planning Staff (International Security Affairs) at the Department of Defense. He was a member of the Planning Staff of the National Security Council and Special Assistant to the President for National Security Affairs during 1969–73. From 1973 to 1977, Mr. Lord served as Director of the Department of State's Policy Planning Staff and a top adviser on China.

From 1977 until his present appointment, he was President of the Council on Foreign Relations in New York City. During 1983–84 he was senior counsellor of the National Bipartisan Commission on Central America.

Mr. Lord was sworn in as U.S. Ambassador to the People's Republic of China on Nov. 8, 1985. ■

in production and distribution—although, as they say, basically socialist in character.

China's new direction is one of the boldest domestic ventures in modern history. No wonder serious problems arise. It has not been clear sailing since 1978. Last year initial moves to abandon the cumbersome, irrational system of regulated prices helped fuel the highest rate of inflation in 30 years. Decentralization spurred excessive growth in the supply of money and credit.

There were massive outflows of hard currency in late 1984 and early 1985, as lower level organizations stocked up on consumer goods, mostly from Japan. Grain production dipped due to bad weather and incentives to grow other crops.

Concern has mounted over what the Chinese call "unhealthy tendencies," and what we would describe as conflicts of interest and white collar crime.

As a result, the Chinese are consolidating. They are slowing urban reforms, holding down prices, conserving foreign exchange, lifting grain production, and fighting corruption. The leaders stress that the reforms and the openings are irreversible, that the momentum will resume in 1987.

Where does the United States fit into China's modernization? Here again, the progress has been remarkable. Fifteen years ago, trade was negligible. There was no investment, no science and technology cooperation, no military ties, no students or teachers at each other's universities, no tourism, no cultural relations. In short, the two societies had been sealed off from each other for over 20 years. Indeed, China had been isolated from most of the globe.

Contrast that landscape with today. Our bilateral trade exceeded $8 billion in 1985, up 25% in 1 year. American business has invested roughly $1.4 billion in China, second only to Hong Kong. About 250 U.S. companies now have offices in China. We have the largest bilateral science and technology exchange program in the world—2 weeks ago we signed our 27th protocol. Our military relations are being pursued on three fronts—high-level visits, working-level exchanges, and limited defensive arms sales.

In a historic development, American campuses have become home to over 15,000 Chinese students, almost half of all those abroad. More than 100 American universities have shaped over 200 exchange agreements with Chinese counterparts. Hundreds of Chinese and American cultural and professional groups criss-cross the Pacific each month. Over 200,000 American tourists and throngs of businessmen flock annually to China. Almost 1,000 Americans now teach there.

The Chinese people have growing access to Western books, periodicals, movies, radio and television programs. China is now receiving a much more balanced view of the outside world. This is in China's interest, for a major nation in today's complex world must have accurate knowledge of global trends to make rational decisions.

The merit of certain advances depends on your point of view. Some Chinese are trading in baggy blues and traditional opera for skin-tight jeans and disco. Others can sample *Rambo* and *Amadeus*, Kentucky Fried Chicken and Elizabeth Arden, even the barbarian Super Bowl. There will be a Holiday Inn in Tibet.

In any event, the general flow of goods, people, and ideas promotes China's modernization. It yields opportunities for American business. It enriches the cultural life of both nations. And it builds American and Chinese constituencies for the overall relationship. In times of future stress, more people on both sides will work to preserve ties. By helping China to help itself, we make it less vulnerable to outside pressures and more integrated with the world economy.

In today's international environment, China has many potential foreign partners. If it can maintain political stability, China will become stronger with or without U.S. assistance. It is more apt to be receptive to American ideas if we have thickened our cooperation. It is more apt to be responsible in the region and the world if it is an active participant in the global economy.

Today China's doors are open again, voluntarily and wider than at any time in our memory. If they remain open, the viewpoints of the leadership and people over the coming decades will undergo important changes. We should be part of this process.

In sum it is in America's hard-headed self-interest to help China modernize and relate to the world.

The course will not be easy. Two completely different societies are interacting after a long period of mutual isolation. For Americans many practices in China clash with our concepts of human rights. For Chinese the growing web of foreign contacts resurrects a riddle faced by earlier reformers: how to capture the magic of Western technology without forfeiting China's essence.

There are, moreover, many misperceptions on both sides. In my experience, even educated Chinese still do not comprehend the American system. As for Americans, our understanding of China is still cramped by the formal, restricted nature of our access, whether it be our journalists, academics, or government officials.

Beyond politics and culture, disputes and just plain tough bargaining are inevitable, especially in economics. Some cases in point:

- Sino-American trade has grown. But we disagree about the balance, and we both face domestic, protectionist pressures. It is difficult to identify potential exports for China beyond sensitive light-consumer items. Looming ahead are possible further U.S. limits on textiles and antidumping cases. Prices for petroleum and other Chinese commodity exports have plummeted.
- China has wisely decided to borrow foreign funds to spur its development. But it is wary about foreign exchange and a growing trade gap. It remains conservative about incurring foreign debt.
- American investment continues. But many business people are frustrated by high costs, price gouging, tight foreign exchange controls, limited access to the Chinese market, bureaucratic foot-dragging, lack of qualified local personnel, and unpredictability. And we are still far apart on a bilateral investment treaty.
- We and our allies have substantially liberalized export controls. But the pace of technology and the volume of cases will always cause delays and frustrations.
- We strove to bring the nuclear agreement into force, and we have explored participation in the gigantic Three Gorges project. But it now appears that Chinese resource constraints and other factors may delay large undertakings for many years.
- The flow of goods and people increases. But it has been difficult to make progress on civil aviation and maritime issues.

None of this detracts from the positive momentum in our ties. The process is exciting, diverse, and far beyond what was predicted just a few years ago. But hard work lies ahead—both to solve prickly issues and to insulate them from the overall relationship.

Let me suggest how Americans and Chinese might address some of these issues. First on our side. Protectionism must be resisted. Access to foreign

markets and technology is crucial to China's development and reform. The President devotes enormous effort to blunting domestic pressures. As a late entrant, especially in textiles, China is clearly at a disadvantage, which we have sought to recognize. The Administration, congressional leaders, and American business must lead public opinion. If China cannot sell to America, America will not sell to China.

We must continuously monitor our performance on technology transfer. In recent years, the Administration has worked hard to ease exports in the U.S. and in COCOM member countries [Coordinating Committee for Multilateral Security Export Controls]. There are limits set by national security concerns and some sensitive technology even we and our allies do not share. Within this context, we must ensure that what we said would happen happens. This, too, boosts American exports as well as overall relations.

American business should carefully prepare for China. Neither U.S. interests nor U.S.-China ties are served by encouraging ill-prepared firms to jump into the Chinese market. It takes a great deal of knowledge, skill, patience, and—let's face it—money to be able to compete effectively there. And it takes precise written agreements to prevent subsequent disputes. We should encourage American investment in China. But both government and private consultants should tell prospective entrants about the pitfalls as well as the promise.

In turn, there is much China can do.

The Chinese have pushed hard to attract foreign business. But they are hobbled by inexperience, misunderstanding of foreign needs, and the tension between foreign and domestic regulations. Thanks to the efforts of both the U.S. Government and business, there is a growing awareness among concerned Chinese officials that they have a long way to go. They are beginning to recognize that China must compete with scores of countries to entice foreign investment.

The Chinese often ask what they can do to improve the commercial environment. It reminds me of the visit Alexander the Great made to Diogenes, who lived in a barrel. Standing before the entrance the young king boomed, "I am Alexander, conqueror of the largest empire on Earth. Name your gift and it shall be yours." The philosopher replied simply, "Get out of the light." Getting out of the light would be a good first step. While the choices are for the Chinese to make, they will have to improve the overall climate. Several areas need priority attention.

China must bridle those bureaucratic elements who seek to get rich quickly by charging foreigners exorbitant prices for housing, services, and office space. It must resist the urge to tax heavily the imported equipment needed by foreign businessmen.

China needs greater clarity in the design and implementation of its economic legislation.

China should improve its statistics, a maze that even the initiated have trouble deciphering. The Chinese operate with several different trade statistics, all of them "authoritative" to their various bureaucracies, none of them matching ours.

China needs to diversify its exports to the United States. Now they are concentrated heavily in a few narrow categories, several of which, such as textiles, generate protectionist pressures.

China must open its domestic market more for both goods and services. This is essential for mutual trade. It is also important if China wants to join the GATT and become integrated in the world economy.

In many areas both sides need to make efforts. Two of the most important are in the negotiations for a bilateral investment treaty and for a maritime accord.

That progress can be made was shown earlier this month when a breakthrough during Treasury Secretary Baker's visit to China greatly brightened hopes for Senate ratification this year of the U.S.-China tax treaty. This would be of immense benefit to both American businessmen and the Chinese economy.

The National Council can have a major, constructive impact on such issues. I urge you to keep them on the agenda. With mutual effort and skill, most of them can be managed. But there are still far too many which must be treated at high levels because they are not resolved at lower ones. A truly normal relationship should mean truly normal problemsolving.

One problem between us which is not easily managed, even with good intentions, is Taiwan. You are aware of the background of this and the need to handle it sensitively.

The United States is not at the center of differences between the P.R.C. and Taiwan. The core of the problem is historical mistrust between Chinese on both sides of the strait. We are determined to make new friends, but we cannot abandon old ones. We will adhere fully to the three communiques signed with the People's Republic of China while meeting our obligations under the Taiwan Relations Act. We will seek neither to mediate nor to obstruct reconciliation between China and Taiwan. The United States believes this question should be solved by the parties themselves. We have only one interest—that the process be peaceful.

The International Context

Fifteen years ago, the international scene first drove our two countries together. Now the global elements of our relationship are more muted, but no less important. They need nurturing, because our relationship cannot thrive on economics alone.

In the early 1970s, China broke out of the isolation of the Cultural Revolution to counter the threat of Soviet encroachment. We in turn sought a new flexibility in our diplomacy, to help achieve global balance and Asian stability. Economic and cultural benefits were long-term aims rather than immediate prospects.

After a dramatic start, our relationship with China leveled off in the mid-1970s. We were frozen in the post-Vietnam and Watergate environment. The Chinese were buffeted by the winds of dynastic change and a succession struggle.

In the late 1970s, Soviet and proxy advances spurred the process of normalization between Beijing and Washington. Since then, with some pauses, the bilateral results have been truly impressive on many fronts—visits and agreements, trade and investment, science and technology, culture and education.

Meanwhile, the Asian region has shown dramatic progress, thanks in large part to the easing, then growth, of Sino-American relations. As we carved out a new relationship with Beijing, we removed the elements of instability inherent in U.S.-Chinese antagonism. The fall of Vietnam in 1975 had sowed major doubts in the United States, and even more in Southeast Asia, about America's staying power. Yet now, 11 years later, the Asian scene is generally one of achievement and hope. With the tragic exception of Indochina, the dominos did not drop. Asia boasts the world's most dynamic economies. It is America's largest regional trading partner. Our influence and stakes have never been greater. Our interests and those of our ASEAN [Association of South East Asian Nations], Japanese, and Chinese

friends are more clearly than ever on track, as evidenced by the President's recent trip to Tokyo and Bali.

Today, therefore, the base for our relations with China is much broader than parallel concerns about security. This is healthy. The Asian context has developed positively as we and China have moved from confrontation to convergence. This is encouraging.

At the same time, however, the overall global consensus between our nations has narrowed. This needs to be addressed.

As one moves away from China's periphery, our positions often diverge. The Chinese have largely taken the initiative in this regard. China now follows—particularly outside Asia—an "independent foreign policy," aligning itself with no one, attuning itself to the Third World. It states that the root cause of world tensions is the rivalry between the two superpowers for international domination. This rhetoric sometimes suggests that the United States and the Soviet Union are a morally equivalent, comparable threat to world peace. This is a far cry from the late 1970s when the Chinese were urging us to take firm action against the "polar bear."

Indeed, Beijing has sought to improve relations with its northern neighbor. There are several reasons, and a certain logic, for this. Whatever their long-term calculations, the Chinese feel less threatened by the Russians in the near term. The Soviet Union—with its severe economic squeeze, technological lag, border problems, and internal contradictions—looks decidedly less formidable to Beijing. Conversely, the United States in the 1980s has strengthened its defenses, its economy, and its morale, thereby providing a sturdier global balance. China, with its emphasis on modernization, does not have the resources to bolster its own defenses in the short run—so it seeks to lower tensions with Moscow while playing for time. The Russians have their own incentives to make progress with the Chinese.

The results have been more high-level visits, trade and exchanges, and less name-calling between Beijing and Moscow.

What does this mean for the so-called strategic triangle?

This is a catchy phrase, but not particularly illuminating. All large powers, including China, must keep an eye on what other ones are doing and how their interests are affected. In this sense, the Sino-Soviet-American strategic triangle is but one of many intersecting patterns that comprise a complex balance of power. Other significant actors include Western Europe, Japan, ASEAN, India, and Pakistan.

No more useful is the phrase "China card"—or any other card. To be sure, there is some inherent geopolitical leverage and balancing in the play of relations between major powers. To be sure, the fact we no longer need to target our forces on China makes much easier our task of containing the Soviet Union. But we do not seek an alliance with China any more than China seeks one with us. We wish neither to provoke Moscow nor perturb our friends. Nor do we wish to block the improvement of relations between Moscow and Beijing. Conflict between the two giants would be dangerous. Cooperation between them will be limited because of profound historical, geographical, cultural, and strategic barriers. China needs no coaching on how to define its security concerns.

For our part we would like to ease relations with the Soviet Union. We cannot do so without Soviet reciprocity. We will not do so at the expense of allies or friends. But if we do so, it would serve not only global stability but our dealings with China itself.

So let us be clear on this point: We are strengthening the relationship with China for its own sake, not to play triangles or to play cards. Our policies toward Beijing and Moscow clearly are interrelated, but they are pursued on different tracks.

What, then, is the state of our international dialogue with the Chinese? I believe there are grounds neither for alarm nor complacency. There remain many factors which suggest that we can have close, expanding, friendly—but also nonallied—relations.

First, China depends on a stable balance of power. The Chinese realize

North Koreans Propose Three-Way Military Talks

DEPARTMENT STATEMENT, JUNE 19, 1986[1]

On June 17, North Korean liaison officers at the Military Armistice Commission (MAC) at Panmunjom passed a letter signed by the North Korean Defense Minister and addressed to the Commander in Chief of the UN Command.

In this letter, and in a companion letter to Republic of Korea Minister of National Defense Lee Ki Baek, the North Korean Government states that it desires to reduce tensions. It proposes three-way talks on ways of reducing tensions that would involve the North Korean Defense Minister, the Minister of National Defense of the Republic of Korea, and the Commander in Chief of the UN Command. The letter is being studied by the UN Command, which will provide a response in due course.

The U.S. Government welcomes all efforts to reduce tensions on the Korean Peninsula. We hope these letters are a sign that North Korea shares this interest and will work toward that goal.

It has long been our view that contact between the two parties concerned—North and South Korea—remains key to reducing tensions. Accordingly we have supported and encouraged the North-South dialogue which began in 1984.

Aside from supporting such direct efforts to reduce tensions, the UN Command has put forward a number of proposals to reduce tensions at the MAC in Panmunjom, including proposals for advance notification of significant military exercises and exchanges of observers. The MAC is the forum that is charged with overseeing the armistice. The MAC represents all parties that were involved in hostilities during the Korean conflict.

We note that North Korea has studiously ignored our longstanding proposals in this forum. We are not convinced that it is constructive to propose a new forum when a perfectly adequate mechanism to address reduction of tensions, with all the necessary players, has been in existence for more than 30 years.

We call on North Korea to avail itself of these mechanisms and proposals for reducing tension. We would regard as a positive development any North Korean move to resume the dialogue it suspended with the Republic of Korea last January and to address seriously the important proposals on the table at Panmunjom.

[1]Read to news correspondents by Department deputy spokesman Charles Redman. ■

that a strong United States is essential for its own security.

Second, China knows we pose no threat to it. We, in turn, have demonstrated in both word and deed that we are willing to contribute to its historic drive to modernize.

Third, we and China converge on many specific issues.

- We agree that Vietnam should get out of Cambodia.
- We agree that the Soviet Union should get out of Afghanistan.
- We agree that there must be global limits on intermediate-range missiles in Europe and Asia.
- We agree that conflict on the Korean Peninsula would be a disaster and that peace should be maintained.
- We agree that good relations with Japan are beneficial all around.
- We agree—quietly—that a substantial U.S. presence in Asia serves the cause of regional peace.

These elements for good relations are strong. But let us not assume that over the long run they are sufficient. There is potential for selective strengthening of our ties. Both sides need to make further efforts to enrich our dialogue on international issues so as to erase misperceptions, lessen tensions, and enlarge areas of cooperation.

Here is what America should bring to this dialogue.

- We should not expect China to line up solidly with us across the board on international questions. Not even our treaty partners do that. Different histories, cultures, geography, and national interests will produce some divergence.
- China is a friend, not an ally. At times, it serves both our purposes to have daylight between us. China needs to show some independence. So do we.
- Not every rhetorical jab by Beijing is gratuitous. On some issues, China genuinely disagrees with our tactics, even where we share common geopolitical purposes. We should listen with respect when there are sincere disagreements, as opposed to cheap shots.
- We should distinguish between words and actions. On Asian issues where we largely agree, China devotes concrete resources. Elsewhere their moves are largely rhetorical. Sticks and stones hurt more than names.

To my Chinese friends I offer the following.

- Friends should treat each other as such. Public diplomacy is an important foreign policy tool. China's principal audience may often be the Third World, but the American people and Congress listen carefully. It undermines domestic support for the relationship when we say China is a friendly country, while China says that "the source of the world's ills is the fierce contention of the two superpowers for hegemonism." We do not appreciate being confused with the Soviet Union.
- Just as China has security interests, so does the United States. Attacks on issues of major importance or emotion for us undercut the base of the relationship. When friendly countries sign onto outrageous resolutions in the United Nations, we notice.
- China needs to appreciate more the link between global balance and Asian balance. It is not in its interest that American resources be diverted away from Asia by other security threats, for example in Central America.
- There is bound to be some correlation between China's sharing of geopolitical perspectives and our sharing of advanced technology, especially military.

To avoid complacency about the context of our relations with China, therefore, we must broaden and deepen our discussions on international questions. We agree on much. But there is inadequate consensus to bind us together. And we must not allow our disputes to pull us apart.

The quality—and results—of our dialogue will depend largely on the attitudes we each bring to it. Let us understand each other's perspectives and purposes. Where we disagree, let us debate each other's methods, not motives. Let us strengthen cooperation where it already exists. And let us seek fresh areas of collaboration.

In this way we can, over time, shore up the international foundations for our growing bilateral links.

Conclusion

An American lawyer now teaching at Beijing University was sharing some Western publications with one of his prize students. First he showed him a recent cover of *The New York Times Magazine* which read: "China on the Move."

"Is it true?" asked the American.

"Yes," agreed the Chinese student.

The lawyer then pulled out a *Newsweek* cover headlined: "Putting on the Brakes—China Slows Its Rush to Reform."

"How about this one?" he asked.

"Yes," the student answered, "also true."

"But," the American lawyer persisted, "the headlines contradict one another."

The Chinese student thought for a moment. "That is also correct," he concluded.

I would agree with that Chinese student. Both headlines are correct. As so often in China, contradictions reflect reality.

China ***is*** on the move. But the very speed of its pace and rigors of its course will require it to apply the brakes often.

Also on the move is our bilateral relationship. But we should not be lulled by relatively smooth stretches. We should keep both hands on the wheel, for there will be twists and turns. Indeed, we need to widen the road. The general direction, however, is clear. Abiding mutual interests drive us ahead. I believe that together we can and we will go forward toward new horizons of hope. ■

Multilateral Development Banks and the Environment

by ***John D. Negroponte***

Statement before the Subcommittee on Foreign Operations of the Senate Appropriations Committee on May 1, 1986. Ambassador Negroponte is Assistant Secretary for Oceans and International Environmental and Scientific Affairs.[1]

I am pleased to have this opportunity to present views on behalf of the Department of State regarding the environmental responsibilities and activities of the multilateral development banks (MDBs).

At the outset, I would like to stress that the Department fully supports the goal of the subcommittee in this area. Indeed, the Department believes that in order to be sustainable, development must be based on sound ecological principles and that these principles must be closely and carefully integrated into the development process. Given the major role the multilateral development banks play in influencing the nature and pace of the development process, their capacity and commitment to address the environmental dimension is of critical importance.

The Department of State has for many years carried out an active international environmental program. A substantial part of this effort has been devoted to issues related to rational management of the world's scarce natural resources. Our leadership role in international efforts to address the tropical deforestation problem is just one example. We are pleased, therefore, to have been explicitly recognized by the Congress as a key participant in a broad effort to improve the environmental performance of the MDBs. Over the past year, the Bureau of Oceans and International Environmental and Scientific Affairs (OES), which I am privileged to head, has assigned a top priority to the MDB-environment issue area.

I would like to emphasize at the outset that, in our view, significant progress has been made in a relatively short period of time in elevating and addressing this issue. We have enjoyed, in this respect, excellent cooperation from the Department of the Treasury, as well as the Agency for International Development (AID), in collaborative efforts to pursue the mandate that Congress has given the Administration in this area.

In addition, we have been working closely with the principal U.S. nongovernmental environmental organizations which were instrumental in focusing public attention on the MDB-environment interrelationship. We have frequent and candid contact with representatives of these organizations. While we may have differences of views from time to time regarding the specific strategy to follow, and priorities, there is solid agreement among the spectrum of involved U.S. Federal and non-Federal institutions as to overall goals and objectives.

A Collective Goal for the Administration

It is important I believe to describe the organizational framework of the Department of State as it relates to the subject before us.

The OES bureau is the primary action component in our Department. Mr. Richard Benedick is my deputy assistant secretary directly responsible for environmental matters. He, in turn, directs the activities of two offices: the Office of Environment and Health and the Office of Food and Natural Resources. It is the responsibility of the latter office to deal with the question of the environmental implications of MDB activities on a day-to-day basis.

OES, of course, does not work in a vacuum. The Department of State, as does Treasury, must grapple with a myriad of "nonenvironmental" issues every day, covering a wide range of political, economic, and assorted other issues around the globe. OES must thus interact and cooperate with the various regional geographical bureaus in the Department, which oversee the conduct of the United States' bilateral relations with other countries. We must, in addition, coordinate particularly close with the Bureau of Economic and Business Affairs. Our "EB" bureau deals with the gamut of economic, trade, and financial issues affecting our relations with the rest of the world; and it has the principal responsibility in the Department for working with Treasury on overall U.S. policy toward the MDBs. This working relationship is sound and productive.

I would stress that our efforts to strengthen MDB performance in the environmental field are receiving support at the highest levels of the State Department. Just a few months ago, the Acting Secretary of State and AID Administrator Peter McPherson sent a cable to all ambassadors and AID mission directors expressing their personal interest in the subject of sustainable development. They stressed the importance they attach to having U.S. Embassy and Mission officials doing all they can to encourage the MDBs, as well as other donors and borrowing countries, to move toward more environmentally sound development projects.

More recently, Secretary Shultz wrote Treasury Secretary Baker to underline the State Department's strong interest in promoting sustainable development in the Third World. Secretary Shultz noted that while the goal of better integration of environmental considerations into MDB project planning and implementation is complex, and sometimes sensitive, "the effort is worthwhile." He committed the State Department to continue to work closely with Treasury toward that goal.

A skeptic might ask why the State Department and the Treasury Department are spending time and resources on this subject. The short answer is that careful attention to environmental considerations and sound resource management makes for good development economics. That is, it is economically more advantageous to undertake development projects in an environmentally responsible and sound manner in the first place than to have to repair, abort, or abandon them at some later date. Examples of the costs of poor environmental planning include: premature siltation of dams due to poor watershed management; loss of tropical forest resources and/or reforestation costs from slash-and-burn activities of unanticipated settlers using new access roads; and health care outlays resulting from poorly planned or implemented irrigation projects, which lead to the spread of waterborne diseases.

It sounds so simple and unexceptionable; but, of course, it is not. While there are grounds for optimism about improved environmental performance by the MDBs over the long run, there is still much to be done. The efforts of the Congress, the Administration, and the nongovernmental organizations and the many citizens they represent must not slacken if we are to assure ultimate achievement of our collective goal.

Pursuing Environmental Achievements

How can this goal be pursued?

The Administration is taking a multifaceted approach, and the State Depart-

ment is involved to one degree or another in most of the activities.

For example, the OES bureau has, through the Office of Food and Natural Resources, been participating in the interagency MDB project review process "WGMA" [working group for multilateral aid] and in other, more informal efforts to evaluate specific MDB projects from an environmental and resource management point of view. The shortcoming of the WGMA review process is that it basically intercepts projects when they are well advanced in the decision-making process, and ready for presentation to MDB Boards of Directors for approval. At this point, only the most egregiously ill-prepared or poorly targeted projects can be sent back to the drawing board. And that can happen only if other countries join the United States in insisting on it. What is really needed is a more basic attempt to affect the process by which the banks develop and prepare projects. Our long-term goal is to ensure that all MDB projects are fully responsive to environmental concerns when they come before the Executive Directors for final approval.

In this regard, I should mention that AID maintains a so-called early project notification system which seeks to obtain views of AID Missions abroad on a range of MDB projects while they are still in the early developmental stage. Environmental considerations are one of a series of issues which are to be addressed by our posts. The objective is to use whatever information can be developed in this fashion to influence project design, should that be in the U.S. interest. OES participates in this effort when appropriate. As the subcommittee is aware, this system is not foolproof. However, it does provide a degree of "early warning" on some MDB projects in some countries and, as such, plays a useful role in the total U.S. Government effort to move the activities of the MDBs in the directions we all desire.

OES staff have recently participated with Treasury officials in a series of meetings arranged with the Committee on the Environment of the Inter-American Development Bank (IDB). This is another example of the broader approach which we are pursuing to influence the process of project preparation at an early stage. The general conclusion we drew was that the committee is serving a very useful role within the IDB, but that its involvement in the project design process could be more systematic and comprehensive. In view of its importance and evolving role, we plan to continue to monitor the activities of the committee in the months ahead.

New Approaches

One area in which State has been taking the lead role involves so-called beneficial projects. At the outset, I must admit that we have not progressed as far and as fast as we would have liked in this important area. However, we are, I believe, moving in what should be useful and productive ways.

First, we are engaging staff of the World Bank in a dialogue on issues related to the design and management of irrigation projects. The importance of increasing agricultural production in many parts of the developing world, and the key role irrigation will play in this process, lead to the choice of this subject. We hope this dialogue will lead to the identification of specific constraints to environmentally sound irrigation projects. This, in turn, should provide useful insights into ways to overcome these constraints and also identify well-designed projects or project components which can serve as examples to others on how irrigation schemes can be designed and operated in a manner that will reduce, to a minimum, any adverse environmental impacts.

The second specialized development sector we have chosen to explore with the banks is tropical forests. You are certainly aware of the World Resources Institute's recent report, "Tropical Forests: A Call for Action." This is a landmark in helping identify priority areas for international action. It has already stimulated the Food and Agriculture Organization to produce a global "tropical forestry action plan" which is now receiving serious attention around the world. We believe that the global action plan, which integrates the World Resources Institute's investment strategy, represents our best current hope for mobilizing an expanded international approach to tropical forest management. We plan to explore shortly, with the World Bank, specific aspects of the action plan to identify investment priorities and opportunities.

We are also considering energy conservation as a possible third development sector in which to engage the MDBs on focused discussions of development-environment relationships. Because of our staffing limitations, we cannot undertake all of these—and/or other—themes concurrently. However, we hope that with continuing attention to the general subject, and patience, we will soon be able to report positive results from these efforts.

It goes without saying that these issues are not unique to the World Bank. We will thus be engaging the other MDBs on the three themes in the future as well.

In addition, we are seeking and utilizing "targets of opportunity" for opening a dialogue on a range of issues with those MDBs not based in Washington. For example, OES staff met with the new U.S. Executive Director to the African Development Bank (AFDB) prior to his transfer to Abidjan, and also had useful meetings with the Swedish-funded environmental officer currently stationed at the AFDB.

We have also been examining the programs of the World Bank's Economic Development Institute (EDI). State and Treasury Department officials have recently held a series of very useful meetings with a range of professionals from the EDI. Our conclusion is that what is probably most desirable is a carefully thought-out program to integrate environmental and resource management issues into a variety of the existing and planned courses and seminars of the EDI. We and Treasury will continue to pursue this concept with the World Bank, via the U.S. Executive Director's office.

Raising International Awareness

One last area on which I would like to report relates directly to Section 540(c) of PL 99–190. This section urges the Departments of State and Treasury to seek to engage other donor countries in the effort to move the MDBs toward more environmentally sound development projects.

This is an absolutely critical component of our overall strategy. We are thoroughly convinced that it is in the interest of all MDB member countries—donors and borrowers alike—to seek improved environmental performance by the MDBs, particularly in these days of heightened concern about maximizing the impact of limited developmental resources. It is also clear that, no matter how hard the U.S. Government presses, it is not realistic to expect that, acting alone, we can effect necessary change. We must have the support of other bank members.

We have been working very closely with our colleagues at Treasury to enlist other donors in this initiative. The groundwork was laid in the cable to all U.S. overseas posts to which I referred earlier. We have followed up on this with a second communication to our Embas-

sies in selected donor countries, asking them to inform appropriate governmental agencies in their host countries of U.S. intentions to seek broad international support for efforts to strengthen the environmental component of MDB project lending.

Last month, we transmitted another message to key multilateral bank donor governments, this time seeking support for specific U.S. positions at the just-concluded April 30 meeting of the World Bank's Board of Directors on the FY 1987 budget. In advance of this meeting, we and Treasury officials had informal discussions with representatives of the Executive Directors' offices of other members. We sensed considerable sympathy for our overall goal, and varying degrees of support for our specific objectives. We are also receiving some quite positive signals from abroad. For example, our Embassy in Copenhagen recently reported that the Nordic nations are very supportive of our MDB initiatives and have instructed their Executive Director to support the U.S. positions.

At the same time that the State Department is approaching other donors via our diplomatic posts abroad, Treasury is raising the same themes in the several international fora in which it plays the lead role, such as replenishment meetings.

It is quite evident that we cannot expect unanimity among even donor nations concerning all the details of the major proposals in your legislation. Yet, I think we will be receiving important general support from a sizable number of them. In the longer run, however, it will be critical to engage key ***borrower*** members of the MDBs as well. In the final analysis, even the most environmentally conscientious multilateral bank could be thwarted in its objectives if borrowing countries are not convinced that sound resource management and environmental protection makes good developmental sense.

Fortunately, we are sensing an increasing awareness and interest in such issues in the developing world. We see this not just in the discussions with other Executive Directors' offices; it tracks also with what we are experiencing in other international fora, notably the UN Environment Program. There, one of our primary goals has for years been, simply put, consciousness raising. There is no question that developing nations are slowly moving toward an understanding of the integral relationship between sound resource management and environmental protection and sustainable development. Despite this trend, though, it will take a major, long-term effort going well beyond the confines of our present dialogue with the multilateral banks to effect the type of permanent change in attitude and priorities which we all can agree is necessary.

Conclusion

I would like to reiterate in conclusion that the Department of State is fully supportive of the goal of promoting truly sustainable development. In support of this, we are desirous of, and committed to, encouraging the multilateral development banks to become even more valuable partners in the process than they are already.

Progress is definitely being made. This is quite apparent if one compares the level of public awareness, government attention, and MDB sensitivity and policy dialogue which is present today, in relation to the situation which existed just 2 years ago. We are keenly aware, however, that achieving the goals that the Congress has set for us will be not be easy. We must all be prepared to remain engaged in the pursuit of these goals over the long term. There are many obstacles, not the least of which are the independence and closely guarded sovereignty of the developing countries and their not uncommon view that environmental considerations are luxuries which often cannot be "afforded."

This notwithstanding, we are convinced that sound environmental planning is an essential part of a sound development process. The effort to integrate environmental and natural resource management considerations into development lending is important, worthwhile, and should pay increasing dividends.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S. Policy on Acid Rain

by Richard E. Benedick

Address before the International Conference on Acidification and Its Policy Implications in Amsterdam, The Netherlands, on May 8, 1986. Ambassador Benedick is Deputy Assistant Secretary for Environment, Health, and Natural Resources.

Acid rain has proven in the United States to be a divisive domestic political issue, a serious concern with our northern neighbor, Canada, and a complex ecological problem with considerable scientific uncertainty. All of these factors have contributed to the evolution of U.S. policy on acid rain.

Past Actions and Progress

The United States enacted major legislation to protect air quality over 15 years ago. The Clean Air Act of 1970, together with major amendments added in 1977, resulted in an air pollution control effort that has served as a model for many other industrialized nations. They have also led to significant, measurable improvements in air quality in the United States.

Probably the single most important feature of the Clean Air Act is the establishment of national ambient air quality standards (NAAQS) for air pollutants. These standards require that ambient concentrations of those pollutants be limited to levels that safeguard public health and welfare. NAAQS for sulfur dioxide (SO_2), nitrogen oxides (NO_X), and volatile organic compounds (VOCs)—all of which contribute to acid rain—have been in effect for over 10 years.

Within the United States, it is the individual States which are responsible for ensuring that the NAAQS are met within their own borders. In order to attain the Federal standards locally, the States set emissions limits on existing facilities.

The Clean Air Act also sets emissions limits for various classes of new stationary sources. The theory behind this was that emissions from new sources could be controlled at much lower cost than emissions from existing sources and that the requirement to control new sources would encourage the development of more efficient and cost-effective control technologies. Furthermore, the control of new sources could

lead to cleaner air as old facilities were eventually replaced. To date, the United States has set new source performance standards to control emissions of SO_2 and/or NO_X from all new oil- and coal-fired powerplants, large industrial boilers, smelters, nitric acid plants, sulfuric acid plants, stationary gas turbines, and petroleum refineries. Standards for VOCs have also been set for several new source categories.

Besides controlling several kinds of stationary sources, the Clean Air Act also limits air emissions from new mobile sources. Standards to limit NO_X and VOCs from new cars and light-duty trucks were first implemented in 1973, and they have been tightened since then.

These Federal and State actions have undoubtedly helped to improve air quality in the United States—a remarkable accomplishment considering the strong growth of U.S. industrial production in recent years. At this time, about 98% of counties in the United States are in compliance with the national standards for SO_2 and NO_X. Sulfur dioxide emissions fell from a peak of 28 million metric tons in 1972 to about 21 million metric tons in 1984, despite a 35% growth in coal use. Volatile organic compounds followed a similar path, while a precipitous rise in NO_X emissions was halted and turned to a level trend.

Despite this progress, there is some cause for concern. Approximately 4% of lakes recently surveyed in the northeastern United States were found to be acidic. There is evidence of reduced crop growth from ambient ozone levels. Although unexplained visible damage to high altitude spruce fir trees amounts to a fraction of 1% of the eastern U.S. forest area, we are, nevertheless, concerned about possible future trends. Growth rate changes have been recorded for several other tree species, which may be linked to atmospheric pollution. It is also believed that buildings and materials in some areas are experiencing accelerated deterioration.

Future Uncertainties and Policy Considerations

Looking to the future, NO_X emissions are projected to increase slightly by 1995, despite the continuing turnover of the national vehicle fleet and the progressively more stringent controls placed on automobile and truck emissions. Sulfur dioxide emissions are much more difficult to project, because economic growth, existing regulatory programs, changing fuel use patterns, and the extended life of U.S. powerplants all will affect emissions in different and uncertain ways. We are currently unsure whether they will increase or decrease over the next decade.

Against this background, evolving U.S. acid rain policy must address three primary questions.

First, to what extent must emissions of acid rain precursors be reduced in order to adequately protect the resources at risk in North America?

Second, where should emissions reductions take place?

And third, when should those reductions be made?

Over the longer term, existing regulatory programs should reduce emissions. But will this reduction be adequate, and will our lakes and forests be threatened in the meantime? Do we need to embark on a major program of retrofit controls on existing sources? If so, in what parts of the country should sources be retrofitted?

In the United States, acid rain has been as politically divisive as any environmental issue the country has faced. Various proposed solutions have opposed one region against another; they have threatened the livelihood of high-sulfur coal miners and have raised the possibility of significant increases in electric rates in precisely those industrial areas hardest hit by economic dislocations.

The acid rain issue has been especially difficult to resolve because proposed solutions must choose from a limited array of options. Most SO_2 emissions in the United States are from electric utility and industrial boilers. At this time, only three emissions control techniques are proven and available for reducing SO_2 emissions from coal-fired boilers: coal washing, coal switching, and flue gas scrubbing. However, coal washing cannot be used to achieve substantial SO_2 reductions, and the other two methods impose high socioeconomic costs on particular regions—for example, unemployment or higher electricity rates. The availability of a broader range of efficient and cost-effective control technologies could help to reduce these political and economic difficulties.

A further complication is the unavailability of a solid basis to determine the extent and magnitude of current or potential future acid rain damage. No one can say with confidence what level of environmental benefits would result from any specific control program. We are limited in our ability to predict how much acid deposition would be reduced in any particular geographic area by any given control program. Although the costs of control, and the people who would pay those costs, are rather well understood, the extent of environmental improvement that would result remains highly uncertain. In such a situation, political consensus is difficult to achieve.

Recent Developments

In 1983, the U.S. Government carried out a thorough review of the state of acid rain knowledge and the options available for its management. Following that review, it was concluded that, although acid rain was clearly a serious concern, there was insufficient information to embark upon a new emissions control program. This was not a decision either for or against further controls but, rather, to defer such a decision until a more adequate scientific and technical base was established.

In the meantime, it should be recognized that the United States has taken notable steps in recent years to address the acid rain problem.

First, it is using existing legal authority to expand control over emissions of acid rain precursors.

Second, an ambitious research program is addressing the scientific uncertainties.

Third, the development and demonstration of innovative control technology is being strongly promoted.

And fourth, a new chapter in cooperation with our Canadian neighbors has been opened.

New Regulations. The United States recently implemented new regulations to control future emissions of SO_2, NO_X, and VOCs. In March 1985, new standards were established for controlling emissions of particulates and NO_X from light-duty and heavy-duty trucks, as well as from urban buses. After becoming effective with the 1988 model year, these standards are expected to reduce NO_X emissions by about 2 million metric tons per year.

Regulations were also recently passed limiting the amount of pollution control credit that can be claimed by a plant that builds a tall smokestack. Tall stacks help such plants achieve ambient air quality standards locally by dispersing emissions over broader areas, but they do not reduce the total amount of SO_2 emitted. By eliminating this incentive to build tall smokestacks, the U.S.

Government aims to encourage pollution controls that will actually limit total emissions.

Other regulations are being developed that should further reduce future SO_2 and NO_X emissions, including standards to control emissions from new industrial boilers, which should be in effect by the end of the decade.

Expanded Research. In addition to regulatory actions, the U.S. Government has funded a 10-year research program targeted specifically at causes and effects of acid rain—the National Acid Precipitation Assessment Program. Since 1982, steadily rising annual budgets have totaled $225 million, plus an additional $85 million in the coming fiscal year. Research funds are divided among projects studying atmospheric processes, terrestrial effects, deposition monitoring, and aquatic effects.

Among other things, the 1985 program funded projects that:

- Increased the quality of manmade emissions inventories;
- Accelerated the development of atmospheric models;
- Fully implemented the nationwide wet deposition monitoring network;
- Commenced dry deposition monitoring;
- Completed the first phase of a National Surface Water Survey;
- Conducted soil surveys of representative watersheds;
- Developed methodologies for a national survey of forest effects; and
- Analyzed control technologies.

Innovative Technology. The movement of acidic substances and oxidants across the U.S.-Canadian border is receiving particular attention by both governments. In March 1985, President Reagan and Canadian Prime Minister Mulroney appointed two distinguished special envoys, Drew Lewis of the United States and Bill Davis of Canada, to study the transboundary acid rain issue and report back with recommendations on ways to resolve it.

The special envoys presented their report in January 1986. A major element of their recommendations for the United States is a 5-year, $5 billion control technology commercial demonstration program, cofunded by the Federal Government and private industry. By demonstrating in exisiting plants the commercial feasibility of innovative control technologies that promise lower costs and/or greater efficiencies, this program could expand the list of control options available to U.S. industry, facilitate a domestic consensus on acid rain, and achieve some near-term reductions in transboundary flows.

The U.S. Government has stated that it will seek to provide the future funding recommended by the special envoys. In this connection, I would note that the United States has already expended $2.2 billion in research funds between fiscal years 1981 and 1985 to develop technologies for cleaner use of coal. In this year's budget, $700 million is earmarked for clean coal research up to 1991. In addition, an $800 million joint industry/government program to demonstrate new clean ways to use coal is being implemented.

Cooperation With Canada. The envoys also recommended that the two governments put in place mechanisms to encourage cooperation on this issue. Exisiting legislation in both countries will be reviewed to identify opportunities to control transboundary air pollution; acid rain will remain high on the agenda of meetings between the President and the Prime Minister; and the two governments will establish a bilateral advisory and consultative group on transboundary air pollution.

The special envoys also recommended enhanced cooperative research efforts to study dry deposition monitoring; rates of aquatic change; impacts on aquatic biology, forests, and materials; and potential damage from heavy metals.

Conclusion

Let me conclude by observing that the President of the United States this year fully endorsed the report of the special envoys, and planning is now underway to implement all of its recommendations. As the report stressed, in order for progress on acid rain to be possible, the recommendations must be realistic: "they must not ask either country to make a sudden, revolutionary change in its position" or "call for immediate abandonment of major policy stands."

I should emphasize here that it is not U.S. policy to wait for definitive answers on all acid rain uncertainties before acting. Decisions on acid rain, like other environmental decisions, will always have to occur in the face of some scientific uncertainty. The United States will act when it is reasonably certain that such action will achieve its intended results and that those results will justify the social and economic costs involved.

Thus, while the United States has deferred new mandatory controls for acid rain, we are moving ahead vigorously with the programs outlined above. The U.S. Government is fully committed to finding appropriate solutions to the problem of acid rain as expeditiously as possible. ■

U.S.–European Relations

by Rozanne L. Ridgway

Statement before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee on June 19, 1986. Ambassador Ridgway is Assistant Secretary for European and Canadian Affairs.[1]

I'm pleased to accept your invitation to appear today to discuss recent developments in U.S.-European relations, in particular the President's May 27 decision on interim restraint, and the prospects for strategic nuclear arms control. I will begin with a review of that decision, but I want also to take this opportunity to review the totality of our agenda—arms control, bilateral relations, human rights, regional issues—with the Soviet Union.

Interim Restraint

First, the interim restraint decision of May 27, as the President himself described it, follows an undertaking by the President in June 1985:

> . . . to go the extra mile, dismantling a Poseidon submarine . . . to give the Soviet Union adequate time to take the steps necessary to join us in establishing an interim framework of truly mutual restraint. However, I made it clear that, as subsequent U.S. deployment milestones were reached, I would assess the overall situation and determine future U.S. actions on a case-by-case basis in light of Soviet behavior in exercising restraint comparable to our own, correcting their noncompliance, reversing their unwarranted military buildup, and seriously pursuing equitable and verifiable arms reduction agreements.

By this May, the President said, in announcing his decision, that he found "no real progress toward meeting U.S. concerns with respect to the general pattern of noncompliance . . ."; "no abatement of the Soviet strategic force buildup"; and that "we have yet to see the Soviets follow up constructively on the commitment made by General Secretary Gorbachev and myself to achieve early progress in the Geneva negotiations. . . ."

At the same time, the President went on to say, he has found himself faced with ongoing decisions on U.S. military plans and programs, and determined that,

> . . . the most essential near-term response to Soviet noncompliance remains the implementation of our full strategic modernization program, to underwrite deterrence today, and the continued pursuit of the Strategic Defense Initiative (SDI) research program, to see if it is possible to provide a safer and more stable basis for our future security and that of our allies.

As one step in implementing the U.S. strategic modernization program, the President said he had directed acceleration of the advanced cruise missile program. Although he announced that for economic reasons the United States will retire and dismantle two Poseidon submarines this summer, and thus remain technically in observance of SALT II [strategic arms limitation talks] limitations, he also stated his intention not to dismantle U.S. strategic systems to compensate for the 131st B–52 bomber equipped for cruise missile carriage, when late this year we again run up against a theoretical SALT II limitation. As the President explained on May 27:

> . . . in the future, the United States must base decisions regarding its strategic force structure on the nature and magnitude of the threat posed by Soviet strategic forces and not on standards contained in the SALT structure, which has been undermined by Soviet noncompliance, and especially in a flawed SALT II treaty, which was never ratified, would have expired if it had been ratified, and has been violated by the Soviet Union.

In addressing the President's May 27 decision a few days later for our European allies and for the U.S. press at the NATO ministerial in Halifax, Secretary Shultz outlined the underlying rationale in these terms:

- The very strong allied view of the need to maintain a credible deterrent; and
- A "shift of gears from a form of restraint under a treaty that was never ratified and was being violated, and, for that matter, has become increasingly obsolete . . . to a form of restraint that looks at behavior by the Soviet Union and looks at responsibilities that the United States has, and the alliance has, for the maintenance of our defensive deterrent capability."

The Secretary described the elements of the decision as enhancing:

- Mutual restraint, not interim restraint;
- The goal of the Geneva negotiations—significant nuclear weapons reductions—not the continuing increases allowed under SALT II;
- The relevance of warheads and throw weight as measures of deliverable nuclear power, not launchers, the primary unit of account of SALT II; and
- A responsible U.S. response to unresolved Soviet arms control agreement violations.

The Secretary pointed to flat statements of the President in his May 27 statement about what we would not do:

> I do not anticipate any appreciable numerical growth in U.S. strategic offensive forces. Assuming no significant change in the threat we face as we implement the strategic modernization program, the United Staes will not deploy more strategic nuclear delivery vehicles than does the Soviet Union. Furthermore, the United States will not deploy more strategic ballistic missile warheads than does the Soviet Union.

The consequence of the President's decision is to shift gears away from an increasingly obsolete standard of limiting increases to a policy which permits us to defend ourselves, deter Soviet aggression, and offer the prospect of real mutual restraint at the lowest possible level of forces. The President's message is one of restraint and reductions.

In addition, we face very serious budgetary constraints, and it makes no economic sense for us to tear down effective deterrent systems while the Soviet nuclear buildup continues. For example, the Soviets have gone from about 5,000 to about 9,000 warheads under SALT II.

From now on, U.S. restraint will be based on the nature and magnitude of the Soviet threat. If the Soviets take constructive steps in arms control by the end of the year, the President will take that into account. No decisions have been made on the retention of individual U.S. systems. If the Soviets exercise restraint, the President will exercise restraint when we reach the next modernization milestone. But, if the President should decide to dismantle strategic systems, it will be a result of his assessment of U.S. national security in the light of what the Soviets do and not because of an obsolete limit.

Whether SALT is dead or alive is a word game that misses the real issue. I can assure you that, for our part, restraint is alive. We continue to encourage the Soviets also to exercise restraint and take constructive arms control steps.

Arms Control Negotiations

I would like to take this occasion to see where we are across the range of arms control negotiations with the Soviets.

Since the beginning of the year, the Soviets have made a number of arms control proposals. By and large, these proposals have done little to resolve the concrete obstacles that have impeded progress at the Geneva negotiations. Recently, however, the Soviets have made several proposals responding to our moves of last November and February.

We are studying these proposals seriously and weighing them carefully to determine whether they build on areas of convergence and help to move the negotiations forward. Until our analysis is complete, I do not want to characterize the proposals in any way, either negatively or positively. It is also important that we preserve the confidentiality that is necessary if we are to move forward.

We will want to determine whether the Soviet moves lead toward an agreement that meets our standards—one that is effectively verifiable, that provides for deep reductions, and which promotes greater strategic stability.

In START [strategic arms reduction talks], we seek deep and stabilizing reductions, particularly in ballistic missile warheads and throw weight.

In the INF [intermediate-range nuclear forces] framework, our goal remains the total elimination of all U.S. and Soviet LRINF [longer range intermediate-range nuclear forces] missiles, but we are also ready to negotiate on the basis of our November proposal, which would provide for an interim agreement greatly reducing these missiles on a global basis. An INF agreement must take account of the threat that we and our allies face from SS-20s deployed in Soviet Asia. A U.S.-Soviet agreement cannot contain constraints on British and French nuclear forces, and an agreement must restrict short-range INF so it cannot be increased to substitute for LRINF.

In the defense and space negotiating group, we continue to press for serious discussion of ways that greater reliance on strategic defense can enhance stability.

East Berlin *Volkskammer* Elections

DEPARTMENT STATEMENT, JUNE 9, 1986[1]

On June 8, 1986, the authorities of the German Democratic Republic (G.D.R.) held elections in which deputies from the Eastern sector of Berlin were directly elected to the G.D.R. *Volkskammer*. The Governments of France, the United Kingdom of Great Britain and Northern Ireland, and the United States of America will present, in Moscow, a formal diplomatic protest to the Soviet Government concerning this action.

The procedure under which the Eastern sector of Berlin directly elects representatives to the *Volkskammer*, and thereby treats this sector as if it were part of the territory of the G.D.R., is in contradiction with the wartime status of the special Berlin area, and accordingly, also in contradiction with the Quadripartite Agreement of September 3, 1981, which applies to the whole of Berlin.

The Governments of France, the United Kingdom, and the United States have publicly stated on many previous occasions that the status of the special Berlin area cannot be modified unilaterally and that they will continue to reject all attempts to put in question the rights and responsibilities which France, the United Kingdom, and the United States retain relating to Germany as a whole and to all four sectors of Berlin. The three allied governments reaffirm that no unilateral decision taken by G.D.R. authorities can alter the legal situation of Greater Berlin. The three governments will continue to exercise their full rights and responsibilities in Berlin.

[1]Made available to news correspondents by Department spokesman Bernard Kalb. ■

European Communities' Agricultural Markets

WHITE HOUSE STATEMENT, JULY 2, 1986[1]

The President announced today that a provisional agreement has been reached to keep European Community (EC) agricultural markets open to U.S. exports. The agreement was reached after the United States threatened retaliation in the face of proposed EC tariffs in connection with the expansion of the EC to include Spain and Portugal. This agreement is important for American farmers in that it will allow U.S. exports of corn and sorghum to Spain to continue while further negotiations are conducted under the General Agreement on Tariffs and Trade.

The President applauds the EC's flexibility in helping to avert a confrontation on this issue. He also congratulates U.S. Trade Representative Clayton Yeutter and Agriculture Secretary Richard Lyng for skillfully negotiating this interim solution. He believes this arrangement will enhance the Administration's policy of expanding trade through reduced protectionist barriers and increased fairness for U.S. exporters.

The dispute arose over new EC measures which took effect March 1, which had the potential of restricting over $600 million in U.S. farm exports to Spain. On March 31 the President announced his intention to take action against the new restrictions absent progress with the EC in resolving the dispute.

[1]Text from Weekly Compilation of Presidential Documents of July 7, 1986. ■

In MBFR [mutual and balanced force reductions], NATO's December move made several major concessions in order to break the 13-year deadlock in the Vienna talks. It adopted the basic framework for agreement proposed by the East last year; so we are now negotiating from the same script. It also dropped the longstanding requirement for data agreement on Eastern force levels prior to reductions, which the Soviets have long claimed to be the main barrier to agreement.

We are thus disappointed that, in disregard of these important steps, the Eastern response merely resurfaced old,

unacceptable provisions from previous proposals, with no progress on key verification issues. Despite [Soviet General Secretary] Gorbachev's January 15 commitment to accept reasonable monitoring in MBFR, the Soviets continued to insist on purely voluntary on-site inspection, and even backtracked on some verification measures.

The purpose of the CDE [Conference on Confidence- and Security-Building Measures and Disarmament in Europe] talks in Stockholm is to negotiate verifiable confidence-building and security measures. These won't control arms or limit their use. The U.S.-NATO goal is to establish a regime to increase transparency in European military activities. We want to require all states with European military activities to notify other states that they will be having exercises and to invite observers. We are also asking for an exchange of calendars of planned activities 1 year in advance.

But the crux of the matter is verification, especially of questions raised by unannounced military activities. It would be worse to have an unverifiable set of confidence- and security-building measures from Stockholm than no concluding document. Today, it is difficult to tell what Stockholm's prospects are. The conference adjourns September 19.

In a more sweeping approach to conventional arms control in Europe, on April 18 Gorbachev called for substantial reductions in ground and air forces of European states, and relevant U.S. and Canadian forces, from the Atlantic to the Urals. Reduced units would be disbanded, and armaments would be destroyed or returned to national territory. June 11 Warsaw Pact elaboration called for alliance-to-alliance cuts of 100,000–150,000 on each side within a year or two, followed by further cuts in ground and tactical air forces to about 25% below current levels by the early 1990s.

At last month's NATO meeting in Halifax, alliance foreign ministers reaffirmed their goal of strengthening stability and security in the whole of Europe from the Atlantic to the Urals through increased openness and the establishment of a verifiable, comprehensive, and stable balance of conventional forces at lower levels. To work urgently toward the achievement of this goal, NATO ministers set up a high-level task force on conventional arms control. The work of that group will address the recent Warsaw Pact proposal.

In the chemical weapons ban negotiations in the Geneva Conference on Disarmament (CD) we are pressing for a substantive Soviet response to our proposals on key verification issues, particularly challenge inspection. Moscow's purely voluntary approach on challenge inspection contrasts with the majority of CD members' views on the need for a stringent obligation to accept inspection. On April 22, the Soviets fleshed out Gorbachev's earlier remarks on chemical weapons production facilities, including the systematic on-site inspection of their destruction. We welcomed this elaboration, but details need to be ironed out and other key verification issues addressed.

Broader U.S.-Soviet Agenda

The President commented upon his return from Geneva last November that U.S.-Soviet relations seemed to be headed in the right direction, but that there would be hard work ahead.

Since the summit, there has been some progress in the bilateral area. The Soviets have taken several welcome steps on humanitarian cases, although in highly selected areas of their very deficient overall record on human rights. Our exchanges on regional issues have continued, although we still see no sign of Soviet readiness to seek negotiated solutions to regional conflicts that continue to damage East-West relations. Progress on arms control as I have outlined has been disappointing, especially in light of the agreement at the summit to accelerate the work of the nuclear and space talks in Geneva.

Prospects for Summit

The Soviets have reaffirmed their interest in a 1986 summit, to which they agreed at Geneva, but have yet to provide the date. Moreover, the Soviets have so far declined to hold a meeting between Secretary Shultz and Foreign Minister Shevardnadze, despite their commitment at the Geneva summit to a regular dialogue between the foreign ministers.

We continue to believe that a summit in the United States this year, and meetings between the foreign ministers to prepare for it, could foster progress on the whole spectrum of the U.S.-Soviet agenda: arms control, regional questions, human rights, and bilateral issues. We are proceeding on the assumption that the 1986 summit will be held as the Soviet Union and we agreed at Geneva.

Romanian Most Favored Nation Decision

The President, under the terms of the 1974 Trade Act, submitted a determination to Congress on June 3 that MFN [most favored nation] trade status be renewed for Romania, Hungary, and the People's Republic of China

As the President stated in his message to Congress, and as Counselor [Edward] Derwinski testified on June 10 to the House Ways and Means Subcommittee on International Trade, the decision to renew MFN for Romania was a difficult one but, on balance, our interests are served by renewal. The President determined that there was substantial emigration from Romania—the criterion established by the Jackson-Vanik amendment—and that, in a relationship which includes MFN, we can have some modest influence generally over Romanian human rights performance. Recent releases of political and religious activists from prison, and announcement of a general amnesty for political prisoners, are examples of this influence.

We are concerned about keeping faith with the several thousand Romanian citizens who have declared a desire to emigrate to the United States and are qualified, under U.S. law, to come here. We also are determined to exert whatever influence we can to moderate Romanian abuses of human rights in other areas, particularly in the area of religious expression. As bad as the Romanian record in this area is, we judge that it would become even worse if we abandon the one tool that has provided us with some leverage.

Controls at Berlin Sector Crossing Points

On May 26 the G.D.R. [German Democratic Republic] attempted to impose new controls at the sector line which divides Berlin. What the G.D.R. wanted to do was to control the passports of diplomats who live in East Berlin as they cross into the West, and to demand visas of diplomats who live in West Berlin as they cross into the East on day trips. In both cases, this would have constituted a change in the existing situation in Berlin and was a clear attempt to erode further the principle of free circulation in Greater Berlin.

We regard Berlin as one city under four power administration. We take the view that the G.D.R. has no competence for matters affecting Berlin, and we have never recognized G.D.R. efforts to

transform the sector line in Berlin into an international border. We maintain the principle of freedom of circulation within Greater Berlin, and we adhere to the principle contained in the Quadripartite Agreement that changes in the existing situation in the city can only be made with the agreement of the four powers—the United States, the United Kingdom, France, and the Soviet Union.

Now, the key to dealing successfully with this kind of thing is united action by the Western countries. I am happy to report that Western solidarity in resisting the G.D.R. attempt has been very good. Western diplomats in East Berlin have refused to surrender their passports to the G.D.R. guards at sector crossing points, and they and their families have put up with considerable inconvenience in temporarily losing easy access to West Berlin. They have had to make a very long circuitous trip around the city to a recognized international crossing point, which is particularly difficult for individuals who work in the West and for children who go to school there.

At the NATO ministerial meeting in Halifax the British, French, and American foreign ministers agreed on a course of action which resulted in approaches to the Soviets, both in Berlin and in Moscow. A number of other Western governments also voiced objections to the G.D.R. and the Soviets.

The result of our efforts was that the G.D.R. very quickly rescinded its new demands for British, French, and American diplomats in East Berlin. We continued our efforts on behalf of those countries which were maintaining solidarity with us. So, the G.D.R. then announced that the measures it had declared earlier had been "temporary," and that new tamper-proof diplomatic identification cards would be issued to diplomats in East Berlin for use in crossing into the West. These new cards are being issued this week, and we will watch very carefully to ensure that they constitute a return to the *status quo ante*.

We are not completely out of the woods yet. There remains the question of the G.D.R. attempt to demand visas from diplomats in West Berlin going on day trips into the East. As necessary we will continue our approaches to the Soviets in conjunction with our allies.

Spanish Security Negotiations

Secretary Shultz and Spanish Foreign Minister Fernandez Ordonez cochaired the annual meeting of the U.S.-Spanish Council in Washington on May 27. They had friendly, productive private discussions over lunch and during a private meeting. The main outcome of the meeting was agreement to begin negotiations for renewing our bilateral basing rights agreement in Madrid on July 10. In accordance with a joint statement issued in Madrid last December, the negotiations will also address the phased reduction of the U.S. military presence in Spain, "based on the assumption by the Spanish armed forces of specific responsibilities and missions currently undertaken by U.S. forces in Spain, while maintaining the overall defensive capabilities and level of security for both countries and their allies."

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S.-Yugoslav Relations

by Michael H. Armacost

Address before the U.S.-Yugoslav Economic Council in Cavtat, Yugoslavia, on June 2, 1986. Ambassador Armacost is Under Secretary for Political Affairs.

I am pleased to join your annual meeting. The council has done much to promote expanded trade between our two countries. Cavtat richly deserves its reputation as an exquisite location in a beautiful country. I am sure I speak for all the American guests present in thanking our Yugoslav hosts for your warm hospitality.

This council naturally devotes itself to the further development of trade. Your work also symbolizes a broader shared purpose: the efforts that two countries with different economic and social systems are making to strengthen their relationship and learn more about each other. The success of our efforts is closely connected to the vitality of our respective economies as well as to our responses to the global economic and political challenges we face.

Let me comment briefly on:

- U.S.-Yugoslav relations;
- The U.S. economic situation, global economic issues, and expanding U.S.-Yugoslav trade; and
- Our approach to broader issues bearing on our bilateral relationship.

Historical Perspectives

Less than a month ago, on the anniversary of V-E Day, Yugoslavia's dead of two world wars were honored in wreath-laying ceremonies at the tomb of Yugoslavia's unknown soldier. Designed by the great Croatian sculptor, Ivan Mestrovic, this dramatic mausoleum on top of Avala Mountain, near Belgrade, is flanked on all sides by huge marble statues of the various ethnic peoples of Yugoslavia. Silhouetted tall and defiant against the sky, these statues symbolize Yugoslavia's firm determination to defend its hard-won independence against any attacker.

Few countries have suffered as greatly at the hands of foreign invaders as has Yugoslavia. No country has resisted more heroically. And Yugoslavia has always been liberated by Yugoslav patriots themselves.

As Americans, we are proud to have been allied with Yugoslavia in both world wars. We are proud to have had a role in the creation of the modern nation of Yugoslavia after World War I. And we are pleased that, since the end of World War II, we have steadfastly supported Yugoslavia's independence, unity, and territorial integrity.

Our bilateral relationship has moved through a number of phases in the past 40 years. It is, today, comprehensive and fruitful. It has been marked by the exchange of high-level visits. During the Reagan Administration, Vice President Bush, Secretaries [of State and of Defense] Shultz and Weinberger, and the former Chairman of the Joint Chiefs of Staff, General Vessey, have visited this country. President of the Presidency Spiljak and Prime Minister Planinc have come to the United States.

We have very strong cultural, educational, and scientific exchanges. These have been bolstered by the Fulbright agreement we signed in 1964 and by our cooperative scientific

research program, jointly funded at almost $4 million annually. These exchange programs with Yugoslavia are among the largest we have with any country in the world.

Our peoples also have longstanding ties. Some 2 million Americans in all regions and all walks of life trace their ethnic roots to Yugoslavia. The second largest Slovenian city in the world is Cleveland, Ohio; the current Governor of Minnesota, Rudi Perpich, is of Croatian descent. And increasing numbers of American tourists—more than 50,000 in 1985—are enjoying their holidays in your beautiful and interesting country, particularly your glorious Adriatic coast.

And, of course, our economic relations continue to grow. During 1985, our total bilateral trade reached $1.2 billion. Before dwelling at greater length on U.S.-Yugoslav trade ties, however, let me say a few words about the U.S. economic situation and about our global economic policies.

A Market-Oriented Approach

In today's interdependent world, where economic success depends upon rapid communications and highly motivated and productive labor forces, market-oriented economic policies are the key to sustained economic growth. The countries that have prospered in the last decade have shared a reliance on such policies. Their peoples work; they save; they invest; they export. Above all, these countries unleash the creative energies of their people.

These successful countries have relied primarily on markets to set interest rates and prices and have maintained appropriate exchange rates. They have encouraged private initiative, avoided excessive governmental regulation, and provided adequate incentives for productive investment. They have also avoided excessive government consumption.

Our own recent experience is well-known. In the late 1970s, our economy was plagued by "stagflation"—a combination of low overall economic growth and high inflation. High government consumption required high taxes, which reduced savings, removed incentives for productive investment, and produced a high rate of unemployment. President Reagan came to office convinced that a new approach was needed, and he proceeded quite quickly to reduce government expenditures, taxes, and governmental regulations.

The results of that approach are now evident.

- The American economy is in its fourth consecutive year of expansion.
- About 10 million new jobs have been created.
- Inflation is running at less than 4%, and interest rates are at their lowest levels in almost a decade.
- Prospects for continuing, buoyant growth this year and next are good.

In some areas, we clearly need to make more progress. Our Federal budget deficit is one area in which progress is particularly required. Interest rates are another. Though falling, they are still too high. Our trade deficit is a third. Last year, it reached $148 billion—more than enough to raise intense protectionist pressures in our Congress.

A number of hopeful global economic trends should help reduce this deficit, among them reduced oil prices, depreciation of the dollar, and strong economic growth in other industrialized countries. Nonetheless, we recognize the need to act vigorously to eliminate these weak spots in our economic performance.

We are encouraged by the fact that other countries—including Yugoslavia, with its unique brand of socialism—have also placed greater reliance on market-oriented policies. Following the passage and implementation of its long-term program of economic stabilization, Yugoslavia has made great strides toward rationalizing investment decisions, adjusting domestic interest rates sufficiently to take inflation into account, realigning the dinar realistically, and, above all, promoting an export-oriented policy.

As a result of these policies, significant progress in economic stabilization has occurred, although continued high inflation and unemployment still require some degree of austerity. At the beginning of 1983, Yugoslavia was running huge balance-of-payments deficits; it was on the brink of being unable to pay its foreign loans. Through strenuous efforts and a measure of economic hardship, you have managed to turn a 1982 hard currency, current account deficit of $1.6 billion into 3 years of successive surpluses.

This reversal of Yugoslavia's trade deficit has had a positive impact on your debt position. You have been able not only to remain current on your foreign debts but also to begin reducing your debt. You are one of the very few major debtor countries to do so. The recent signing of both commercial bank and official rescheduling agreements reflects increased confidence in Yugoslavia's economic performance. These agreements set the framework for Yugoslavia's debt rescheduling through 1988. In addition, for the first time since 1979, Yugoslavia will not have an IMF [International Monetary Fund] standby program but, rather, an enhanced surveillance arrangement. The United States, together with many other countries, is pleased to have helped provide appropriate financial assistance to Yugoslavia during this difficult adjustment period.

The recent Tokyo summit put support for developing country adjustment policies high on its agenda. Measures endorsed by the summit included Treasury Secretary Baker's "Program for Sustained Growth," an early and substantial eighth IDA [International Development Association] replenishment, and implementation of the IMF's new structural adjustment facility. All these efforts recognize the need for both developed and developing nations to implement effective adjustment policies. Without reforms—such as the development of more efficient capital and equity markets; rationalization and privatization of public enterprises; liberalization of foreign trade and investment policy; and reduction of subsidies, price controls, and corruption—no amount of external financing can sustain growth.

An Open World Trading System

Beyond sound domestic economic policies, we believe economic growth depends on the maintenance of a free and open world trading system. History shows that periods of trade liberalization lead to increased economic growth. Unhampered trade promotes a mutually profitable international division of labor, enhances the potential real national product of all countries, and makes possible higher standards of living all around the world.

The international community has made enormous progress in reducing traditional trade barriers during the past 40 years. The Kennedy Round reduced tariffs in nonagricultural products by about 35%, and the 1979 Tokyo Round reduced tariffs, on the average, by 33%. These cuts contributed to the substantial increase in world trade that occurred during this same

Yugoslavia—A Profile

Geography

Area: 255,804 sq. km. (99,000 sq. mi.); about the size of the State of Wyoming. **Cities:** *Capital*—Belgrade (pop. 1,300,000). *Other cities*—Zagreb (700,000), Skopje (440,000), Sarajevo (400,000), Ljubljana (300,000). **Terrain:** One-third lowland hills and plains, with remainder mostly mountainous. **Climate:** Coast, hot in summer, rainy and mild in winter; inland, warm in summer, cold in winter.

People

Nationality: *Noun and adjective*—Yugoslav(s). **Population** (July 1985 est.): 23,137,000. **Annual growth rate:** 0.7% **Ethnic groups** (clearly defined, 1981 census): Serbs 36.2%, Croats 19.7%, Bosnian Muslims 8.9%, Slovenes 7.8%, Albanians 7.7%, Macedonians 5.9%, Yugoslavs 5.4%, Montenegrins 2.5%, Hungarians 1.9%, Gypsies .7%, Turks .5%, Slovaks .4%, Romanians .2%, Ruthenians/Ukrainians .2%, Other 2%. **Religions:** Eastern Orthodox (Serbian and Macedonian) 41%, Roman Catholic 32%, Muslim 12%, other 3%, none 12%.

Languages: Serbo-Croatian, Slovenian, Macedonian (official); Albanian, Hungarian, Italian. **Education:** *Attendance*—99% (primary school, 1979). *Literacy*—90%. **Health:** *Infant mortality rate* (1983)—31.7/1,000. *Life expectancy*—men 68 yrs., women 73 yrs. **Work force** (1984): 9.7 million. *Nonagricultural*—6.4 million. *Agricultural*—2.3 million. *Unemployed*—1.0 million.

Government

Type: Federal Republic. **Independence:** December 1, 1918. **Constitution:** February 1974.

Branches: *Executive*—president of the Presidency (chief of state) rotated annually from among the collective body. Premier (head of government and president of the Federal Executive Council, 4-yr. term). *Legislative*—bicameral Federal Assembly (308 delegates): Federal Chamber, Chamber of Republics and Provinces; Federal Executive Council (Cabinet; Assembly's executive arm). *Judicial*—Constitutional Court, Federal Supreme Court.

Administrative subdivisions: 6 republics, 2 autonomous provinces.

Political party: League of Communists of Yugoslavia. **Suffrage:** Universal over 18.

Defense (1983 est.): 5.2% of GNP.

National holidays: New Year's Day, May Day (May 1-2), Fighter's Day (July 4), Day of the Republic (Nov. 29-30).

Flag: Blue, white, and red horizontal stripes with a centered five-pointed red star edged in gold.

Economy

GNP (1984): $46.3 billion. **Annual growth rate** (1983-84): 1.7%. **Per capita GNP** (1984): $2,017. **Avg. inflation rate** (1984): 57%.

Natural resources: Coal, copper, bauxite, timber, iron, antimony, chromium, lead, zinc, asbestos, mercury.

Agriculture (16% of GDP): *Products*—corn, wheat, tobacco, sugar beets, livestock. *Land*—69% arable, 33% of which is plowland.

Industry (47% of GDP): *Types*—wood, processed food, nonferrous metals, machinery, textiles, leather goods, construction.

Trade (1984): *Exports*—$10.2 billion: agricultural products (including processed [illegible], leather goods and shoes, textiles, ships, mineral ores, metal products, tobacco. *Major markets*—USSR, Italy, FRG, Czechoslovakia, US. *Imports*—$12 billion: machinery and metal products, chemicals, iron, petroleum, coking coal, steel, agricultural products. *Major sources*—USSR, FRG, Iraq, Italy.

Official exchange rate (July 1985): 285 dinars = US$1.

Economic aid received: *Total* (1945-76)—$5 billion. *US aid* (1949-65)—$2.9 billion, including $700 million in grant military assistance (1951-59). US economic aid ceased on January 1, 1967.

Membership in International Organizations

UN and its specialized and related agencies, including the International Monetary Fund (IMF), the World Bank, the International Atomic Energy Agency (IAEA), and the General Agreement on Tariffs and Trade (GATT); Council for Mutual Economic Assistance (CEMA, observer status); Organization for Economic Cooperation and Development (OECD); Nonaligned Movement.

Taken from the *Background Notes* of October 1985, published by the Bureau of Public Affairs, Department of State. Editor: Juanita Adams. ■

period. Between 1961 and 1984, world trade grew by 6% each year; world output by 4% each year.

All nations share a stake in maintaining and strengthening this trading system. We in the United States certainly do. In recent years, however, protectionist pressures have increased around the world. The strongly protectionist trade bill recently passed by the U.S. House of Representatives shows that even the American market, which we regard as the most open in the world, is not immune. Huge trade deficits and a perception that trade is not free and fair have fueled popular outcries for a legislative remedy.

The Reagan Administration does not believe protectionist measures are the answer to trade problems. Indeed, the President has pledged he will veto such legislation. Internationally, protectionism in one country risks fueling protectionism in other countries—to the eventual disadvantage of all. Domestically, trade restrictions will only raise the cost of production and the cost of living. In the end, such measures will not save jobs.

Major efforts are required to strengthen and preserve the world trading system. All countries will need to join in effective negotiations to dismantle unfair trade barriers, eliminate subsidies and other unfair trade practices, open markets even further, and strengthen the General Agreement on Tariffs and Trade (GATT).

The Tokyo summit agreed on a number of measures to safeguard the open trading system and prospects for future world growth. To address the underlying causes of trade imbalances, it agreed on measures to improve coordination of economic policies among the seven summit nations and to promote stronger and more balanced growth and greater exchange rate stability.

To preserve the trading system, the summit strongly supported the early launching of a comprehensive new round of multilateral trade negotiations in the GATT. Comprehensive negotiations are needed to resolve traditional issues of market access of agriculture as well as to address new issues such as services, intellectual property rights, and investment.

Such negotiations can provide substantial benefits to countries like Yugoslavia. Yugoslavia has a very important service sector—namely, tourism—a keen interest in attracting new foreign investment in joint ventures, and a formidable ability to incorporate Western technology into Yugoslav enterprises.

We look forward to regular consultations as preparations for the new GATT round proceed.

Expanding U.S.-Yugoslav Bilateral Trade

Bilateral trade is an important component of our bilateral relationship. To facilitate this trade and to strengthen the Yugoslav economy, the United States has taken an active role in financial support for Yugoslavia since 1983. A $1 billion Eximbank [Export-Import Bank] program in Yugoslavia supports U.S. exports of passenger aircraft, nuclear power technology, and many other kinds of equipment. Likewise, the Commodity Credit Corporation has announced $100 million in fiscal year 1986 credit guarantees for Yugoslav purchase of U.S. agricultural products.

President Reagan reaffirmed our support for increased trade during the visit of your Prime Minister to Washington in May 1985, as did Secretary Shultz when he visited Belgrade last December. Though the general trend has been positive, exports in both directions can still increase significantly.

The U.S. market offers Yugoslavia great potential. Expansion into this market requires skillful marketing, high quality control, and effective servicing. These are all skills we have encouraged our Yugoslav trading partners to develop over the years. And the prospects are encouraging—for example, the strategy for marketing Yugoslav automobiles in the United States combines Yugoslavia's comparative economic advantage in labor and industrial production with U.S. marketing know-how.

The presence today of many American businessmen and bankers indicates the significant potential for expanding U.S. exports to Yugoslavia. Joint ventures offer good potential for increasing exports in both directions and to third markets. We are delighted that, since the 1984 Yugoslav joint venture law was enacted, 11 U.S. firms have signed joint venture agreements with Yugoslav enterprises. We hope the Yugoslav Government will seriously consider additional changes in the law, as suggested by this council, to stimulate still further agreements.

Energy is a potentially promising sector. U.S. industry is a world leader in the development and transfer of peaceful nuclear technology. Our government fully supports U.S. industry's further involvement in the Yugoslav nuclear power program, including its proposed second nuclear power project at Prevlaka. Under the government-to-government umbrella for peaceful nuclear cooperation, U.S. industry is willing to transfer technology and know-how to improve Yugoslav industrial capabilities.

We also welcome opportunities to improve consultation about nuclear safety. The Chernobyl nuclear accident underscored both the importance of nuclear power and the responsibility of user nations to adopt adequate safety precautions and provide prompt and detailed information on accidents. The United States and other countries have called on all nations to improve their cooperation in the International Atomic Energy Agency.

Our opportunities for expanded trade relations should stimulate our mutual resolve to overcome any trade frictions that exist between us. We have worked together in the past; we will work together now. In 1985, we confronted a number of bilateral trade disputes. Through constructive negotiation, we worked in a spirit of mutual compromise to extend and enlarge the bilateral textile and apparel agreement and establish a 5-year voluntary restraint agreement on steel.

American concerns for intellectual property rights and market access and Yugoslav desire to maintain beneficiary status under the U.S. generalized system of preferences (GSP) are current issues between us. As with other countries, U.S. industry has made formal complaints about certain Yugoslav laws and practices relating to market access and the protection of intellectual property. As required by the U.S. 1984 Trade Act, President Reagan is now reviewing relevant practices of all GSP beneficiary countries. As the ninth largest GSP user, Yugoslavia has argued that continued GSP beneficiary status is important to its ability to expand exports to the United States. We have recently held consultations on these difficult issues and are confident further progress can be made in further talks.

Scourge of International Terrorism

A common element of the economic policies I have discussed is openness: openness in our system of trade, openness in discussion of growth and debt issues, and openness in individual transactions between trade partners.

The institutional barriers to openness in our economic relations—whether national, social, or cultural in nature—are formidable, but they are surmountable. In recent years, we have discovered a new barrier to openness. I refer to the scourge of international terrorism. Neither the United States nor Yugoslavia has been a stranger of this evil. Indeed, nationals of both our countries have been victims of it.

The frequency, variety, and geographic scope of terrorist activity are growing. Our European and Mediterranean friends and allies are increasingly bearing the brunt of terrorist attack. More vulnerable targets are being selected. And the heavy economic costs of deterring terrorism are becoming more and more apparent. The high cancellation rates on some airline routes is a vivid sign that tourism and tourist-related industries have been dealt a severe economic blow. We trust it is a transitory blow.

The support that some states now brazenly lend terrorists is a new phenomenon. When states offer terrorists financial, rhetorical, intelligence, and logistical support, they encourage the violation of every rule of civilized behavior. When states permit terrorists to strike innocent citizens

while hiding behind the diplomatic protections of the Vienna convention, they permit those privileges and immunities to be used for acts in fundamental contradiction to their intent.

We are determined to fight terrorism with all the means at our disposal. We think other nations increasingly share that resolve.

The Tokyo summit statement on international terrorism codified agreement on specific measures aimed at terrorists and states that support them and identified Libya as one such state. Our government condemns the actions of any state that supports international terrorists directly or indirectly. We call on all states to join in refusing terrorists transit and in denying them safe haven or access to military training with terrorist applications. Our governments have held useful discussions on ways to improve our bilateral cooperation against terrorism; we look forward to further productive consultations.

Conclusion

Let me conclude where I began—with an observation on the new global political and economic challenges we face. Political and social changes, spurred by the onrush of scientific and technological developments, are shifting the balance of wealth and power among nations. We live in an "information age." We think this favors market-oriented societies which provide the incentives and flexibility necessary to unleash the creative productivity of their people. It offers great opportunities for societies to engage in a mutually beneficial flow of goods, services, and ideas. It puts societies, open to each other and open to the world, in a position to choose the course and path best suited to their interests and circumstances.

We recognize the unique position Yugoslavia holds by virtue of its geography and history. Yugoslavia's independence and nonalignment decisively shape our bilateral relationship. Independence has been Yugoslavia's tradition; it will also be your future. However, that independence also depends, in large measure, on the maintenance of the strategic balance between East and West. As a key nonaligned country, Yugoslavia has an important role to play in helping to maintain the integrity of the Nonaligned Movement. Such a role contributes to East-West stability and to world peace.

We have been heartened by the expansion of our bilateral relations over the past 4 years. We look forward with confidence to building on this sound basis as we work closely with the new Yugoslav Government headed by President of the Federal Executive Council Branko Mikulic.

Your presence today testifies to the breadth and benefits of the relationship between our two countries. We trust the U.S.-Yugoslav Economic Council and the Yugoslav Chamber of the Economy will continue to complement the efforts of our two governments. We wish you well in identifying and realizing new economic ventures. Speaking for the U.S. Government, I can assure you that we will do all in our power to facilitate them. ■

Bern Experts' Meeting on Human Contacts

Delegations from the 35 participating states of the Conference on Security and Cooperation (CSCE) convened in Bern April 15-May 27, 1986, as a meeting of experts on human contacts. This was one of several subsidiary meetings mandated by the 1980–83 Madrid CSCE followup conference to review implementation of the 1975 Helsinki Final Act.

Following are statements by Ambassador Michael Novak, head of the U.S. delegation, before the meeting of experts on April 17 and May 27 and before the Commission on Security and Cooperation in Europe on June 18, by Assistant Secretary for European and Canadian Affairs Rozanne L. Ridgway before the Commission on Security and Cooperation in Europe on June 18, and the text of the draft concluding document proposed by the Western delegations (the NATO allies and Ireland).

AMBASSADOR NOVAK, APRIL 17, 1986

The people of the United States, through our delegation, would like to thank the people of Switzerland, and with them the Executive Secretary, and his every staff person, for the generosity, the open-heartedness, and the perfection of the arrangements with which they have welcomed us.

In this city, at every turn, the virtues of the Swiss people are apparent: dignity; a striving for excellence; a love for intellect and the works thereof; an instinct for the beauty of God's mountains; and the creativity of humankind. In this way, the ordinary people of Switzerland—their laws, their traditions, their habits of the heart—shed light upon our mandate: "to discuss the development of contacts among persons, institutions and organizations."

In which country of the world are contacts among persons, institutions, and organizations developed to a higher art? In which are human contacts so international, open, orderly, and warm? If all the world were Switzerland, the burden of our mandate would be light.

Nearly 11 years ago, the distinguished Foreign Secretary of the United Kingdom, then Sir Alec Douglas-Home, threw down a challenge: "If we do not improve the life of ordinary people at this conference," he said of Helsinki, "we shall be asked—and with justice—what all our fine words and diplomatic phrases have achieved." Ordinary people. If we do not improve the life of ordinary people, words are empty. There remains a darkness in which many millions cry.

Ordinary people are our subject here. Ordinary people in their ordinariness—with their spouses, their children, their parents, their grandparents, and multiple relatives; the cemeteries where the bones of their ancestors lie and the shaded rooms in which their sick languish; their sports and travels; their friends and relatives blown abroad upon the winds of war and chance and choice; their professions; and the deepest convictions of their hearts.

Ordinary people are our theme. Our mandate is: to improve their lives. "To discuss the development of contacts"—that is, to seek improvement in their contacts with other human beings and to discern the impediments, obstacles, and barbed wire walls; the tangles of law and administrative breakdowns which interrupt such contacts.

We act in the name of peace, security, and cooperation in Europe and these four go together: peace, security, cooperation, and ordinary people in their ordinary human contacts.

What do ordinary people want? It is not so very much: ordinary liberty to do ordinary human things, without any state standing in their way. This is a universal dream of all ordinary people everywhere. It is a dream embodied,

codified, set down in clear words, and certified by 35 heads of state on the first day of August 1975, in Helsinki, Finland: Ordinary liberties for ordinary people.

In Moscow last February 25, General Secretary Mikhail Gorbachev expressed a portion of this dream in a few brief "fundamental principles."

"In the humanitarian sphere:

"...broader contact between peoples for the purpose of learning about one another; reinforcement of the spirit of mutual understanding and concord in relations between them..."

"decision in a humane and positive spirit of questions related to the reunification of families, marriage and the promotion of contacts between people and between organizations...."

This is one nation's view of the universal dream. The dream is more powerful than the views of any nation, or of all nations. This dream does not originate in states. It cannot be contained by states. It is endowed in ordinary people everywhere, by the deepest and most powerful endowment.

This is the dream that haunts our ever ancient, ever new European civilization. For Marxists as well as democratic capitalists, for believers and nonbelievers, for all who speak the languages of Europe, think the thoughts of Europe, and give evidence in their lives of the habits of Europe—for all these, the roots of European culture lie buried deep in these three convictions of Judaism and Christianity.

- It is the vocation of Europeans (as of all humans) to change history, not merely to be passive before it.
- To meet this vocation, every single human being has been created free and responsible and is endowed with unalienable rights to pursue the vocation of human development to its fullest.
- To protect these rights, governments are formed among men to improve the life of ordinary people, through the consent of ordinary people.

General Secretary Gorbachev speaks of a dialogue among "leaders of countries." It is also, far more deeply, a dialogue among the world's ordinary people. Everywhere, Europeans today seek the intellectual roots of our common humanity, our common roots, at the core of every European spirit.

This CSCE, this conference—this institution of no fixed abode and no permanent staff and no permanent budget—is fashioning a new Europe, and persons of middling age (that is, most of us in this room) have in our care the nuturing of this Europe, during the next 14 years, until the year 2000, and into the next, 21st century, hopefully to be the most creative of all human centuries.

Indeed, a new era in human contacts is already forming through technology, which no government will be able to control. This technology is personal and designed to obey individual will: personal computers, word processors, video cassettes, portable hand-neld telephones, and television communicators. It is now possible to control carbon paper through serial numbers. It is now possible to put padlocks on copiers. But it would not be possible for central authorities to control the new personal media. Those who try will enter obsolescence.

As we enter this new age, the test for every nation will be: Does it improve the life of ordinary people? Or does it enter slow decline?

I have tried to sketch the dream that unites all delegations in this room. Now I must face the other way, toward reality. The reality, alas, is not like the dream.

Let me put the matter as gently as I can. About one American in ten has at least one family root in Central and Eastern Europe—some 23 million Americans. One part of their growing family tree spreads branches in America; part grows still in Europe. Along such family networks, through such human contacts—by letter and by telephone, by memory and sympathy, in ways both straight and indirect—come jolting shocks of reality.

Of all American citizens, those of central and East European heritage find it most difficult to exercise freely the rights of human contact with their families abroad. Our fellow citizens who spring from Swiss or French, Italian or Spanish, Irish or Norwegian—indeed, from Latin American or African or Asian—stock find almost no difficulties in exercising free and open contact with their families in their *rodina* (homeland) of origin. Not so with us of Eastern or central European stock.

We hear pleas from relatives of ours in the Baltic states and Ukraine, among others; pleas from relatives of ours in countries in Eastern Europe; pleas from relatives of ours among Jews in several lands. We hear realities from thousands upon thousands who seek to visit or to move abroad, according to the choices of their heart. To hear from such as these is to pass from dream to reality.

Let me say a word about how our delegation will proceed. The people of the United States are a biblical people. Like the Bible itself, we think naturally in stories, in terms of individual cases, which are the foundation of the Common Law. From time to time, our delegation will, quite naturally, mention the individual cases of those whose dreams have not yet been realized.

In this context, my delegation honors the citizen monitors in so many countries who took the words of the Helsinki Final Act with dreadful seriousness. These brave men and women—heros to the entire human race—have bravely endured so much more than any of us to make the dreams of the Final Act the dramatic material of a new beginning. They have begun the task of making words of law deeds of flesh, of making dreams realities, of turning solemn international commitments into actual "decisions in a humane and positive spirit."

The people of the United States are also a family people. Families are dear to us, as is the multiplicity of freely chosen associations in which we live our daily lives. Our hearts are especially drawn to the divided spouses, separated from each other's arms for so many years. We are touched by family members seeking to join that portion of their family tree they freely choose.

This is not the occasion for details. Suffice it to say that many letters and calls make us aware of greater pain than words will express. Perhaps the reality to which I speak is best expressed in the image President Reagan evoked in dispatching me to Bern—an image of the great wall through the heart of Europe, dividing Europe, symbolizing the rude interruption of normal human contacts.

In the 21st century, will that wall stand? Will it be necessary? Will it remain, as an affront to dignity, to liberty, and to the ordinary human contacts of ordinary human beings?

It is said at times that Europe is today divided by two philosophies, two different social systems, two different images of how human contacts should be exercised. On one side, it is said, are those who believe that human contacts ought to be steered, ought to be controlled by the state for the interests of the state. On the other side, it is said, are those who believe that human contacts ought to spring from the soul of every individual person, from choice, from will, from self-determination: human contacts of ordinary people, by ordinary people, for ordinary people.

Two different social systems, two different philosophies: suppose this description true. What is never addressed is why? How are these two systems justified? In the night, in the

words of Chekhov, one hears the sobbing of a child. "Why?" the child asks.

Our mandate is to "discuss the development of contacts among persons, institutions and organizations." We will, therefore, discuss laws, regulations, habits, and ways of acting. We will discuss these—both in dream and in reality. We must discuss them with hope for concrete improvements in the lives of ordinary citizens—in the words of General Secretary Gorbachev: new "decisions in a humane and positive spirit." And we must discuss them face-to-face with reality. Many ordinary people suffer in the dark.

Our delegation intends to hear, and to voice, their pain. Above all, we look to a better Europe soon—an open Europe, a Europe without a wall, Europe free from fear: acting out in reality the peace, security, and cooperation to which the Helsinki Final Act and the Madrid concluding document committed all of us. We look to the scrupulous application of those commitments. All our nations have publicly affixed their names to them.

We thank every delegation for dreaming this dream with us, facing reality with us, so that all cooperating together, Europe may experience another, morally fuller, renaissance.

AMBASSADOR NOVAK,
MAY 27, 1986

For 10½ years now, the Helsinki process has sought to improve the lives of ordinary people. In many respects, it has succeeded; human contacts are in several states freer and more open than they were 10 years ago. This is a precious gain. Alas, in other states, human contacts are in some respects worse.

Beginning 8 weeks ago, all of us assembled here pledged that we would examine those matters unblinkingly and without illusions. And so we did.

At Bern, my delegation discerns three significant achievements.

First, there were the individual persons helped, if not always precisely because of Bern, nonetheless occasioned by our meeting here. We do not have a precise count of the persons—but do know that they number nearly a thousand—earlier not permitted to be reunited with their spouses or children, who, because Bern took place, have the promise to be in the company of their loved ones.

It was worth it, during these hard weeks in Bern, to play a small role in a process that actually helped so many persons. Would that there had been thousands more!

Second, we had at Bern a penetrating review of compliance and performance. Anyone who reads the Helsinki Final Act and the Madrid concluding document feels immediately in the presence of truly noble documents. They have a visionary power. Yet the real need at this point in history is not so much for new documents as for compliance with existing documents. The test for the Helsinki process is not the producing of new documents; the test is compliance and performance.

Our debates here were honest; the spirit was candid. We argued mightily with one another. We showed clearly, over and over, those places, those practices, and those methods by which the noble ideals of Helsinki and Madrid, affirmed on paper, are frustrated in daily reality. Our implementation review was one of the best, veterans of past meetings have said, in CSCE history.

We heard countless sufferings described. We heard how millions are separated from human contacts, elsewhere considered normal. We heard many voices of pain. Our mail bags brought us new materials every day. There are fewer excuses for illusions than there were 8 weeks ago.

The third great success of the Bern meeting lay in an incremental growth of a common European language, the ancient language of our hearts and intellects, our ideals and hopes. More and more, the debates of CSCE create a common body of thought for all of Europe, a European conscience.

These are three great gains: individual persons helped; a clear-eyed examination of reality, without illusions; and the slow raising of international standards, according to a new common moral language.

All these gains depend on words. Words inspire them. Words guide them. But in the end, only those words have weight that embed themselves in reality: that are complied with and put into performance.

The words of this Helsinki process are especially precious but also especially fragile. They have highest value when they are complied with. They gain their weight from performance.

In recent years, many delegations among us repeated that free and open contacts among persons have deteriorated in certain vivid ways: divided spouses, disunited families. Compliance has declined. In such circumstances, precious words lose meaning.

The strength of the founding documents of this process depends upon the credibility of words. That is why, to match the demonstrated decline in compliance in recent years, my government knew that a Bern document would have to set a high standard. Otherwise the public would lose confidence, and confidence-building is the essence of the Helsinki process.

Every delegation here knows the brilliant and careful work of the coordinators from the neutral and nonaligned delegations. They fairly reflected the long, slow course of our negotiations. They performed at the highest human level.

But our CSCE process works, rightly, through consensus. Each step in our negotiations, rightly, demanded compromise. In order to achieve compromise, as is normal, loopholes creep into the text. To the right to travel, for example, was added the loophole "when personal and professional circumstances permit." Honest authorities will understand this one way, but cynical authorities will use it to alter such circumstances at will. Loopholes are sometimes necessary. But, cumulatively, they eat like moths into our founding documents.

Inevitably, too, robust proposals lost weight. Until the end, it was impossible to add up the weight of all together. When at last my government could weigh them, it found the document too thin, containing loopholes damaging to compliance.

My government takes words seriously. In our country, there is uneasiness about the growing gap in the Helsinki process between words and compliance. A document reduced in weight by many compromises, it judged, would injure the process all of us cherish and must protect.

My delegation deeply respects all our colleagues in this room, with whom we worked so hard and long. We are deeply grateful to our Swiss hosts. We believe that the CSCE process gains in strength from paying strict attention to the connection between words and compliance. Our government looks forward eagerly to resuming the long, patient, and crucial work of this process in Vienna.

The debates at Bern have paved the way for Vienna. In compliance and performance, work to improve human contacts will speed up. Bern has given an undeniable impetus to basic issues of human contacts. Bern has launched a

new seriousness about compliance—and it has underlined the extreme seriousness of fundamental words.

ASSISTANT SECRETARY RIDGWAY, JUNE 18, 1986

The meeting that concluded last month in Bern on human contacts was the last Madrid-mandated CSCE experts' meeting to take place prior to the Vienna followup meeting. Ambassador Novak will report on the Bern meeting in detail. I would like to make some general observations about Bern and also about such experts' meetings.

Several acknowledgments are due at the outset. The first is to Ambassador Michael Novak, who led the U.S. delegation at Bern with great energy and skill. He eloquently articulated the humanitarian values enshrined in the Helsinki process. He reaffirmed these values in stirring terms, forcefully presenting both the moral and practical arguments for the Soviet Union and its Eastern European allies to live up to the promises they freely made at Helsinki and Madrid. I hope he will continue to lend his voice to those others who see CSCE as a process of fulfilling hopes that demand and deserve to become reality.

Second, I wish to thank this commission for contributing its expertise and personnel to preparations for Bern and to the work of our delegation for 8 weeks there. In this regard, I believe a special debt is due to Senator D'Amato and Representative Hoyer for the welcome support and advice they gave to Ambassador Novak, through correspondence in the course of the meeting and through Representative Hoyer's presence at the conclusion of the meeting.

Third, our work at Bern was substantially aided by support from the public that came in a variety of heartening ways. Mr. William Korey of B'nai B'rith served on the U.S. delegation and provided many valuable insights as proposals were introduced and considered. Nongovernmental organizations from the United States were a substantial presence at a number of points during the meeting, calling attention to crucial human contacts issues—and giving them names and faces. Many organizations and individuals not able to come physically to Bern nonetheless made their views known. They wrote and called the U.S. delegation before and during the meeting. The details they provided about human contacts problems effectively armed Ambassador Novak with the facts.

Our decision to withhold consensus from a draft concluding document proposed by the neutral and nonaligned states has naturally drawn substantial attention. The decision was not taken lightly. It represented the considered judgment of both our delegation and the State Department. With the hindsight afforded by the few weeks since the end of Bern, I can say we would make the same decision again. The proposed document had qualifications and loopholes which, taken together, might have been used by some governments to justify noncompliance with existing commitments. Our agreement to it would have raised further questions about the credibility of the CSCE process itself.

We understand the disappointment and concerns expressed by some of our allies over the outcome of Bern. We will work to ensure Western unity at the Vienna followup meeting and are engaged, as you know, in a program of close and intensive consultations in preparation for it.

A number of our alliance partners supporting the neutral and nonaligned states' draft believed that it would give an impetus to the CSCE process, viewed as a series of small, incremental steps that over time can improve the lives of people in East and West. This view stresses the creation of new incentives—new commitments on paper—to raise performance standards in the future.

We have sympathy for this view. We do not oppose new documents or new commitments *per se*. Our position depends to a great extent on the relationship between reality and words on paper. New documents must meet rigorous standards if they are not to be considered whitewash for failures to uphold past pledges. We believe there are other governments in the West which are happy that the document proposed by the neutral and nonaligned states was not adopted at Bern. No Western government has defended the document as more than a potentially modest step forward. If the countries of Eastern Europe are serious about progress in CSCE, they will demonstrate so by their actions—which speak louder than words.

I do not mean to dwell on the question of the Bern document. To us the principal point was how seriously the United States takes the CSCE process and the words proposed to carry it forward.

Ambassador Novak intends to review the specific accomplishments of the Bern meeting. Let me make a few broader points. Our experience at Bern reflects the wisdom of having fought at Madrid for the series of experts' meetings in the humanitarian field that has just concluded—the Ottawa human rights experts' meeting, the Budapest Cultural Forum, and the Bern human contacts experts' meeting. The foresight of this commission is part of the reason that these meetings took place.

Ottawa, Budapest, and Bern all had their share of frustrations, but they had and continue to have value. Each provided the West with a platform—agreed by the East as legitimate—from which to review problems in different areas of humanitarian concern. Without such meetings, it would be difficult to call the East to task face-to-face for its failures to abide by its CSCE promises. We believe that such meetings, by concentrating the attention of both governments and publics on particular aspects of the CSCE process, can promote progress over time. This relatively new tool of diplomacy in the humanitarian field must be exploited patiently and persistently. These experts' meetings are not a perfect tool, but they are one we hope the Vienna followup meeting later this year will agree to continue.

The three meetings produced detailed Western agendas for the followup meeting in Vienna, where all the "baskets" of CSCE will be under consideration and where it may prove easier to achieve real progress on humanitarian issues. The West reaffirmed its commitment to shared humanitarian values at Ottawa, Budapest, and Bern. The West articulated in detail its views on human rights, cultural freedom, and human contacts, respectively, in draft concluding documents tabled at these meetings. These documents are blueprints for steps the West has agreed it wants to see taken in these areas and a basis for our joint approach to Vienna.

Another key aspect of the experts' meetings was the occasion they provided for discussions of cases of humanitarian concern. This has become an accepted feature of such meetings, though some countries of the East still resist the practice. I should note, of course, that some East European governments have more constructive practices than others on humanitarian issues. Discussion of cases does not necessarily imply their resolution, but at Bern there were sufficient incentives created—within the context of the meeting and outside it—for some

governments to make progress on cases. Such progress benefits not only the individuals directly involved but also provides evidence of a government's willingness to fulfill commitments undertaken in the Helsinki Final Act and Madrid concluding document.

We are not satisfied with this state of affairs, since the numbers of cases resolved during Bern were small in comparison with those who still suffer, unknown and uncounted. It is also distasteful that human beings should be at the mercy of calculated political decisions taken by governments without compassion. Still our fundamental interest in the CSCE process is to improve the lives of individuals. To the extent that experts' meetings provide fora where individuals' problems can be discussed and—on occasion—resolved, such opportunities should be seized.

The experts' meetings on humanitarian issues have also demonstrated the fundamental unity of European values—humanistic, compassionate, and rooted in the concept of freedom—and the common interest of all Western governments in upholding them. At Ottawa, Budapest, and Bern, members of the NATO alliance and the neutral and nonaligned states made common cause in holding the East to account for its disregard for such values and its violations of the provisions of Helsinki and Madrid that embody them. These values unify most of Europe. Their dominance forces the East to face the fact of its moral isolation and stimulates the East to respond—even if cynically—in the same humanitarian vocabulary. This is what makes the Helsinki process a useful and hopeful one.

AMBASSADOR NOVAK, JUNE 18, 1986[1]

Allow me to express my deep appreciation to the Helsinki commission for the truly welcome support it provided to the U.S. delegation at Bern. From Michael Hathaway, your excellent executive director, to Deborah Burns and Barbara Edwards, who did outstanding administrative work under difficult conditions and often worked very late hours, and including all the tremendous research and liaison work performed by Sam Wise, Orest Deychakiwsky, John Finerty, and Robert Hand, the staff of this commission provided indispensable service to our delegation. I thank the commission—and each of them—profoundly.

I was especially grateful that Congressmen Hoyer, Ackerman, and Bustamante and other members of the delegation were able to be with us during the last 72 hours of the meeting. Their advice and counsel, and the tact and reserve they exercised in dealing with the entire delegation, are deeply appreciated.

When I last reported to this commission [on March 18], I said that our goals in Bern would be "practical results." On March 18, I defined our first three goals in these exact words.

> We define "practical results" precisely. We mean movement in specific individual cases. And we mean an improvement in the general conditions for cross-border human contacts by individuals and associations. In addition, a successful meeting entails a careful review of the record of how CSCE commitments have so far been implemented.

Only later, in fourth place did I mention that our delegation would make a good-faith effort to achieve a strong final document, if a strong one was achievable. I spoke of the realism of the allies, neutral, and nonaligned in advance of the meeting, and reported to you as follows.

> [We] do not, for instance, put a premium on producing a new document. Good language on human contacts already exists in the Helsinki and Madrid documents. We do not suffer from a shortage of texts. What the world suffers from is inadequate implementation of already existing texts.

It seems important to reread this testimony of mine on March 18, because it outlines quite clearly what our intentions were when we began. The subsequent record shows that we more than fulfilled these intentions. Consider the first of our goals, movement on concrete cases.

Back in mid-March, it seemed—not only to me but to others on our delegation and to some staff members of this commission—that we would be lucky to see the Soviet Union resolve even as many cases as had been resolved on the occasion of the summit talks between President Reagan and General Secretary Gorbachev in Geneva last November; namely, 33 cases, of which 25 had been fully acted upon by mid-March.

Actually in Bern there were some practical results. On May 20, the Soviet delegation informed us that their government was resolving two new cases and that resolutions could shortly be expected in many more. On May 26, the last scheduled day of the Bern meeting, the Soviet authorities in Moscow gave us the names of 36 families whose cases were to be resolved. They told U.S. Embassy officials that another list of names would soon be forthcoming, and, indeed, within 10 days we were given the names of an additional 29 families. About 200 persons in all will be affected by these decisions when they come to fruition.

In this fashion, the U.S.S.R. did use the Bern meeting as an occasion for taking action on concrete cases. It is deeply regrettable that action was not taken on these cases in the normal process of fulfilling Helsinki commitments. It is regrettable that such decisions are only made upon political occasions. Nonetheless our delegation made the argument, in Moscow and in Bern, that the road to confidence-building lies through the treatment regimes extend to their own citizens and that we are working for the day when the U.S.S.R. and its allies will deal with their own citizens according to the internationally recognized standards they themselves have signed. In this context, I choose to interpret Soviet movement on cases as a helpful movement. The more of this the better—until all Soviet citizens share in the free exercise of those rights recognized in the international agreements their government has freely signed.

Further, the Romanian delegation resolved about half the list of 27 specific cases presented to it in the course of the Bern meeting. Outside of Bern, between April 11 and June 1, Romania approved for emigration nearly 1,200 people from our representation list. These actions clearly reflected the current state of U.S.-Romanian relations with respect to Romania's most-favored-nation status.

The Bulgarians resolved 12 of 18 U.S. representation list cases the week before the Bern meeting opened.

Secondly, we aimed at movement in "general conditions." Here our review of compliance showed that there had been positive movement in several East European countries. The borders of several East European countries are much more open today than in 1975. On the other hand, there are many areas in which the situation of human contacts—in the U.S.S.R., Bulgaria, and Romania in particular—has deteriorated. Administrative practices were shown to be in many respects worse than they had been in 1975.

On the other hand, the delegation from the U.S.S.R. was driven to say on several occasions that, under the new General Secretary, there would be a new "spirit," new "practices," and a reform

of legislation and administrative procedures in the area of humar. contacts. This was in the nature of a promise, not in the nature of evidence cited. Before granting credence, it is proper to insist on evidence. Still, the delegation from the U.S.S.R. did at least promise reform, in accordance with the promises General Secretary Gorbachev made to President Reagan in Geneva and at the XXVII Party Congress. Until evidence is forthcoming, skepticism is in order. Nonetheless the invitation has now been issued to hold the U.S.S.R. to fresh promises.

Our third goal was an intensive review of compliance. Such a review did go on for nearly 5 weeks, since the NATO nations had agreed to use their time in presenting new proposals to explain from the past record why such proposals are now needed. On one day, e.g., 16 of 19 speeches presented evidence of abusive, noncompliant practices in the U.S.S.R., East Germany, Bulgaria, and other Eastern nations. This drumbeat—often low-key, factual, and nonpolemical—continued day after day. Many veterans of the CSCE process said that the Bern review of compliance was the most thorough, objective, and calm of any in the history of the CSCE.

In part this was because the main points about compliance had already been established at Madrid, Ottawa, and Budapest. Thus the Soviet delegation in Bern only tentatively argued that the effort by an assembly of nations to monitor compliance in the field of human contacts represented "interference in the internal affairs" of the U.S.S.R. That line was dropped almost instantly. Instead the Soviet delegation and some others chose, when criticized, to attack the critic. They did so typically with wild, loose, and passion-inflamed rhetoric, careless of accuracy and evidence, usually based upon criticisms of the West made by Westerners, and on the whole rather more damaging to the attacker than to the attacked. In responding to specific charges, we chose to welcome even such attacks, poor as they were, as a way of urging the U.S.S.R. and its allies to open themselves further to the legitimacy of mutual criticism from abroad, as well as to internal criticism. Open criticism is the way scientific inquiry proceeds. Open criticism is also the way political reform advances.

As in Ottawa and in Budapest, we realized from the beginning in Bern that achieving an acceptable final document would not be likely. On the other hand, halfway through the conference, and after Chernobyl, it became obvious that the U.S.S.R. and its allies might wish to achieve a final document in Bern. The question remained whether this would be substantive progress or propagandistic progress. We had promised to make a good-faith effort to work for a strong final document if a strong document were achievable. From the beginning, we had ruled out a weak one.

Suffice it to say that at 4 a.m. on Monday morning, May 26, the day the conference was scheduled to end, the Soviets broke off all-night negotiations. As at Ottawa and Budapest, at that point we had no document. Up until then, the Eastern bloc had refused to agree to the original Western proposals even in their modest strength and had instead introduced damaging loopholes and qualifications. They were not willing to go very far. All that had been left on the table was a pale imitation of the strong proposals the Western nations had agreed to and tabled as BME 47 [Western draft concluding document, printed below].

Of course, it could be argued that some of the compromise proposals offered "marginal" or "modest" steps forward. But some of them also took steps backward from Helsinki. This typically happened in one of three ways: (1) in some cases, the compromise language was weaker than Helsinki; (2) in some cases, new loopholes were introduced into the Helsinki process; (3) in some cases, the point of view of the compromise proposals subtly slipped away from the general obligations already agreed to under Helsinki and began to treat those obligations, given existing violations, as goals we need to make progress toward.

This last point deserves comment. Helsinki represents obligations agreed to by participating states; it does not represent goals to be striven for. To treat Helsinki obligations as goals toward which progress must be made is to alter the character of the Helsinki accords in a potentially fatal way. They are not goals but general obligations.

Three or four of the compromise proposals may at first glance appear to represent the largest among the "modest" steps forward. Among these, for example, are the proposals on postal and telephonic communication and on religion. Under close analysis, the compromise resolution on postal and telephone service has one good quality and one weakness. The good point is that it would bring documented abuses in this area under the compliance review of the Helsinki process. The weakness is that the proposal basically reminds the participating states of obligations which they already bear under existing international conventions and which are, nonetheless, being flagrantly abused.

As for the proposal on religion, the compromise formulation is not only far weaker than the modest original Western proposal; it is in virtually the same form that the Western nations had rejected during the negotiating process. The West had rejected this form for three reasons: (1) no less than other citizens, religious citizens have universally recognized rights to travel and to receive publications through the mail; (2) the restriction of the proposal to official "representatives" of religious organizations—but not to "individual believers"—is an intolerable infringement of universal rights; and (3) the right to receive and to carry with them religious publications and religious objects is confined to the extremely narrow limit of "for their own use"—i.e., not even for the use of their congregations or fellow believers. This is an intolerably narrow reading of basic human rights.

I said in Bern that the compromise document did make some marginal advances. But when one looks at the sum total, one must add up the minuses as well as the pluses. No one asserted that the pluses are more than "modest"; some said "marginal." But when you count in the minuses, even these modest gains are reduced.

Moreover, the judgment one must make is whether the demonstrated record of noncompliance on large and basic issues, amply documented during our debates, truly gives hope that even "modest" or "marginal" improvements in new language will be taken seriously, when already existing large obligations are not. Judgment must be focused on the probabilities of future compliance.

First, then, it is essential to compare the last-minute compromise proposals with the corresponding texts of Helsinki and Madrid. One must do this critically, with an eye hardened by experiences of violations since then. Second, one must compare them as well as with the original Western proposals on the same subjects. What are the pluses and the minuses? How does the whole add up? Our judgment was and is that the negatives either outweigh, or come close to outweighing, the positives.

Next, one must factor in the demonstrated record of noncompliance on matters large and small. In that context, our judgment is that the negatives clearly outweighed the positives. To accept the Bern compromise would have been to accept a document that could accurately be characterized in this way: some of its proposals merely repeat Helsinki provisions already being violated; some of its provisions are weaker than or more flawed than Helsinki; some—such as the one on religion—would have established possibly damaging precedents; and a few, at best, went modestly beyond Helsinki. Even these last, alas, sometimes advance more specific language, but in a way that detracts from general obligations that already cover such specifics.

In terms of policy, the most important point in the Helsinki process is its credibility. Solid words must not be allowed to become empty words. Agreements entered into merely to have agreements cannot be allowed to diminish public trust. Above all agreements cannot be allowed to weaken the trust of those who suffer today because of large-scale and systematic noncompliance. In such circumstances, to enter into certain kinds of agreements would be a fraud.

I told this commission last March 18 that the goals of my delegation would be: (1) movement on concrete cases; (2) efforts to bring about greater compliance in specific types of cases; and (3) a thorough review of violations of the Helsinki accords. I leave it to this commission to judge how well we achieved the three goals we set out to achieve.

I also told this commission that our delegation would not accept a weak document. I said then that the integrity of the Helsinki process depends first of all upon credible compliance, rather than on the addition of more words. I again leave it to this commission to judge whether, in difficult circumstances, we kept our word and showed proper judgment on the specific document at hand.

Finally, I am more convinced than when I undertook this assignment that the CSCE process is worth every ounce of energy that this nation can put into it. That process depends on taking words with utmost seriousness, words signed by heads of government of 35 participating states. The CSCE process has borne great fruits in some countries in Eastern Europe and has heightened standards of international behavior. More than that, a newcomer to the CSCE process notices immediately the extent to which the language of Western ideals permeates not only the Helsinki accords and the Madrid concluding document, but also the daily debates in plenary discussions and working groups. Even the Marxist countries rarely speak a Marxist language; even they are often obliged to use the language—even though not following the practice—of open societies. In the context of human rights, the importance of words is very great.

Looking forward to Vienna, when the whole range of the Helsinki accords will be under discussion, the allies have a much better opportunity to make real progress in the areas of human rights and human contacts—for three reasons.

First, the range of subjects on the table will be larger, greatly expanding the scope for meaningful negotiations.

Second, the process will be open-ended; in order to achieve meaningful progress, it will allow a time period much longer than 6 weeks.

Third, in Ottawa, Budapest, and Bern, the allies have taken great pains to arrive at common, strong proposals. These proposals, carefully hammered out, already at hand, form a magnificent platform for real progress under the "third basket." In addition, a thorough and documented review of noncompliance is now part of the full record from which Vienna can proceed.

The work of the Helsinki process is extremely important for millions of human beings. The work of this commission in furthering that process is vital. Permit me once again to thank this commission for the support it gave my delegation, before, during, and now again after the Bern meeting.

WESTERN DRAFT CONCLUDING DOCUMENT

1. In accordance with the relevant provisions of the Concluding Document of the Madrid Meeting of the Conference on Security and Co-operation in Europe, a meeting of experts representing the participating States took place in Bern, at the invitation of the Government of Switzerland, from 15 April to 26 May 1986 to discuss the development of contacts among persons, institutions and organizations.

2. The Meeting was preceded by Preparatory Consultations which started in Bern on 2 April 1986.

3. At the opening session the participants were addressed by Federal Councillor Pierre Aubert, Head of the Federal Department of Foreign Affairs, on behalf of the Government of Switzerland.

4. The opening session on 15 April and the closing session on 26 May 1986 were held in open plenary meetings. During the closing session, statements were made by those delegations who wished to do so.

5. Under agenda item 2 (a), a general debate on the development of human contacts took place. Under agenda item 2 (b), forty-six proposals for recommendations were submitted and considered by the participants. Under agenda item 2 (c), they drew up conclusions and recommendations. Two subsidiary working bodies under the guidance of the plenary dealt with the following questions as listed in section 1 (Human Contacts) of the Chapter of the Final Act entitled "Co-operation in Humanitarian and Other Fields":

Subsidiary Working Body I:

- contacts and regular meetings on the basis of family ties;
- reunification of families;
- marriage between citizens of different States.

Subsidiary Working Body II:

- travel for personal or professional reasons;
- improvement of conditions for tourism on an individual or collective basis;
- meetings among young people;
- sport;
- expansion of contacts.

6. The participants recalled the aims of the States participating in the CSCE to facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating States, and to contribute to the solution of humanitarian problems that arise in that connection.

7. The participants affirmed that unimpeded human contacts strengthen mutual understanding, friendly relations and trust among peoples.

8. During the discussion, different and, at times, contradictory opinions were expressed concerning respect for an implementation of the provisions of the Final Act and the Madrid Concluding Document relating to human contacts by the participating States. While certain progress was noted, grave concern was expressed about the failure to resolve a great number of humanitarian cases, including some raised in the context of this Meeting, about barriers to human contacts that continue to exist and about additional barriers that have been created in some participating States, in disregard of commitments undertaken in the Final Act and the Madrid Concluding Document.

9. The participants expressed concern that failure to comply with the human contacts provisions of the Final Act and the Madrid Concluding Document jeopardizes the credibility of the CSCE process as a whole.

10. The participants emphasized the critical need for efforts to achieve lasting and tangible progress in the implementation of the human contacts provisions of the Final Act and the Madrid Concluding Document. They recalled the responsibility of each participating State, irrespective of its political, economic and social system, to bring its laws, practices and procedures into conformity with these provisions and with other international undertakings and agreements by which it may be bound.

11. Regarding the basic concepts underlying human contacts, the participants noted, in particular, the relevance of the right of an individual to leave any country, including his own, and to return to his country, as expressed in the Universal Declaration of Human Rights.

12. The participants confirmed that their thorough and frank exchange of views on the development of contacts among persons, institutions and organizations constituted a valuable contribution to the CSCE process.

13. Convinced that in order to fulfill their commitments to facilitate freer movements and contacts further efforts are required, the participants recommend that the participating States:

Family Matters

- pay immediate attention to cases of an urgent humanitarian character, including, *inter alia*: travel to visit a seriously ill or dying family member; travel of the aged and those with urgent medical needs; travel to attend the funeral or visit the grave of a family member; travel for visits in cases of important family matters such as births, marriages, religious or civil ceremonies and other important family occasions; and travel for important public and religious holidays;
- in fulfilment of their commitments to facilitate freer movements and contacts, remove, *inter alia*, obstacles to the ability of members of a family, who so desire, to travel together for the purpose of contacts and regular meetings on the basis of family ties;
- give special attention to and deal favourably with applications from their citizens or nationals who are also recognized as citizens or nationals by another State to leave in order to visit that State or to settle there;
- give special attention to requests for exit documents and facilities submitted in order to reunite minor children with their parents;
- give primary importance to the wishes of the parties desiring to be reunited, in particular their wishes in regard to the country of settlement, in facilitating the exit of persons for the purpose of family reunification;
- in order to simplify the application procedures for family reunification, prolong the validity of the application forms and other related documents so that these documents remain valid throughout the application procedure; and provide that any document necessary for an application procedure be easily accessible to the applicant, also in case of renewed application;
- ensure that an application for travel for the purposes of family contact or family reunification with an individual family member who has permanently left his country of origin, will not be prejudiced by the circumstances in which this family member left his country of origin;
- should carefully review all outstanding applications for travel for the purpose of family reunification and for other purposes related to the aims of the part of the Helsinki Final Act and the Madrid Concluding Document dealing with human contacts with a view to ensuring that these applications are being dealt with in a manner consistent with the relevant provisions of those documents. Such reviews should be repeated at regular intervals;

Travel Practices

- recognize the right of their nationals to be issued with a passport, or with any other document allowing travel abroad, without delay and without any other conditions than those specifically laid down by the law in conformity with international commitments. Reasons should be given for any refusal to issue a passport or travel document and means of appeal should be available;
- abolish, for their nationals, the requirement to obtain an exit visa in order to leave their country; and issue exit visas to foreigners residing on their territory as expeditiously as possible and without any conditions other than those that may arise as a result of legal proceedings still in progress;
- publish within one year all laws, regulations and procedures—including criteria for refusal—concerning decisions to permit their citizens to leave their country, on a permanent or temporary basis; and take steps to help make the laws that are in force accessible to all strata of the population of the country;
- remove legal and other obstacles restricting or inhibiting contacts on their own territory between their citizens and resident or visiting citizens of other States;

Other Matters

- promote the possibilities for individual religious believers and communities of believers to establish and maintain personal contacts and communication with fellow-believers and communities of believers in other countries, including travel, pilgrimages, assemblies and postal communications; and respect the ability of believers and communities of believers to acquire, receive and carry with them religious publications and related materials;
- bearing in mind the legitimate desire of persons belonging to national minorities and regional cultures on their territories to have contacts with persons in other States with whom they have close affinities, refrain from placing obstacles in the way of members of such minorities and regional cultures seeking to maintain contacts of this kind, including contacts through travel and communications;
- remove existing impediments which prevent individuals and the institutions and organizations which they have freely established and joined from maintaining contact, communication and organizational ties with similar organizations in other participating States without need of official sponsorship or approval; and permit individuals invited by such groups to travel to other participating States so that they are not replaced by another individual without the consent of the inviting organization;
- remove existing impediments which prevent freely established trade unions, their members and their representatives from maintaining contact, communications and organizational ties with similar organizations in other participating States without need of official sponsorship or approval;
- encourage direct sporting exchanges between them at local and regional level, as well as at national and international level, and take steps to remove existing obstacles to such exchanges;
- encourage the setting-up and facilitate the unimpeded implementation of town-twinning arrangements between authorities most directly concerned in order to develop direct contacts between their citizens;

• recognize that the freedom to establish and maintain communication is essential for effective human contacts; guarantee the freedom of transit of postal communications in accordance with the Universal Postal Convention, thus ensuring the rapid and unhindered delivery of personal mail; ensure all the conditions necessary to carry on rapid and uninterrupted telephone calls in accordance with the International Telecommunications Convention, including the use and development of direct dialing systems wherever it is possible; and respect the privacy and integrity of all such communications; and

• give favourable consideration to the practice of periodically holding bilateral meetings and round tables between delegations, whose composition is to be determined by each participating State, to deal with the questions concerning the promotion of contacts among their citizens, institutions and non-governmental organizations. The aim of these meetings and round tables will be to improve and develop co-operation in the humanitarian field among the participating States, to implement more fully the relevant provisions set forth in the Final Act and in the Madrid Concluding Document and to bring about as promptly as possible a satisfactory solution to outstanding humanitarian cases. In particular, on the occasion of such meetings and round tables, the participating delegations should also proceed to a mutual exchange of exhaustive information and full details, and to their updating in the event of changes, on the laws, procedures and practices in force in the respective countries with regard to applications for travel abroad submitted by citizens with a view to contacts and regular meetings on the basis of family ties, reunification of families and marriages between citizens of different States.

14. The results of the meeting will be taken into account, as appropriate, at the Vienna follow-up meeting.

15. The participants expressed their deep gratitude to the Government of Switzerland for the excellent organization of the meeting and to the people of Switzerland for the warm hospitality extended to them during their stay.

[1]The complete transcript of the hearings will be published by the commission and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Amending the Foreign Sovereign Immunities Act

by Elizabeth G. Verville

Statement before the Subcommittee on Administrative Law of the House Committee on the Judiciary on May 20, 1986. Ms. Verville is the acting Legal Adviser.[1]

I appreciate this opportunity to testify on behalf of the Administration concerning H.R. [House Resolution] 3137 and 4592, which would amend the Foreign Sovereign Immunities Act (FSIA), and H.R. 3106 and 4342, which would amend the Arbitration Act.

At the outset, I want to commend the American Bar Association (ABA) and the sponsors of the present bills for a valuable initiative. As I will outline, there are some amendments to the FSIA we believe are ready to be adopted, subject to working out wording. A bill limited to those improvements might proceed expeditiously. This would not preclude additional amendments if they seem warranted after further study, although some of the additional proposed amendments raise more complex and difficult questions than others. Finally, there are some problems that these bills do not address. Although the Administration does not have proposals to make at this time, I want to identify the issues and possible solutions.

While others testifying today will naturally focus on the difficulties of plaintiffs, my perspective will be somewhat broader.

Sovereign Immunity and the FSIA

Historical perspective is important. Before the FSIA, suits against foreign governments and their instrumentalities were difficult to bring. Jurisdiction was obtained by actions *quasi in rem* through attachments of foreign government property. There was no execution of judgments against foreign government property. The State Department decided whether or not there was immunity in individual cases, and the courts were bound by our determinations.

The United States adopted the FSIA in 1976, among other reasons, to codify the restrictive theory of sovereign immunity and provide workable, simplified procedures for service of process so that our courts could provide judicial remedies against foreign sovereigns and their instrumentalities in appropriate cases. We also wanted to terminate the disruptive practice of relying on prejudgment attachment to secure jurisdiction over foreign states, remove immunity decisions from the executive to the judicial branch, and draw some of the lines by statute.

The FSIA deals with foreign policy as well as complex legal issues. It concerns fundamental principles of sovereignty of foreign states and the extent to which they should be responsible directly in the courts of other countries to private persons for their commercial and other activities. In light of this, we are carefully reviewing our experience under the FSIA in the 10 years since it was adopted. In this review, we are guided by certain principles and considerations.

First, the United States moved to codify the restrictive theory out of a sense that fairness and justice required it. When states enter the marketplace or otherwise act nongovernmentally, private parties with claims against them ought to have judicial remedies.

This remains important. States should be responsible for their commercial activities. They should keep their bargains. If states engage in commercial activities through instrumentalities or other entities, those instrumentalities or entities should be treated like commercial entities for such activities to the maximum extent consistent with overall U.S. interests. We think this is fair. Moreover, we do not want to give advantage to socialist countries that deal through government-owned entities over free market countries that deal through private entities. There should be appropriate remedies and means of enforcement on these matters. As I will discuss further, a number of factors may be brought to bear. Judicial remedies may be appropriate in some cases and not others. The marketplace also works to provide its own remedies.

Second, the restrictive theory also recognizes the rights and needs of sovereigns and the important foreign relations interests of the nation as a whole. The law should continue to provide appropriate safeguards for those needs and interests, including our interest in protecting U.S. activities abroad. Some problems must be handled without submitting the foreign sovereign or its property fully to the jurisdic-

tion and judgment of our domestic courts and the remedies that a court would normally apply at the behest of an aggrieved private party.

Accordingly, the FSIA was drafted so that a foreign state might not be sued in U.S. court in certain kinds of cases. Also, the act protected the property of the state from legal process even in some cases in which the state could be sued. The act provided that a state and its separate agencies and instrumentalities would be immune from prejudgment attachment. We also required a nexus between a claim and the commercial property of the state taken to satisfy a judgment against a state which refuses to honor it. We recognized that these lines might not prove to be entirely satisfactory, but the executive branch and Congress, after long deliberation, decided that they represented a fair balance of interests.

We must bear in mind that, while we disagree, some states still believe that they are entitled under international law to absolute immunity from suits in foreign courts brought directly against them, as opposed to their commercial entities. Default judgments have ensued, resulting in some cases in problems in bilateral relations and dubious court decisions. Even states that accept the restrictive theory of sovereign immunity have objected to suits they consider inappropriate or harrassing.

Some other states have followed our lead and adopted modern sovereign immunity statutes of their own. However, while we should consider those statutes, we should recognize that reductions in immunity may be more problematic in the United States than the identical changes in other countries, given the litigious nature of our society, the inventiveness of our attorneys and courts in developing novel theories of liability, the size of U.S. judgments, and the burdens of discovery and other aspects of U.S. litigation. Finally, reductions in immunity potentially affect the extensive U.S. Government presence abroad, since many foreign states will apply our standards against us as a matter of reciprocity. These considerations should lead this committee to approach amendment of the FSIA carefully and to require either a real showing of need or clear and substantial improvement before making changes with uncertain or adverse effects. We do not want to create new problems or exacerbate existing ones.

We need to review our 10 years of practice under the FSIA to determine whether there are serious flaws in the balance struck a decade ago and, if so, how best to fix them. We look forward to learning from this hearing the specific problems others have found. I want to assure the committee that we approach this effort with an open mind, and that our reactions are necessarily tentative until we have had an opportunity for further consideration of the information being gathered through these hearings and otherwise on the problems encountered under the present act.

The Proposed Amendments

With these considerations in mind, let me now address the proposals in the present bills and suggest some additional areas for consideration. Regarding the present bills, we are prepared in principle to:

- Provide expressly for enforcement of arbitral agreements and awards;
- Amend the Arbitration Act, 9 USC §207, to rule out the act of state doctrine as a bar to enforcement of an arbitral award;
- Allow execution of arbitral awards against any commercial assets of the state party;
- Allow prejudgment attachment against state-owned commercial enterprises to the same extent as against their privately owned counterparts; and
- Remove some current problems in admiralty cases.

Other issues raised by the proposed amendments are more difficult and need further consideration. Let me explain our position in more detail.

Enforcement of Arbitral Agreements and Awards

The proposals in H.R. 3137 on the enforceability of arbitral agreements and awards raise no fundamental problems and we support them. They will advance our longstanding policy favoring arbitration in international commerce and particularly in business and investment relationships between private entities and foreign governments. Such private party and foreign government arbitration is a key feature of our bilateral investment treaty program. We are party to the New York Convention on the Recognition and Enforcement of Arbitral Awards.

Although the courts are coming out right in finding implied waivers in appropriate circumstances, such as those listed in the proposal, the amendment would clarify the law that is emerging from a body of cases on implicit waiver and to give more explicit guidance to judges in dealing with these issues.

We think two pitfalls of the present proposal should be avoided. First, the three proposed circumstances should not become an exclusive list of conditions in which courts may enforce arbitral agreements and awards. We believe the amendment should be drafted to leave open the possibility of courts finding implicit waiver in other appropriate circumstances, should they arise. Second, the circumstances enumerated should not create irrebuttable presumptions of waiver in all cases. In some cases, a government may expressly negotiate an agreement with limitations as to where and how an award can be enforced, including execution against state assets. Along the lines of the recently enacted Australian statute, we would suggest that the amendment provide for jurisdiction to enforce an arbitral award "subject to any inconsistent provision in the agreement."

As my comment on H.R. 3137 implies, we also support the concept of the short bills, H.R. 3106 and 4342, that arbitral awards rendered under the New York convention shall be enforceable notwithstanding sovereign immunity. However, we are prepared to deal with enforcement of agreements and awards more extensively along the lines of H.R. 3137, as I indicated. We would have technical suggestions to make on the drafting of the shorter bills if it were decided to proceed with them. In particular, we believe that all aspects of sovereign immunity should be codified in the FSIA, although a reference in the Arbitration Act would be appropriate.

Act of State Doctrine

H.R. 3137 proposes legislative annulment of the act of state doctrine in three categories of cases against sovereigns: expropriation, breach of contract, and enforcement of arbitral awards.

We support the proposal in H.R. 3137, 3106 and 4342, to exclude the possibility that the act of state doctrine could bar the enforcement of an arbitral award. Enforcement of an arbitral award ought not be denied on grounds that the act of state doctrine would have barred a U.S. court from entering a decision on the merits of the claim. While we doubt that any such court decision would withstand the scrutiny of an appellate court, this issue is straightforward and we would consider it unobjectionable for this to be made clear by appropriate statutory provision. As a technical matter, we believe this should be done through amendment of the Arbitration Act, rather than mix act of state provisions into the FSIA.

The questions posed by the other two act of state proposals are more complex. The Department of State has consistently articulated a very skeptical view of applications or potential applications of the act of state doctrine by U.S. courts. The phrase "act of state" is often invoked on the basis of alleged foreign relations concerns with which the Department of State does not agree. Sometimes it is invoked, improperly, in lieu of sound consideration of the choice of law, defenses such as *force majeure*, or the appropriate jurisdictional reach to give a U.S. regulatory scheme in light of international comity considerations. We have addressed ourselves to the issues by intervention *amicus curiae* in a number of cases, generally in the expropriation area.

Accordingly, we belive that the ABA's proposals have merit. However, we feel the need for further study, not only by the government, but by scholars and private practitioners. We understand that the ABA Section of International Law and Practice, while having recommended the elimination of the doctrine in expropriation, breach of contract and arbitration cases against the foreign state which fall within the FSIA's exceptions to immunity, currently has a committee engaging in a broader study of the doctrine. We are prepared to look carefully at the possibility of legislation limiting the use of the doctrine by broadly adopting the "reverse Bernstein" approach.

We need to examine more closely the potential implications of such a legislative limitation. For example, how would it affect court application of comity considerations which often underlie a so-called act of state decision? How would or should it affect the applicability of a foreign act alleged to violate the foreign state's own constitution or the technical provisions of an international agreement, but not important norms of customary international law. How would or should it affect a contract case when a change in a foreign state's law is alleged to excuse a failure by that state, its agency or instrumentality to perform a contract according to its terms? How would or should it affect an antitrust claim against a foreign state agency or instrumentality where it is carrying out state policy, for example in marketing natural resources? How would or should it affect the use of U.S. domestic courts for expropriation claims directly against a foreign state itself, where this is not a counterclaim and not an action directed at property in the United States?

We should also consider changing the act of state presumption more generally, not simply in the case of actions brought against sovereigns or their agencies and instrumentalities, but in cases against private parties as well. Given the foreign relations underpinnings of the act of state doctrine, it may seem anomalous to remove or limit it in the FSIA context for cases brought against foreign governments themselves, but to leave it in place for cases brought against private defendants. As sensitive as it is for a U.S. court to sit in judgment on a foreign governmental act relevant to private party litigation, it is substantially more sensitive for a U.S. court do so in the exercise of jurisdiction over the sovereign itself.

A key factor in determining our position will be whether, after a period of further study, we are able to satisfy ourselves that a new statutory limitation can be adopted without undermining the appropriate use by the courts of related doctrines such as comity and the distinction between governmental and commercial actions of states.

Execution of Judgments and Awards Against Any Commercial Assets

The proposals to reduce the immunity of state commercial assets from execution of judgments and awards raise the most complex and difficult issues for us.

Under the FSIA, if an agency or instrumentality of a foreign state engages in commercial activity in the United States, all of its property is subject to execution in satisfaction of a judgment. The property of the state itself, however, is subject to execution only when one of five narrowly drawn exceptions set out in §1610(a) applies. Under the current exception for commercial property, state property used for commercial activities is generally subject to execution only if it "is or was used for the commercial activity upon which the claim is based." This means that there must be a nexus between the cause of action and the property.

The proposed amendments would eliminate this nexus requirement and subject to execution for any valid judgment any property of the foreign state which is "used or intended to be used for a commercial activity in the United States."

We are sympathetic to the concern that the present nexus requirement might be interpreted in too rigid a fashion. For example, a judgment creditor should not necessarily have to find the precise property used in the events underlying the case. However, H.R. 3137 would remove this nexus entirely for all cases. We are not aware of any pattern of cases in which judgments have been obtained and gone unsatisfied because of overly narrow interpretation or application of this provision.

Let me discuss the potential difficulties we see with this proposed amendment.

First, the total removal of a nexus requirement for commercial activities and execution would increase the potential for default judgment problems. In the commercial area, we are not persuaded that there is a sufficient actual problem to warrant this.

In the area of international finance, trade, and commerce, few if any actual problem cases have been cited arising from the immunity from execution of state assets not related to the cause of action. The absence of any substantial body of practical problems appears to reflect several factors. Most states and state agencies or instrumentalities value their commercial reputation and will honor their commercial debts. Much of state trading, the state activity which is commercial in purpose, is carried out not directly by the states themselves but by state agencies and instrumentalities. Under current law, all property of such entities is already subject to execution to satisfy any judgment against the entity, whether or not the claim relates to the particular property. In commercial or financial dealings between private parties and the state itself, many difficulties are avoided by negotiating the basic issues of dispute settlement, security guarantees, and waivers of immunity. While private parties do not always have the bargaining power to get the agreement they want, the marketplace adjusts for these risks to a substantial degree. Further, there is growing use of arbitration to settle disputes between private business and the foreign sovereigns with whom they deal, a trend we are promoting actively. In short, we are not convinced of a need outweighing potential disadvantages in the commercial area.

Even in the commercial tort area, the State Department has no substantial experience of judgments unpaid and unsatisfied because unrelated commercial property in the United States was immune from execution for that judgment. Commercial torts generally are not politically sensitive since the foreign state essentially is acting like a private person.

Second, the total removal of a nexus requirement would open state commercial property to execution for noncommercial tort judgments. This is a far more sensitive area than the commercial

tort area. The United States has provided court jurisdiction over states themselves for their commercial torts in our territory and commercial torts abroad with sufficient connection to the United States. However, in the noncommercial tort area, we have been more circumspect. The FSIA provides no jurisdiction for noncommercial torts abroad of states or their agencies and instrumentalities, and limits categories of noncommercial torts in the United States over which courts may take jurisdiction. For example, the FSIA excludes jurisdiction over torts arising out of discretionary acts, and over a number of specific kinds of tort actions, as is done under the Tort Claims Act for the U.S. Government itself, that are considered potentially difficult vis-a-vis foreign states and their agencies and instrumentalities, such as slander, misrepresentation, and interference with contract rights. Moreover, the FSIA provides for execution against the assets only of state agencies and instrumentalities that lose noncommercial tort cases; through the nexus requirement, property is generally not available for execution to satisfy such judgments against a state itself.

There is good reason for the caution we have shown in affording less tort jurisdictions over state-owned enterprises than over their privately owned counterparts. These go beyond the already noted considerations such as novel theories of liability and large judgments encountered in the United States. The statutory language as drafted might be interpreted to go beyond the kind of garden variety negligence cases which appear to have been the problem in mind at the time the FSIA was drafted. It might, for example, be applied, or perhaps misapplied, to deliberate government wrongdoing. Where deliberate policies of one state are alleged to cause injury in another, domestic judicial proceedings and remedies in the victim's state against the alleged perpetrator state itself would have political significance and consequences. This is particularly true when the allegations involve violation of important rules of international or domestic law. States, including the United States, are generally reluctant to enter into the domestic courts of another state to defend themselves against charges of serious violations of law, making the noncommercial tort area one with particularly high potential for default judgments.

We have proceeded cautiously in the past even with regard to ordinary torts. The serious problem we had with automobile accidents is an example. Where individuals without diplomatic or other immunity from legal process were responsible, they could be pursued in private court actions, but where diplomats or cars on official diplomatic business were involved, there were difficulties. We provided for compulsory insurance rather than subject diplomats to suit or governments generally to execution against all their commercial property.

In other kinds of tort cases, we may have an even greater need to maintain some political branch control of the actions taken in response to foreign state wrongdoing, even in our own territory. Where the act is criminal, we may elect to pursue the individual perpetrators for prosecution and demand their extradition from the offending state. Against the state itself, we can attempt to obtain redress of private injury through diplomatic pressures. However, the decision on sanctions against the economic interests of the state or seizure of state property in such cases, with its concomitant potential for retaliation and disruption of broader relations between the United States and that country, might not always be best left solely a matter of judicial response to private petition.

Our **third** concern is that the proposed amendment would increase the opportunities to execute against bank accounts used to maintain and operate a governmental mission in the United States. In partial response to this concern, the bill incorporates an exception recognizing the immunity of diplomatic and consular property, but removes that immunity from diplomatic and consular bank accounts if they are used to any extent for purposes unrelated to diplomatic or consular functions. However, if bank accounts of diplomatic or consular missions are used for purposes outside the scope of the mission's diplomatic or consular functions, the State Department would want to deal with this improper use on a government-to-government basis. It could unduly interfere with the functioning of diplomatic or consular missions to strip automatically the entire operating account of such a mission of diplomatic and consular immunity from execution—to which it may be entitled under international law.

Fourth, the suggestion that courts examine not only the uses being made of property but the intended future use invites speculation and intrusive inquiry, perhaps supported by discovery, about the intentions of governments. We would oppose that language and the uncertainty and unnecessary offense it could create.

Fifth, removal of the nexus requirement would increase the potential for execution against property held by an entity juridically separate from the one substantively liable for the underlying claim. It has been argued that this would be precisely the right result and that a judgment against a government should be executable, for example, against aircraft of the state-owned airline. In the somewhat analogous private setting, however, a judgment against a parent corporation can be executed against the parent's property interest in the subsidiary, but it normally cannot be executed against individual assets of the subsidiary. While states have immunities private corporations don't enjoy, international practice appears nevertheless to respect the distinction between the property of a state and that of its individual separate juridical entities. Subject, of course, to such exceptions as the normal equitable rules for piercing corporate veils in limited circumstances, overriding those distinctions would create difficulties. Whether or not the nexus requirement is relaxed, the act should continue to respect the distinction between juridically separate entities.

Weighing all these concerns, we believe that we should remove the nexus requirements at present only for commercial property seized to satisfy an arbitral award which the losing state refuses to pay. This would be a particularly important development in support of our investment protection policy. We strongly encourage arbitration between investors and foreign governments, for example through our bilateral investment treaty program, and it is important that remedies are provided so that arbitral agreements are meaningful. In these cases, the foreign sovereign agreed to the third party dispute settlement and had the opportunity to shape the composition of the forum, its rules, and the choices of law involved. Execution against property is less likely to cause political difficulties where the award results from such a consensual process than where the judgment was rendered by the domestic courts of another state under a compulsory process to which the defendant objects.

For the time being, we believe a nexus should still be required for court judgments other than those confirming arbitral awards. Arbitral awards form a class of cases which has substantially less potential for troublesome judgments than the tort area. We recognize that the nexus requirement can be burdensome to a successful litigant. However, from our initial review, we have not

seen evidence of a significant pattern of cases in which a successful claimant was frustrated by the nexus requirement. Moreover, there is potential for difficult default situations even in the area of commercial activities, as in the *Huguang* bonds case. While some other restrictive immunity states do not appear to have a nexus requirement, others continue to require. We believe we should gain some experience with its removal from arbitral award enforcement and survey actual case experience in other jurisdictions before going further.

Prejudgment Attachment

The proposed amendment would retain the immunity presently provided, absent express waiver, for property of the foreign state itself, but would remove it for property of a state's agencies or instrumentalities "engaged in commercial activities" in the United States. This could affect not only state-owned commercial enterprises, but also more difficult to characterize mixed entities, and even entities like cultural missions whose functions may be governmental but which, like entities, must engage in commercial acts or activities, such as purchasing supplies and services, to maintain that mission here.

There would seem to be little foreign relations problem in removing immunity from prejudgment attachment for the essentially commercial enterprises which some governments own. These do not appear to be treated by other countries as part of the state for sovereign immunity purposes. They do not generally engage in governmental acts. For this reason, we are prepared to support a change which would place the state-owned essentially commercial enterprise in the same position regarding prejudgment attachment as its privately owned counterpart, except to the extent of its governmental activities, if any.

Beyond this, however, the proposed amendment regarding prejudgment attachment raises serious difficulties. The proposed amendment contains some traditional safeguards, including provision for a bond. Nevertheless, applied to mixed government entities or instrumentalities beyond the essentially commercial ones which happen to be government-owned, prejudgment attachment carries with it a potential for harassment and pressure on sovereigns which the FSIA, wisely in our view, decided to eliminate from U.S. law.

It is sometimes said that the Iran crisis demonstrates the need to have prejudgment attachment. However, that extraordinary crisis created problems we addressed through crisis-oriented measures, including an assets freeze, Treasury licensing of prejudgment attachments, and the ultimate dissolution of those attachments by the executive branch in order to implement the Algiers accord which established an arbitral tribunal to settle the claims. The Iran crisis does not lead us to conclude that the property of all foreign state agencies and instrumentalities engaged in commercial activity ought to be made subject to prejudgment attachment, absent waiver, in normal times. Rather, we believe it suggests that, especially in a crisis, there may be a need for political branch control over such attachments. Before concluding that a change were called for regarding the agencies or instrumentalities which are partly or wholly governmental in activities, we would want to learn the extent to which the present law has frustrated parties who have won U.S. judgments, but have been unable to collect because the state agency or instrumentality removed commercial assets that had been in the United States at the time the suit was instituted. We would also want to look at the extent to which these suits involved commercial or financial deals in which the security guarantees and waivers or immunity or the absence thereof are part of the bargaining. Parties may enter into badly safeguarded deals with foreign states, but this may not call for legislative correction.

In sum, we believe that state-owned commercial enterprises should be placed in the same position as their private counterparts. However, prejudgment attachment can be particularly disruptive when applied to agencies or instrumentalities which are engaged in both governmental and commercial activities. We see no demonstrated need for permitting prejudgment attachment for such agencies and instrumentalities of mixed function. Such treatment could also produce problems for the United States abroad, which the Department of Justice will address.

Foreign Government Loan Transactions

The proposal to specify that "commercial activity" includes "any promise to pay made by a foreign state" and the issuance of debt securities or loan guarantees appear to us a solution in search of a problem. There appear to have been no difficulties encountered by the courts or financial community in this regard under the present statute. It has been suggested that the failure of the U.S. statute to be as specific about financial transactions as the United Kingdom's statute is undesirable. We have seen no evidence that this has noticeably impaired the competitiveness of U.S. financial markets or deprived any lender of its claim.

In this respect, as well as others discussed above, we are tempted to invoke the old saw: "If it ain't broke, don't fix it." If specific examples can be shown where our law has put us at a competitive disadvantage or otherwise harmed U.S. interests, we are prepared to consider fixes. But we are reluctant to run the risk of fixes for hypothetical gain.

Maritime

The Department of Justice will address the proposed amendments to the FSIA maritime provisions. We accept their evaluation and concur in the adoption of the proposed amendments which would, *inter alia*, reduce the penalties for improper arrest of a state-owned vessel and bring our practice regarding security interests more closely into line with international practice.

Additional Issues for Consideration

I noted at the outset that there are problems which the proposed amendments do not address. Some relate to default judgments. Others relate to the exclusivity of the FSIA and to discovery against foreign states.

Let me stress that the Administration does not have proposals at this time and is still considering these issues. However, it may be useful to describe the issues and possible solutions.

Default Judgments

To deal with the default problem, the antidefault provisions of §1608(e) might be clarified and strengthened, the burden of production and persuasion might more clearly be put on the plaintiff, and the act might expressly provide that a state may make a special appearance on jurisdiction without thereby subjecting itself to personal or subject matter jurisdiction.

Section 1608(e) provides that there shall be no judgment by default against a foreign state or state agency or instrumentality unless that claimant establishes his claim "by evidence satisfactory to the court." Under this standard some courts have not only declined to consider available defenses if the sovereign state defendant does not

appear but also have declined even to make inquiries into the basis for plaintiff's assertion of jurisdiction.

In addition, some states still subscribing to the absolute theory of sovereign immunity are extremely sensitive about submitting to the jurisdiction of a foreign court in apparent contravention of their principles. A provision expressly permitting a special appearance for the purpose of contesting the court's jurisdiction without waiving any immunity they may enjoy could assist in persuading them to resolve cases against them within the framework of our judicial system.

Most importantly, it must be a serious matter to file lawsuits against foreign states in U.S. courts. Now, suits can be filed with little or no risk of cost to the plaintiff, even if he loses. In some cases, there may be a political motivation for the suit and a well founded expectation that the foreign sovereign will not appear, resulting in a default judgment that can be used for harassing actions against assets. One step we are considering is to provide for the award of fees to the winning defendant and require posting of a bond for reasonably anticipated defendant attorneys' fees. Adopting a type of English rule on attorneys fees for cases against foreign states would not guarantee against harassing litigation. But it may avoid some and encourage some states to defend such cases, either in the first instance or in a subsequent action to set the judgment aside.

Exclusivity

Exclusivity of the FSIA should not be the problem it is. The FSIA and its legislative history clearly reflect Congress' view that the FSIA is the exclusive basis under U.S. law for jurisdiction over a foreign state. Yet some courts have concluded otherwise. The Alien Tort Claims Act, 28 USC [United States Code] 1350, has been a source of confusion. This law, provides that federal courts shall have jurisdiction for any civil action by an alien for a tort "committed in violation of the law of nations or a treaty of the United States." Although §1350 raises a number of questions, one point should be clear: no statute predating the FSIA such as §1350, and no later statute which does not expressly override the FSIA, provides a basis for suing a foreign state where personal and subject matter jurisdiction does not lie under the FSIA. We are considering whether, to reduce the risk of future error by the courts, this point should be more expressly stated in the FSIA.

Discovery

The FSIA has no special provisions for discovery against foreign states. The potential breadth of discovery and the threat of sanctions for contempt can present serious difficulties, particularly before the state's claim to immunity has been decided. While the courts have the power to manage discovery against foreign states with restraint, there could be some benefit in legislative safeguards such as restricting discovery to the jurisdictional issue until jurisdiction is established and limiting contempt sanctions. A number of other states have limited such sanctions in their sovereign immunity legislation.

State-Owned Commercial Enterprises

In discussing H.R. 3137, I stated our support for allowing prejudgment attachment against state-owned commercial enterprises. We are also considering whether there is any reason that state-owned commercial enterprises have special immunity from tort suits to which private counterparts would be subject. We are also examining whether it might be desirable to remove truly commercial enterprises, such as state-owned airlines, from the FSIA in other respects.

Conclusion

H.R. 3137 and related bills represent a fine initiative to improve our law in an important area. They contain some proposals on which we believe useful amendments can go forward now. We have suggested additional areas in which proposals for amendments might be forthcoming. We are prepared to work with the sponsors and the interested groups to draw up a revised set of proposals which we could support for prompt enactment.

Regarding the more difficult proposals for change, we are seeking further information on the reactions of other nations and their current practice. We have put some questions to a number of other governments. We have only begun to receive responses. We hope to be able to share the results of this inquiry with the committee in due course. We also expect that these hearings will produce useful information regarding the nature, degree, and significance of the problems actually encountered by private litigants in these other areas. We, quite frankly, have been apprised over the years of very few cases indicating a need for the more potentially troublesome statutory changes being proposed.

With that information and the results of this hearing, we may have a better basis for the formulation of additional proposals to enhance fairness in the handling of claims against foreign sovereigns without creating offsetting problems for our foreign relations interests and U.S. interests in other countries.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Arms Sales to Saudi Arabia

WHITE HOUSE STATEMENT, MAY 6, 1986[1]

This week Congress will turn to consideration of a missile sale to Saudi Arabia. On April 8 President Reagan notified the Congress of his intent to sell these air and sea defense missiles to the Saudis. These weapons are not new to Saudi Arabia; all have been sold previously and are already in the Saudi inventory.

The United States has vital interests in the Persian Gulf. They include supporting the security of friendly moderate states, countering radical forces, preventing Soviet expansion, and maintaining the free flow of oil. The sale will protect and advance our own interests in the following specific ways.

- It supports Saudi air defense into the 1990s.
- It continues a bilateral security relationship which has been supported by every President since Franklin D. Roosevelt and which remains the key to gulf defense, to cooperation throughout the region, and to the search for peace.
- Completing the sale now, even though the missiles will not be delivered for several years, makes clear that we support Saudi self-defense.

The missile numbers have been calculated by the U.S. Air Force as necessary to meet realistic threat projections in the period when they will be delivered. They present no threat to Israel and in no way undercut the absolute determination of the United States

to preserve Israel's qualitative military edge in the region. These missiles are subject to stringent security safeguards. The Saudis have an outstanding record in this regard and have never allowed any U.S. weapon to fall into unauthorized hands. Moreover, if the United States fails to help the Saudis in this important area, they are certain to get the weapons they need from other sources who are unlikely to share America's concern for Israel's security.

The United States and Saudi Arabia have many similar interests beyond the gulf, and our actions are often mutually supportive. They have helped in U.S. efforts to support moderate governments in Egypt, Jordan, and Sudan and have worked quietly in the search for peace in Lebanon, in the Arab-Israeli conflict, and in the Iran-Iraq war.

We are engaged in a critical struggle against Libyan-supported, state terrorism. Saudi Arabia has consistently worked behind the scenes to discourage terrorism from any source.

Saudi Arabia is a firm friend of the United States. Our own interests require us to help Saudi Arabia meet its legitimate security needs in the face of growing regional threats. Therefore, the President strongly urges the Congress to support this important sale.

WHITE HOUSE STATEMENT, MAY 7, 1986[1]

Today the House joined the Senate in voting to disapprove the proposed sale of defensive missiles to Saudi Arabia. By this action, the Congress has endangered our longstanding security ties to Saudi Arabia, called into question the validity of U.S. commitments to its friends, and undermined U.S. interests and policy throughout the Middle East, in particular our ability to act as a balanced arbiter in the search for a peaceful resolution to the Arab-Israeli conflict. The President will not allow this to happen. It must be clearly understood that this sale of defensive arms is not proposed as a favor to the Saudis, but because it is in America's interest to help our friends defend themselves against the forces of radicalism and terror. Therefore, it is the President's intention to veto this resolution and to work actively with members of both Houses of Congress to sustain that veto.

MESSAGE TO THE SENATE, MAY 21, 1986[2]

I am returning herewith without my approval S.J. Res. 316, a resolution that would halt the proposed sale of defensive missiles to Saudi Arabia

The U.S. defense relationship with Saudi Arabia was started by President Roosevelt in 1943 and endorsed by every President since. I cannot permit the Congress to dismantle this long-standing policy, damage our vital strategic, political and economic interests in the Middle East and undermine our balanced policy in that region.

The American people and their representatives should understand that this sale is in our interests. It is not just a favor to our friends in Saudi Arabia. Moreover, it is not being done at anyone's expense.

The security of Israel remains a top priority of this Administration. This sale will not endanger Israel's defenses, a fact that is underscored by Israel's decision not to oppose the sale.

Stability of the oil-rich Persian Gulf is another goal of great importance. In a region living in the shadow of the tragic and gruesome Iran-Iraq war, and threatened by religious fanaticism at its worst, we cannot afford to take stability for granted. Saudi willingness to stand up to Iranian threats has been key in preventing the spread of chaos. It has been Saudi Arabia's confidence in our commitment to its security that has allowed it to stand firm.

But Saudi Arabia produces no weapons of its own and we have not sold the Saudis new arms in almost 2 years. If we suddenly shut off that supply, it will weaken our own credibility, as well as the Saudis' ability to defend themselves. It would send the worst possible message as to America's dependability and courage.

Behind the scenes, the Saudis have aided the effort to combat terrorism, which is as much, if not more, of a threat to them as it is to us. Recently, they refused Qadhafi's requests for aid. Several times in recent months, they have been instrumental in offsetting unjust criticism of the United States and preventing radical states from undertaking joint action against our country.

The Saudis have proven their friendship and good will. They have assisted our efforts to support responsible governments in Egypt, Jordan and Sudan. They have worked quietly in the search for peace in Lebanon, in the Arab-Israeli conflict and in the Iran-Iraq war. They also provide impressive assistance to the government of Pakistan and to Afghan refugees.

In the long run this sale will be good for America, good for Israel, good for Saudi Arabia and good for the cause of peace.

I ask members of both parties to sustain this veto and to join me in protecting our country's vital interest.

RONALD REAGAN

PRESIDENT'S STATEMENT, JUNE 5, 1986[3]

Today's vote in the Senate on the Saudi arms sale confirms America's commitment to a security relationship that has served both the United States and Saudi Arabia well over the past 40 years.

The United States continues to consider the security and well-being of Saudi Arabia and the stability of the Persian Gulf to be a matter of vital interest. Similarly, our commitment to freedom of navigation in the gulf remains firm.

We are determined to work with the Saudis and other friendly states to achieve our shared goal of peace and stability in the region.

[1]Text from Weekly Compilation of Presidential Documents of May 12, 1986.
[2]Text from Weekly Compilation of Presidential Documents of May 26.
[3]Text from Weekly Compilation of Presidential Documents of June 9. ■

Sale of AWACS Aircraft to Saudi Arabia

LETTER TO THE CONGRESS, JUNE 18, 1986[1]

By letter dated October 28, 1981, I assured then-Senate Majority Leader Baker that the proposed transfer to Saudi Arabia of AWACS [airborne warning and control system] aircraft would not occur until I had certified to the Congress that specified conditions had been met. Subsequently, Section 131 of the International Security and Development Cooperation Act of 1985 ("ISDCA") incorporated the text of that letter, with its conditions for certification, into legislation.

I am pleased to inform you that all conditions set forth in my October 28 letter and repeated in Section 131 of the ISDCA have now been met and that I herewith forward to you my certification to that effect. Through the extensive efforts of the Defense and State Departments, agreements and other actions necessary to fulfill these requirements have been concluded.

I now wish to draw particular attention to the sixth condition that I have certified. I remain convinced that, as I stated in 1981, the sale of these AWACS aircraft to Saudi Arabia will contribute directly to the stability and security of the area and enhance the atmosphere and prospects for progress toward peace. I also believe that significant progress toward peaceful resolution of disputes in the region has been accomplished with the substantial assistance of Saudi Arabia. These perceptions are strengthened by a review of events of the last five years.

The current deployment of U.S. AWACS aircraft to Saudi Arabia has contributed significantly to the stability and security of Saudi Arabia and the region as a whole. The Royal Saudi Air Force's (RSAF) gradual assumption of the role now performed by the U.S. AWACS aircraft will continue this contribution. Over the past five years the U.S. AWACS aircraft have demonstrated their ability to detect approaching Iranian aircraft well before they would be detected by ground-based radar. This early detection, coupled with the demonstrated resolve of the RSAF to deploy its F-15s and engage aggressor aircraft, has deterred Iran from escalating attacks against targets on land and in Gulf waters under the Saudi protective umbrella. The Saudi commitment to a strong defense as evidenced by such measures as the AWACS acquisition, past defensive military action, and efforts to organize collective security among the member states of the Gulf Cooperation Council (GCC), taken together with the Kingdom's obvious lack of aggressive intent, have contributed and will continue to contribute to the stability and security of the area. Our continued success in helping to support regional stability will diminish prospects that U.S. forces might be called upon to protect the governments, shipping lanes, or vital petroleum resources of the region.

Saudi Arabia has firmly supported every significant diplomatic effort to end the Iran-Iraq war. Mediation missions under the auspices of the United Nations, the Organization of the Islamic Conference, and third countries acting independently have received Saudi diplomatic and facilitative assistance. In encouraging a negotiated settlement of the conflict, the Saudis have made clear their preference that the war end without concessions of sovereignty by either side.

Saudi efforts to advance the Arab-Israeli peace process have been substantial. The Fahd Peace Plan and the Arab endorsement of the plan embodied in the 1982 Fez Communique significantly and irreversibly modified the Arab consensus of the three "no's" enunciated at the 1968 Khartoum Summit, i.e., no recognition, no negotiation, and no conciliation with Israel. The Fez Communique moved the formal Arab position from rejection of peace to consideration of *how* to achieve peace with Israel. The plan's statement that all states in the region should be able to live in peace was an implicit acceptance of the right of Israel to a secure existence. The concept of land for peace was a direct reflection of U.N. Resolution 242. While various elements of the Fez Plan differ from our views, the Plan remains the single largest step toward peace on which the Arab world has been able to agree. The existence of this consensus provided a base from which King Hussein felt he could launch his initiative to bring Israel, Jordan, and the Palestinians to the negotiating table in 1984-85.

Saudi Arabia has signaled its tacit support for King Hussein's moves to lay the foundation for peace negotiations by continuing substantial financial assistance payments to Jordan following critical steps in the process, i.e., after Jordan resumed diplomatic relations with Egypt and again after the February 1985 agreement between Hussein and PLO [Palestine Liberation Organization] Chairman Arafat. Despite vocal Syrian opposition, the Saudis sent official observers to the Amman Palestine National Council meeting in late 1984 where moderate Palestinians made a decision to break with the radicals thereby opening the way for King Hussein to begin his peace initiative.

During the subsequent and continuing debate over how to make peace with Israel, the Saudis have consistently lent support to moderate Arab governments. Egypt's readmission to the Organization of the Islamic Conference was significantly assisted by crucial Saudi support for a procedural motion calling for a secret ballot on the readmission vote. Following the police riots in Cairo in February of this year, the Saudi Council of Ministers issued a statement supporting President Mubarak.

Although its efforts, like our own, met with limited success, Saudi Arabia played a major and highly visible role in attempts to arrange a lasting cease-fire in Lebanon. In the August 1983 efforts of Crown Prince Abdullah and Prince Bandar to bring an end to fighting in the Shuf mountains, and again through observers at the Geneva and Lausanne Lebanese national reconciliation talks, Saudi Arabia sought to bring peace to a moderate Arab nation and establish the framework for stable government. The Saudis also proved supportive of Lebanese efforts to negotiate directly with Israel conditions for Israeli withdrawal from southern Lebanon. In this regard, the Saudis supported Lebanese efforts to win Syrian consent to compromises necessary to reach agreement.

Saudi Arabia has provided crucial support for Sudan during that country's transition to a democratic form of government. Furthermore, it has established a significant record in working for regional stability and settlement of regional disputes in countries beyond its immediate neighborhood. Saudi aid has been crucial to the Afghan cause and significant to Pakistan, Morocco, and Tunisia. Despite limitations imposed by concern for its own security, the depth of regional animosities, and the need to establish and work within an Arab consensus, Saudi Arabia has assisted substantially the significant progress that has been made in the peaceful resolution of disputes in the region.

Saudi Arabia has publicly condemned terrorism and terrorist actions, having itself been a victim of terrorism. More important, it has taken practical actions to oppose terrorism regardless of its origins.

I am convinced that the assurances I made in my letter to Senator Baker have been amply fulfilled. A firm foundation has been laid for close and continued U.S.-Saudi cooperation in operating the Saudi AWACS and in building an air defense system for Saudi Arabia and the GCC. By contributing to the self-defense of these countries, we are diminishing the likelihood of direct intervention by U.S. forces in defense of vital Western interests. At the same time, we are encouraging forces of moderation which, if they prevail, will bring lasting peace to a turbulent region.

Sincerely,

RONALD REAGAN

CERTIFICATION OF CONDITIONS REQUISITE TO TRANSFER OF AWACS AIRCRAFT TO SAUDI ARABIA

In accordance with Section 131 of the International Security and Development Cooperation Act of 1985, P.L. 99-83, I hereby certify that the conditions set forth in my communication of October 28, 1981, to the Senate with respect to the transfer to Saudi Arabia of five E-3A airborne warning and control system (AWACS) aircraft have been met, specifically:

1. Security of Technology

A. That a detailed plan for the security of equipment, technology, information, and supporting documentation has been agreed to by the United States and Saudi Arabia and is in place; and

B. The security provisions for Saudi AWACS aircraft are no less stringent than measures employed by the United States for protection and control of its equipment of like kind outside the continental United States; and

C. The United States has the right of continual on-site inspection and surveillance by U.S. personnel of security arrangements for all operations during the useful life of the AWACS. It is further provided that security arrangements will be supplemented by additional U.S. personnel if it is deemed necessary by the two parties; and

D. Saudi Arabia will not permit citizens of third nations either to perform maintenance on the AWACS or to modify any such equipment without prior, explicit mutual consent of the two governments; and

E. Computer software, as designated by the United States Government, will remain the property of the United States Government.

2. Access to Information

That Saudi Arabia has agreed to share with the United States continuously and completely the information that it acquires from use of the AWACS.

3. Control Over Third-Country Participation
A. That Saudi Arabia has agreed not to share access to AWACS equipment, technology, documentation, or any information developed from such equipment or technology with any nation other than the United States without the prior, explicit mutual consent of both governments; and

B. There are in place adequate and effective procedures requiring the screening and security clearance of citizens of Saudi Arabia and only cleared Saudi citizens and cleared U.S. nationals will have access to AWACS equipment, technology, or documentation, or information derived therefrom, without the prior, explicit mutual consent of the two governments.

4. AWACS Flight Operations
That the Saudi AWACS will be operated solely within the boundaries of Saudi Arabia, except with the prior, explicit mutual consent of the two governments, and solely for defensive purposes as defined by the United States, in order to maintain security and regional stability.

5. Command Structure
That agreements as they concern organizational command and control structure for the operation of AWACS are of such a nature to guarantee that the commitments above will be honored.

6. Regional Peace and Security
That the sale contributes directly to the stability and security of the area and enhances the atmosphere and prospects for progress toward peace. Significant progress toward the peaceful resolution of disputes in the region has been accomplished with the substantial assistance of Saudi Arabia.

I will provide separately to the Congress, under appropriate procedures, those contracts and agreements pertinent to this sale and certification, including those whose confidentiality must be preserved.

[1]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate (text from Weekly Compilation of Presidential Documents of June 23, 1986). ■

Strategic Modernization Program

WHITE HOUSE STATEMENT, JUNE 3, 1986[1]

The President sent a message[2] to Congress today that called upon the Congress to fully support his budget request for strategic modernization and the Strategic Defense Initiative. The President views this message as a companion piece to his recent statement on interim restraint with respect to the SALT treaty limitation on strategic weapons.

The President noted that over the past 5 years, with the support and cooperation of the Congress, we have made substantial progress in rebuilding our deterrent capabilities. We can be justifiably proud of what we have accomplished by working together, but much more remains to be done. While recognizing the progress we have made, we must be clear that the advanced systems which have been proceeding through intensive ***development*** programs during the past 5 years are only now beginning to be deployed. Those unfamiliar with the sequence of research, development, and deployment all too often assume that our commitment to build a new system results in its immediate deployment. This error may explain the view held by some that we have now accomplished enough in restoring our strategic capabilities and that we can begin to cut those programs significantly. In fact, the real benefits of our strategic modernization efforts will be realized only if we complete the tasks that we have begun with the research and development phase.

We recognized in 1981, when we began to modernize our defenses in response to the Soviet buildup, that we had to make strategic modernization our first priority. We have done so, and it has paid clear dividends. Our strategic programs have been models of management efficiency where we have kept them stable and on track. Internationally, our progress has paved the way to negotiations now in progress, where for the first time the prospect of deep nuclear arms reductions is before us.

As our negotiators in Geneva seek equitable and verifiable agreements, they are mindful that we have no more urgent task in preserving peace and freedom than the prevention of nuclear war. The strategic programs now before the Congress represent a vital foundation to this search for a stable peace. They are designed to restore and strengthen our traditional approach to deterrence while we explore through our Strategic Defense Initiative the feasibility of harnessing advanced technologies in order to usher in a safer world.

We must also always remember that maintaining a strong nuclear deterrent does more than prevent nuclear war. Strong U.S. deterrent forces also contribute significantly to preventing major conventional aggression. In calculating what they call "the correlation of forces," the Soviet political and military leadership are mindful of the state of the nuclear balance between the United States and the Soviet Union. As a result, a strong U.S. strategic deterrent decreases the threat of any Soviet aggression and serves as the vital background which discourages Soviet conventional attack upon our allies or our interests abroad. A weak nuclear deterrent leaving the Soviet Union with superior nuclear forces could have the opposite effect. It could invite the Soviet Union to rely on such an advantage and to use conflict or coercion to achieve their objectives. Our strategic programs provide, therefore, a beneficial effect which far outweighs the less than 15% of the defense budget they consume. They are affordable, they are vital, and they respond to an increasing threat.

In considering our proposed funding for strategic programs, the President asks each and every Member of Congress to consider the stakes involved. The Congress can proceed along the path of strategic modernization we charted 5 years ago and strengthen thereby our ability to deter both conventional and nuclear coercion or aggression. It can permit us to proceed as quickly and efficiently as possible through the Strategic Defense Initiative to determine how we can create a safer world and ensure peace and stability for the long term. Alternatively, by cutting here and trimming there, Congress can stretch programs, thereby delaying scientific results; postponing the deployment of capabilities, which we all agree are necessary; and as a further penalty, increasing programmatic costs. The President knows which choice the American people would make.

Thus, we come to one of those unique crossroads of history where nations decide their fate. Our choices are clear: We can hold firm to our policies of modernizing to maintain our deterrent strength that has preserved the peace

for 40 years, or we can shrink from the challenge by offering a host of excuses. We can strengthen the hand of our negotiators in Geneva in their efforts to achieve deep, equitable, and verifiable reductions; or, by unilaterally reducing our forces, we can make a mockery of the only process that leads us toward meaningful arms control.

The President is confident that the Congress will therefore join with him to protect the strategic modernization programs that make these negotiations possible. The Soviets are well informed regarding congressional support for our modernization programs. If they detect a collapse of American resolve, we will see no movement in the negotiations because the Soviets will know they are better off by letting the Congress reduce our programs unilaterally rather than by engaging in meaningful negotiations which would result in ***both*** U.S. and Soviet systems being reduced on an equitable and verifiable basis.

By standing together to protect these few programs that form the foundation of our national security, we will send a clearly different message. The world knows that there is no more powerful force than an America united and determined to protect its freedom. That is the message we must send forth to pave the way for peace in the years ahead.

[1]Read to news correspondents by Edward P. Djerejian, deputy press secretary to the President for foreign affairs, in the Briefing Room of the White House during the daily press briefing (text from Weekly Compilation of Presidential Documents of June 9, 1986).

[2]Text of message is in Weekly Compilation of Presidential Documents of June 9, 1986. ■

Narcotics Trafficking in Southwest Asia

by Ann B. Wrobleski

Statement before the Task Force on International Narcotics Control of the House Foreign Affairs Committee on May 13, 1986. Miss Wrobleski is Acting Assistant Secretary for International Narcotics Matters.[1]

The Department of State is offering testimony this afternoon concerning the narcotics production, trafficking, and control situations in Southwest Asia, focusing upon Pakistan, Afghanistan, India, Iran, Nepal, and Turkey.

There are four basic interrelated points we want to establish in this hearing, including new concerns about expanded opium production in the region and the capability of governments in the region to contain this expansion.

The first and most fundamental point to make about the narcotics situation in Southwest Asia is that, although Southwest Asia continues to supply approximately half of the heroin consumed in the United States (1984 Drug Enforcement Administration estimate), opium poppy production and even cannabis and hashish production in Southwest Asia are heavily influenced by consumption within that region and the Middle East. In this respect, the situation is not unlike that in Southeast Asia, but is markedly different from that in Latin America, where much of the illicit narcotics production is specifically targeted for the U.S. market.

The second point is that the production dynamic changed dramatically in the 1985–86 crop season, especially in Pakistan, where we estimate that the 1985–86 opium crop increased to a range of 100–150 metric tons, compared to an estimate of 40–70 metric tons in 1985. We believe much of the increase in Pakistani opium production was a result of three factors: (1) increasing prices for raw opium which led to cultivation of additional acreage; (2) highly favorable weather conditions which sharply increased yield; and (3) accelerating demand within the region for opium and heroin. While there is some possibility that the estimated increase in Pakistani opium production in 1986 could result in increased exports of opium products to the United States and Europe, the available information indicates that the increased production is being absorbed within the region. Moreover there was a change in the political system which resulted inadvertently in a period of governmental inaction.

The third point is that the higher levels of production needed to respond to this increasing indigenous demand increase the threat of expanded heroin exports to the United States. This heightens our concerns about the effectiveness of control and demand reduction programs within the region.

We are especially concerned about shortcomings in the Pakistani narcotics enforcement program. Moreover we are concerned about shifts in the trade routes and trafficking practices of the myriad drug cartels and organizations which ply this trade, especially the shifts through India and also through the Middle East, notably Lebanon.

But, the fourth point we want to make is that the recent unsatisfactory enforcement of the opium poppy ban in the Gadoon area of Pakistan does not represent a lasting breakdown in U.S.-Pakistani cooperation on eradication and control of narcotics trafficking. The top leadership of the government remains firm in its resolve to combat the drug problem; there has been progress on enforcement; and recent discussions at high levels of both governments persuades us that the problems encountered recently are temporary and will be overcome.

With that statement as background, let me proceed with a discussion of individual countries, beginning with Pakistan.

Pakistan

The narcotics situation in Pakistan has changed several times in the last decade. We are all familiar with the dramatic change in the late 1970s, when Pakistan emerged from a country which largely produced opium for its internal consumption to a major factor on the international market. In 1979, an estimated 800 tons of opium were produced, and the amounts intended for the international market were largely refined in Turkey, Sicily, and elsewhere for the the U.S. and European heroin markets. In the early 1980s, the dynamic changed again, and heroin laboratories emerged in Pakistan; they are a principal factor in the subsequent outbreak of heroin addiction in Pakistan.

In recent years, opium production in Pakistan had sharply declined, and the country's prominence in international narcotics was that of a principal refiner of Southwest Asian opium into heroin and the principal conduit for Southwest Asian heroin intended for the U.S. and European markets.

Those roles continue, but now Pakistan has re-emerged, at least in the 1985–86 season, as a major opium producer.

A number of factors converged to create the changed production situation in Pakistan. The best information available to us suggests that opium production yield would have increased from 70 to 100 metric tons in 1986 because of abundant rainfall. Increased planting in

response to higher prices for opium gum is estimated to have led to an expansion in the number of hectares under cultivation, with a further push upward on yield to as much as 150 metric tons.

In considering the continuing viability of the U.S.- and UN-assisted programs, it is important to note that the ban continued to be effectively enforced during the 1985–86 growing season in the Malakand, Buner, and Dir/Adinzai areas, where attempts were made to recultivate opium poppy and the crops were destroyed. As noted above, much of the expansion took place in the Gadoon, Dir, and tribal areas, the latter not covered by development agreements. In Gadoon, or Gadoon/Amazai, there had been progress in response to development assistance provided by the U.S. Agency for International Development (AID) through the 1984 and 1985 seasons. When enforcement was attempted in March of this year under the new civil government, physical opposition was encountered, and in the subsequent encounter, 13 people were killed, numerous injuries were sustained, and over 100 persons were arrested. The authorities eliminated about 500–600 acres of opium poppy of the targeted 2,500–2,900 acres.

Pakistani authorities concede that the crop should have been eliminated in all targeted areas in late December or January and that the delays in enforcement, which took place when the crop was mature and ready for harvest, compounded the situation which resulted in the shooting incidents. At the same time, Pakistani officials acknowledge that, at the time when action should have been taken, Pakistan was undergoing a change from martial law to civilian government, and the enforcement effort slackened during this transition.

Senior Pakistani officials, beginning with President Zia and Prime Minister Junejo, have been adamant in insisting that enforcement of the ban on opium production will be pursued with vigor during the fall and winter months of 1986 when the next crop will be cultivated. They will pursue the prior procedure, under which there is first a warning, followed by eradication of the crop where necessary in early stages of growth, and finally eradication if needed of any crops in latter stages of growth that may have escaped early detection. It must be noted that, as in the past, enforcement of the ban is directly linked to development assistance by the United States and United Nations. Much of the 1985–86 season increase in opium cultivation took place in Gadoon, Dir, and the tribal areas; the Dir and tribal areas are not yet covered by an enforcement agreement because development projects for those areas have not yet begun. Moreover, as indicated below, the increased price for a kilogram of opium, which jumped to 2,500 rupees, also stimulated increased planting.

While there was serious slippage this year in Pakistan's eradication program, particularly in Gadoon, the overall Pakistani Government record since 1979 remains impressive. The enforcement program, begun in 1983, has made steady progress. In 1985, for example, more than 6 metric tons of heroin were seized, as well as 55 metric tons of hashish. Drug Enforcement Administration (DEA) estimates that procedures implemented by Pakistani Customs at airports have resulted in a decrease in quantities of heroin shipped by air. A total of 90 heroin laboratories have been seized, including 29 in the past year.

Much remains to be done, however, on both the eradication and enforcement fronts. Availability of drugs has not been reduced, and investigations against major traffickers are inadequate. Treatment and prevention programs are embryonic. Public awareness of both trafficking and drug abuse-related problems need to be stimulated. More data are needed on causes and patterns of addiction. We will encourage action on all these fronts and also encourage increased regional cooperation, bilaterally as well as cooperation through the South Asian Association for Regional Cooperation.

But the new leadership under Prime Minister Junejo has demonstrated its commitment to our mutual goals. Over the past 4 months, the various narcotics issues have been fully discussed in meetings with the President, Prime Minister, the Minister of Interior, and others, meetings that have involved Attorney General Meese, Under Secretary [of State for Political Affairs] Armacost, former Assistant Secretary [of State for International Narcotics Matters] Thomas, and myself, as well as the U.S. Ambassador, who continues to apply strong leadership in constant dialogue with the government. We believe a strong, serious, cooperative relationship exists with respect to the narcotics issue. We intend to build on that relationship by cooperating with the Government of Pakistan in reviewing what went wrong in late 1985 and setting enforcement objectives well in advance of the 1986–87 growing season.

Afghanistan and Iran

The National Narcotics Intelligence Consumers Committee's Subcommittee on Production, which generates the data used in our annual report, estimated 1985 opium production in Afghanistan in a range of 300–400 metric tons and Iran in a range of 200–400 metric tons. Preliminary estimates for 1986 suggest that both ranges remain viable, with Afghan production possibly in the lower end of that range and Iranian production in the middle of the range.

These countries present special problems in our global narcotics strategy because they are inaccessible politically and, despite protestations from their governments, do not control illicit opium production.

Afghan opium continues to be refined on both sides of the border with Pakistan and to be routed through Pakistan for internal consumption and export to other countries in the region as well as to the West. The indication is that the number of heroin laboratories in eastern Afghanistan is increasing. There are ample indications of a problem of consumption of opium products among Soviet military personnel but no reliable data.

There is evidence that, while Iran has a huge heroin addict population and could be a net importer of opium from Afghanistan and Pakistan, some Iran opium production, nevertheless, is exported from its northwestern areas for consumption on the international market. Opiates produced in Afghanistan are also transhipped through Iran to the West.

Middle East

Like eastern Turkey, Lebanon and Syria have become not only conduits for heroin transversing Asia to Europe and the United States but sites for heroin conversion labs as well. Lebanon continues to be a major source of hashish, especially for export to Egypt, but Lebanese opium poppy is believed to be only marginally cultivated and reportedly has a low morphine content and is, therefore, not attractive to heroin producers.

There are indications of increasing trafficking in drugs throughout the Middle East, both for consumption in Arab states and for onward smuggling. Kurdish and Armenian traffickers with transborder ties in Turkey and Iran are apparently linked to the increased trafficking through Syria. The unstable situation in Lebanon and the fact that the northern Bekka Valley is controlled

by Syrian military forces reportedly contribute to transborder trafficking in the region.

Cocaine and cocaine base are now entering Lebanon from Colombia, Bolivia, Peru, and Brazil for conversion and forward shipment; there are reports of cocaine processing in Syria.

Cooperation among these countries and among law enforcement agencies within their respective governments on narcotics control is considered poor.

Nepal

A relatively new trouble spot, Nepal in recent years has become a transit point for international heroin trafficking, as well as a money-laundering site. There is now evidence of a serious domestic heroin consumption problem. These activities are having profound social and economic effects and have prompted the government to seek U.S. assistance on training narcotics enforcement personnel. Government recognition of the problem has led to these requests for assistance, to Nepal hosting a major international conference last September of nongovernmental organizations concerned about drug abuse, and to hosting a conference this fall of senior narcotics coordinators from U.S. Embassies in Southwest Asia.

Turkey

The situation remains unchanged since our report in February. The government continues its effective suppression of illicit opium cultivation, but heroin laboratories continue to operate in the underdeveloped eastern provinces, and Turkey continues to serve as a landbridge for opium products from Southwest Asia entering Europe to satisfy that market and for onward shipment to the United States. Cooperation with Turkish authorities remains good, and U.S. officials are discussing revised strategies for dealing with the "eastern" problem.

India

Located between the "Golden Triangle" and the "Golden Crescent," India has emerged in recent years as a major transit country for illicit narcotics. Smugglers ship opium products through India both from Burma in the Golden Triangle and Pakistan in the Golden Crescent. Precursor chemicals manufactured in India are shipped into Southeast Asia through Burma. According to the Indian press, India's role as a drug trafficking center has resulted in a significant increase in its addict population, which was one factor in prompting the Government of India to toughen its existing narcotics control laws last year. Principal changes in those laws included increased penalties for possession, sale, and manufacture of narcotic drugs, and new controls on shipment of precursor chemicals. Arrests have increased as a result of the new legislation.

The United States and India have engaged in active discussions regarding its growth as a drug trafficking center and, in January 1986, established a joint narcotics working group as a mechanism to facilitate cooperation on narcotics matters. The Attorney General participated in comprehensive discussions with the Indian Government during his March visit to New Delhi.

India is the world's largest producer of licit opium. We have indicated to the Indians our concern that its stockpile of licit opium is and will continue to be a target for diversion into licit channels, particularly in view of increased demand for opium products throughout Southwest Asia. By some estimates, as much as 20–30% of India's licit opium production, which has not been closely controlled in the past, is being diverted into the illicit market.

India's ability to check illicit drug traffic across its borders and domestically will depend on its ability to strengthen enforcement. To this end, the Government of India is preparing to establish a narcotics control board. Last December the South Asian Association for Regional Cooperation agreed to include narcotics cooperation among the group's major cooperative objectives. Ultimately, given India's position as a transit country and major consumer of illicit narcotics, its success in controlling narcotics will depend in part on the effectiveness of regional cooperative efforts and in part on its internal control mechanisms.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Current Developments in the U.S. Oceans Policy

by John D. Negroponte

Address before the 10th annual seminar sponsored by the Center for Oceans Law and Policy in Southhampton, Bermuda, on March 14, 1986. Ambassador Negroponte is Assistant Secretary for Oceans and International Environmental and Scientific Affairs.

I am most gratified to be here tonight to share my thoughts with you on the direction of U.S. law of the sea (LOS) policy. In that the kaleidoscope of international legal debate has now changed in such a way as no longer to accord law of the sea the pride of place it so long enjoyed, I find it reassuring that so many renowned individuals as those of you here tonight still devote much time and energy to oceans issues. The United States, not least of all the Department of State, benefits from that continued interest, and I appreciate it.

I find myself treading familiar footfalls in my present role as Assistant Secretary for Oceans and International Environmental and Scientific Affairs at State. From my early years I remember with much warmth John Moore [Director of the Center for Oceans Law and Policy], with whom I first collaborated when I was a member of the National Security Council staff. Shortly thereafter, I served as political counselor in Quito and subsequently as Deputy Assistant Secretary for Oceans Affairs at a time when the Third UN Conference on the Law of the Sea (UNCLOS III) was the focus of the international legal world. Through my work at that time, I came to recognize his remarkable contributions to UNCLOS III and to the convention text, from which we continue to benefit today. While that conference has concluded, the United States remains intensely involved in working with other countries to shape the evolution of international oceans law and practice.

At the outset I wish to emphasize that the policy of the United States is established in the President's March 10, 1983, oceans policy statement. We are prepared to cooperate with other nations on oceans matters of mutual concern. Although the 1982 Convention on the Law of the Sea was unacceptable because of the deep seabed mining regime, the United States accepts and acts in accordance with the balance of

interests relating to traditional uses of the oceans and recognizes rights of other coastal states in the waters off their coasts provided those states recognize our rights and those of other states under international law; the United States exercises and asserts its navigation and overflight rights and freedoms worldwide, consistent with the rules reflected in the LOS Convention; and the United States does not acquiesce in unilateral acts of other states, inconsistent with that customary law, which are designed to restrict the freedoms and rights of the international community relating to high seas uses. This is a sound policy based upon established principles of international law and an assessment of U.S. interests.

The United States remains as committed now as was the case before and during the LOS Conference to a LOS regime which provides uniformity and stability of expectation for the community of nations. This Administration made an effort to try to amend the seabed portion of the convention in such a way as to enable the United States to become a party to it. That we did not succeed in getting those changes was lamentable. But that does not detract from our support for the sound rules reflected in other parts of the convention.

The United States is now engaged in a deliberate, methodical process of promoting the universal application of rules of international law reflected in the nonseabed parts of the convention. This stage, while not as visible or exciting as the conference, is every bit as significant and in many ways more important than the negotiations. Although neither recognized by the public nor even many times by the informed practitioner of oceans law, the reality is that the United States has a busy law of the sea program.

I would like to turn now to describe our current programs to achieve the objectives of our law of the sea policy.

Preservation of Navigational Freedoms

Preservation and promotion of traditional international navigational freedoms was the most significant development of UNCLOS III. Much of our LOS program is devoted to safeguarding this objective.

As a first step, we endeavor to ensure that the United States legally protests what it considers to be excessive claims of other governments to preserve our juridical position. This is no small undertaking. Since December 1982, the Department of State has issued well over 40 LOS protest notes to other governments. Further, such notes themselves often give rise to replies, which the Department must evaluate to ascertain whether a rejoinder or other followup is required.

Second, to illustrate clearly our national resolve, we have not been bashful about exercising the rights we claim. In this regard, the Department of State and the Navy have established an exercise-of-rights program. Subject to definite guidelines and review, the program challenges illicit coastal state maritime claims which exceed what is permitted by international law. A well-known example of such a challenge is the Navy's role in Libya. At issue is not only a prior permission requirement to exercise the right of innocent passage in the territorial sea but also a claim by Libya that the Gulf of Sidra constitutes a historic bay the waters of which are internal within a 300-mile straight line closing the gulf.

Third, to guide the development of state practice toward acceptance of international law of the sea as reflected in the 1982 convention, we have and will continue to conduct numerous bilateral discussions with many countries. Because it is far easier to influence favorably state legislation prospectively than retrospectively, we try to work with key states to discuss in advance their legislation implementing the convention's provisions. For example, Fiji's archipelagic legislation conforms in all significant aspects to the archipelagic articles in the convention, reflecting the signal role that nation played in UNCLOS III. We hope that it will serve as a prototype for other potential archipelagic states to emulate.

EEZ Implementation

Not only is it vital to work with other countries to encourage conformity with the law of the sea but also we must work to ensure that our own house is in order. From a broad domestic policy vantage, the Administration—pursuant to the President's EEZ [exclusive economic zone] proclamation and accompanying oceans policy statement of March 10, 1983—decided that, in lieu of enacting comprehensive EEZ legislation reflecting the jurisdiction accorded coastal states in the EEZ, it was preferable to amend individually the numerous Federal statutory provisions regulating activities in the EEZ. This decision was taken for numerous reasons. Not least among them was the desire to avoid, wherever possible, the consideration of such omnibus legislation by the myriad of congressional committees which would have cognizance over such proposals. We also wished to avoid engaging in possible State/Federal debates. Consequently, the executive branch, at the request of the National Advisory Committee on the Oceans and Atmosphere, undertook a comprehensive analysis of present statutory authorities. The review is well along and will ultimately be filed with the committee. It should be noted, however, that the review does not, in the main, recommend any particular course of action, concentrating primarily on identifying jurisdictional shortfalls.

Fisheries

We have also pressed forward on other fisheries matters. In March 1985, after 14 years of negotiation, the United States and Canada brought into force a new west coast salmon treaty that places the U.S. and Canadian salmon fisheries from California to Alaska on a cooperative agreed footing for the first time ever.

We have also embarked on new discussions with Japan to seek further reductions in its interception of U.S.-origin salmon in Japan's high seas fisheries.

With respect to the allocation of surplus fishery resources within the U.S. 200-mile zone, we are rapidly moving toward the day in which U.S. fishermen will be able to utilize fully the available fishery resources off our coast. Our present policy fosters the growth of the U.S fishing industry by basing our allocations of fish to those countries which cooperate with us on fisheries trade and joint venture operations to the benefit of the U.S. industry.

With regard to marine mammals, a notable achievement occurred in the latter part of 1984 when we reached agreement with Japan that it would cease commercial whaling operations by 1988. On the basis of this, we promised not to certify Japan under the Pelly-Packwood amendments, which would have required a minimum 50% reduction in fisheries allocations. As you may know, some environmental groups have legally challenged the government's action, and the case is now before the Supreme Court.

Ongoing negotiations with Southwest Pacific island states, as well as Australia and New Zealand, hopefully will result in an agreement setting forth agreed terms and conditions of access for U.S. tuna boats in the area, pursuant to issuance of a regional license. Such an agreement would preserve the U.S. juridical position on highly migratory species while respecting the views of the island states, which continue to treat tuna as they do coastal species. A similar agreement concluded, but not yet in force, is the Eastern Pacific Tropical Tuna Convention concluded in April 1983. Already ratified by the United States, Honduras, and Panama, it will come into force upon ratification by two additional signatories.

Deep Seabed Mining

A discussion of U.S. law of the sea policy would not be complete without some reference to deep seabed mining. Our position on Part XI of the 1982 UN Law of the Sea Convention is well known. The objections we have raised with respect to part XI are strongly held. Suffice it to say, we do not believe that the international political climate exists which would be conducive to addressing our objections adequately at this time. This does not mean that the United States has despaired of achieving a regime with broad support in the international community. We believe that it will take time for many to grasp fully the changing realities. Due to recent economic trends, significant development of deep seabed resources is not likely to occur until well into the next century at the earliest. One cannot help but wonder whether the interests of the international community are well served by developing a detailed mining code and bringing into being an elaborate bureaucracy to administer it when no industry exists and when the basic economic, technical, and environmental conditions affecting this new activity are largely unknown and unknowable at this time. It is not inconceivable to me that some day those responsible for LOS policy in other capitals around the world will increasingly come to appreciate the implications of these realities and seek to accommodate our interests and concerns. At this juncture, patience is probably our most effective tool to achieve a broadly based regime.

Claims of rights to explore specific areas of the deep seabed have been made by a number of enterprises based on significant exploration activities. Most overlaps arising from competing claims among these pioneers have been resolved by the pioneers themselves; some remain. Given the potential for conflict arising from competing claims, we believe it desirable from the standpoint of all members of the international community that these overlapping claims be resolved. We continue to be willing to play a constructive role in encouraging the resolution of overlapping claims in a manner that gives appropriate recognition to the activities conducted by the respective claimants. A solution to this problem in a way that fairly reflects the interests of all involved would demonstrate the ability of the international community to cooperate effectively in this area.

Domestically, the United States has issued exploration licenses to the four consortia headquartered in the United States pursuant to the 1980 Deep Seabed Hard Mineral Resources Act. The Administration is now in the process of promulgating regulations for commercial recovery.

Environment

The United States continues to promote the preservation and enhancement of the marine environment. Internationally, this occurs on the broad multinational level through international organizations such as the International Maritime Organization, long renowned as the leader in vessel safety and pollution issues. In order to promote efficiency and effectiveness in international negotiations, a trend has recently developed to treat marine environmental issues on a regional scale as well. This approach—in which the UN Environmental Program and its Regional Seas Program have played a major role—has led to active U.S. participation in formulating the successfully concluded Cartagena convention for the Caribbean and, more recently, a draft environmental convention for the South Pacific under the auspices of the South Pacific Regional Environmental Program. Domestically, we work to further the passage of domestic implementing legislation to complement their international counterparts, such as title IV of the so-called superfund bill (H.R. 2005) currently before Congress.

Boundaries

The United States is attempting to resolve its overlapping EEZ and continental shelf claims with several neighboring states. We have established our maritime boundaries with Venezuela, the Cook Islands, Tokelau, Cuba, and Mexico. Boundaries with the latter two are established by executive agreements, pending advice and consent of the Senate to treaties establishing the same. We have asked the Canadians to begin talks on our outstanding maritime boundary issues, which include areas in the Beaufort Sea, Dixon Entrance, Strait of Juan de Fuca, and the extension of the Gulf of Maine boundary. They have not yet responded to our request for negotiations. We sought to resolve our maritime boundary with the Dominican Republic, but no agreement has yet been reached. Finally, the United States has held several rounds of discussions with the Soviets on interpretation and application of the 1867 convention line, which the United States regards as the maritime boundary in the Bering and Chukchi Seas.

Marine Scientific Research

The President's 1983 policy statement resolved one major marine scientific research (MSR) problem which had long plagued marine scientists, who often found it difficult to operate within 200 miles of many coasts because of U.S. nonrecognition of foreign MSR jurisdiction. Since the President's decision to recognize MSR jurisdiction, as reflected in the LOS text, U.S. research in foreign waters has tripled. Most importantly, the President maintained our basic policy by not asserting MSR jurisdiction in our own EEZ. Our experience demonstrates that we do not need such jurisdiction to maintain our economic interests there and can benefit from foreign research.

The exact nature of MSR jurisdiction is still evolving, and the negotiations being conducted by our marine science office for research vessel clearances are having a significant impact on the often vague LOS text on marine scientific research. We are helping to build a concrete record of state practice in establishing more favorable standards than a strict reading of that text might suggest.

We are continuing to work on several serious problems, such as a few states trying to exclude research vessels from broad coastal zones. We are working with such nations to persuade them that such restrictions are both contrary to international law and their own interests in gaining ocean knowledge through cooperative endeavors. We are also working to maintain the freedom of hydrographic surveying in the EEZ as

essential to ship safety, interdependent ocean commerce, and prevention of pollution from ship accidents—subjects of equal concern to all nations.

We can also see the probability of greater use of international organizations, such as the Intergovernmental Oceanographic Commission, as umbrellas for cooperative marine scientific research, including that within national EEZs.

Closing Remarks

As you can appreciate, our government's LOS program is a replete and active one whether it is in the area of navigational freedoms, EEZ implementation, fisheries, deep seabed mining, the marine environment, maritime boundaries, or marine scientific research. The areas of activity address every major part of the LOS Convention. So when one hears the cliche that the law of the sea is dead, I think it is well to reflect upon the multiplicity of issues of oceans use and oceans law which arise and must be dealt with on a continuing, daily basis. The trend, if anything, is intensifying.

To be sure, there are those who will argue that an LOS system can only be meaningful if the United States is party to an agreed deep seabed minerals regime. And I can understand this point of view, while at the same time disagreeing with it. There are too many other aspects of oceans use and law which we must press forward. That is precisely what we have done and in an internationally coordinated fashion. We must continue to work cooperatively and diligently with other countries, especially coastal states, to ensure that the positive results of the LOS Convention are accentuated and that extensions of coastal jurisdiction are carried out in conformity with international law. I hope my remarks this evening have succeeded, at least in part, in conveying both the flavor and the detail of how our government is going about this challenging and fascinating task in this important period in the evolution of oceans law. ■

U.S.-New Zealand Disagreement on Port Access for U.S. Ships

DEPARTMENT STATEMENT, JULY 2, 1986[1]

In Manila Prime Minister Lange and Secretary of State Shultz discussed the ship visit problem between our two countries. The meeting concluded with a recognition that the Government of New Zealand does not feel that it can live with U.S. policy on this issue, but that we would part company as friends. We regret that the position of the United States, both with reference to that meeting and with respect to our efforts to find a satisfactory resolution, has been misconstrued.

The United States maintains a worldwide policy of neither confirming nor denying the presence or absence of nuclear weapons. Implicit in this policy is a requirement for ambiguity about the nature of the armaments of our ships. Our other allies recognize the need for this ambiguity, and none feel constrained to make judgments about individual ships. It is on this point that the policy of the Government of New Zealand differs significantly from that of all our other allies.

If New Zealand maintains its intention to say no to ships operating under the ambiguity of neither confirming nor denying, or to nuclear-powered ships, then it is not possible for us to send Navy vessels into New Zealand's ports. This vitiates the principal contribution that New Zealand makes to the alliance.

Suggestions that the United States has refused to engage in negotiation or consultation on this issue are at variance with the facts. The United States has made a considerable effort to work with New Zealand over the past 2 years to resolve the port ban issue and to restore normal port access. We have maintained intensive contacts and understand fully the New Zealand Government's position. Unfortunately, the New Zealand Government has as yet not put forward any proposal to restore normal port access compatible with our global neither confirming nor denying requirements.

It has been alleged that the ANZUS [Australia, New Zealand, United States security pact] treaty contains only an obligation to consult. Article IV of the treaty clearly states that an armed attack on any of the parties in the Pacific area would be a danger to the other parties and that all would act to meet the common danger. The U.S. Government has consistently confirmed that it would fully and promptly fulfill its security commitments under ANZUS, by both military and nonmilitary means, as best would meet the threat.

New Zealand's withdrawal of an essential element of its ANZUS participation inevitably must alter the obligations of the United States with respect to its security responsibilities to New Zealand. We continue to hope that New Zealand will eventually restore normal port access on a basis comparable to other alliance partners.

[1]Read to news correspondents by Department deputy spokesman Charles Redman. ■

Continent at the Crossroads: An Agenda for African Development

by Secretary Shultz

Address before the UN General Assembly Special Session on the Critical Economic Situation in Africa on May 28, 1986.[1]

This special UN session could—and we hope will—mark a historic turning point for the African Continent. We meet in a year when the world is still anguished with the terrible images of famine and starvation that scarred so much of Africa during the last 2 years. With an extraordinary outpouring of support, people from across the globe rallied to Africa's side and saved millions of lives.

Today, we are gathered here to address a more fundamental and enduring task: the requirements of long-term development for Africa. The United States comes to this special session with hope. We salute the work of the Organization of African Unity (OAU) at its heads of state meeting in 1985 for the new directions which the African nations have pledged for themselves. And we welcome this session of the General Assembly as a way of translating their pledge into action.

Our search for solutions to the problems of development is one of the forces that brings us together today; but it is not the only force. We are united, too, by respect and admiration for the dignity of the African peoples in the face of shared hardships. Thirty years ago, the United Nations joined in support as Africans fought for freedom from colonial rule. Today, we come together to seek Africa's liberation from other ills: disease, chronic poverty, and hunger.

The United States has consistently sought a constructive role in Africa's struggles. We have provided unprecedented levels of foreign assistance. During this Administration, aid to Africa has increased by over 50%. Current levels of aid are four times those of the early 1970s. In the last 3 years alone, we have provided $2.4 billion in food and emergency assistance.

Learning from the Past

Effective partnership requires a shared understanding of past mistakes and present goals. This special session holds unique promise because we seem to be closer than ever to reaching such understanding. We have learned a great deal together about what does and doesn't work. We have seen how now-discredited orthodoxies about state-directed development gave rise to misguided policies that stifled individual initiative—policies that in practice have given inadequate incentives to African farmers and created a long-term decline in food production.

Today, as a result, millions of Africa's people depend on food imports for their very survival. The burden of foreign debt, which in sub-Saharan Africa rose by an annual average of 21% throughout the 1970s, has reached crisis proportions. Measures of standard economic performance reveal that economic conditions on the continent as a whole are no better, and perhaps worse, than they were some 25 years ago—all this despite massive injections of foreign aid.

The purpose of this special session is to chart a course that will reverse these trends. In the words of the OAU preparatory document for this session, our task requires "that the African countries should adopt fundamental changes in their development priorities and policies," you said. And I think we can agree that successful development in any nation—in Africa as anywhere else—lies, most fundamentally, in the expansion of individual human opportunity.

Even modest advances in material well-being can accelerate development. With rising income, a farmer is able to save and provide some economic insurance to his family against natural misfortunes such as drought. With rising income, a small businessman may be able to send another child to school, increasing the promise of his family's future. In *any* walk of life, people freed from dire deprivation are better able to seize the opportunities before them.

The United States firmly believes that our own development experience is a useful guide to productive economic policies. What is the most fundamental lesson of that experience? *That the talents of individual human beings are the greatest resource a society can bring to the tasks of national development.* America has seen this truth at work in its agricultural era, in its industrial phase, and in its postindustrial development. And we have seen our dedication to that truth translated throughout our society into better opportunities for succeeding generations.

And our experience is hardly the only example of this truth. Today, many countries are reawakening to the fundamental connection between individual initiative and economic progress. In East Asia, the liberation of the individual talent from state-imposed economic direction has produced in recent years nothing less than an economic miracle among developing nations. Their experience confirms that there is nothing culture-bound about the creation of material well-being. Even communist nations are awakening to the fact that individual initiative, not state direction, is the source of growth. China's unprecedented experiment with unleashing individual incentives has been remarkably successful in recent years; and we note that the Soviet Union, in its 27th Party Congress, called for less emphasis on central planning and more on individual initiative.

Many African nations, too, have undertaken bold reforms in economic policy. Across the continent, major programs are under way to stimulate growth. In Senegal, Zambia, Guinea, Zaire, Somalia, the Central African Republic, Mali, Rwanda, Togo, and Madagascar, exciting changes are taking place as leaders seek to stimulate economic growth. These leaders are recognizing, as the OAU declared last July, that "the primacy accorded the state has hindered rather than furthered eco-

nomic development." Agricultural pricing is being reformed to give farmers a fair and profitable return on their output. Private marketing channels are being revived to bring food to the cities and consumer goods to the countryside. Exchange systems are being revamped to reflect market value and to permit allocation of scarce resources to the most productive sectors.

These are historic changes, and they point to a new generation of African progress. The United States is supporting this trend through bilateral and multilateral programs. This special session provides an opportunity for all of Africa to join in what is a worldwide movement by rejecting failed orthodoxies and giving greater scope to individual initiative.

The Requirements of Partnership

Our agreement on the simple truth of the critical role of the individual in development is the cornerstone of the new partnership emphasized by this special session. But the tasks of economic liberation do not fall to individual Africans, their governments, or to foreign donor countries alone. We must search together for policies that will work across the full range of our partnership, as the following examples suggest.

Donor countries must design assistance programs that increase self-reliance and discourage dependency. Some of our assistance has been counterproductive, contributing to stagnating public sectors rather than to vital private enterprise. As a result, we are starting to shift more assistance from public to private entities. Two years ago, through the economic policy reform program, we began using our foreign aid resources to give incentives and support to countries that had undertaken such internal reforms. In 1985, under this program, we gave $75 million to five African countries—Malawi, Mali, Mauritius, Rwanda, and Zambia. This year we are engaged in discussions with four other African countries which may join our program. We can do more for Africans who are trying to reform their economies, and we will.

African and donor nations alike must work together to create conditions favorable to investment. The continent's natural resources offer great promise. Africa has some 220 million hectares of arable land. Only half of these have ever been cultivated. Only 3% of its hydroelectric power has been harnessed. And the continent is rich in the vast amounts of fresh water needed to bring growth to barren fields.

But these resources cannot be put to work without investment; and investment requires confidence. Political stability creates the conditions for economic advance, not vice versa. If countries want to attract foreign and domestic capital, they must begin by recognizing the imperative of creating an environment of confidence. Here, too, the United States can help, through diplomatic and other assistance aimed at securing individual rights, social justice, and political stability. And I might say that a system of apartheid, and the cross-border violence that seems to go with it, destroys confidence and is antithetical to the kind of investment climate we are seeking to set up, let alone unacceptable in its own right.

We must keep trade opportunities open. The United States has taken a series of steps to maintain free and fair trade. In the new GATT [General Agreement on Tariffs and Trade] round of multilateral trade negotiations, we will be seeking to liberalize trade for the benefit of all countries. African countries should note that our generalized system of preferences program emphasizes benefits for the less advantaged nations. For their part, Africans must guard against protectionist policies that discourage broader trade on the continent and elsewhere.

Assistance must come not only from individual donor states but also from the multilateral arena and, I might say, from nongovernmental organizations (NGOs) as well. NGOs, so-called, have made, and continue to make, important contributions to the multilateralization of private resources and to the development of essential human resources. Africa remains the neediest continent. The United States, with its own budgetary concerns, cannot meet all the African requests for assistance. So we are exploring creative alternatives.

Last fall, we proposed a plan to the IMF [International Monetary Fund] and the World Bank which would substantially increase the flow of concessional resources to Africa and other least developed areas of the world. The IMF has adopted the Structural Adjustment Facility which should result in an increase of $1.5 billion in low interest loans for Africa in the next 5 years. We are currently engaged in negotiations with other donors on the eighth replenishment of the World Bank's International Development Association—IDA. The final decision on IDA VIII remains open. But the United States *does* want to secure a substantial, increased share of IDA for Africa. Together with the new IMF Structural Adjustment Facility, IDA VIII will provide a major source of support for the steps that African nations have agreed to in recent OAU documents and here at the special session.

Finally, we must develop production technologies appropriate to the African environment—especially in the critical area of agriculture. Agricultural production, the continent's onetime mainstay, has regressed drastically in the last 20 years. It is now 15 years since Dr. Norman Borlaug received the Nobel Peace Prize for his pioneering research that helped launch the green revolutions that started India and Mexico down the road to self-sufficiency in food grains. For years, many have tried to bring the same revolution to Africa—although, thus far, without success.

The good news is that this may be changing. We seem to be standing at the threshold of an agricultural revolution adapted to African conditions. Last year, an African geneticist by the name of Gebisa Ejeta—trained at Purdue University in the United States—spearheaded the successful effort to develop a new hybrid sorghum strain which is pest and drought resistant. This new strain has doubled the yield derived from local strains under normal weather conditions. These varieties contributed to Sudan's surplus this year. Improved maize varieties, combined with improved agricultural policies, contributed to grain surpluses in Kenya, Zimbabwe, and Malawi.

The United States is committed to supporting the development of agricultural technologies suited to Africa. We plan to give some $1 billion for agricultural research over the next 15 years. With our support, international agricultural research centers and a new umbrella organization, the Program for African Agricultural Research, are also leading an international effort to bring an agricultural explosion to the continent.

Toward a New Vision of Africa

As is demonstrated by the example of Gebisa Ejeta, the resolution of Africa's economic crisis lies in the liberation of its peoples from policies that have stifled innovation and led the nations of the continent into their present difficulties.

In the years since independence, African and donor nations alike have learned a great deal about our respective roles in promoting development. Africans have learned that responsibility for their economic well-being rests squarely with themselves. The United States and other donor countries have had to learn another hard truth: that well-intentioned programs can produce dependency rather than self-sufficiency, economic stagnation rather than self-sustaining growth.

And we have all learned another sobering truth: flawed governmental policies can hurt economies just as surely as the natural calamities that have afflicted Africa. No amount of foreign assistance, and no measure of good intentions, can alleviate the hardship caused by a government bent on misguided policies.

But we know, too, that if inappropriate policies have created many of Africa's problems, then appropriate new policies will help to ameliorate them. This special session confirms our partnership in the search for workable approaches to long-term development on the continent. As our work unfolds in the coming days, we can take heart not only from our converging views but also from the fact that some global economic trends are now turning in Africa's favor.

The economic recovery of the industrialized nations over the past few years is giving a much-needed expansion to markets for exports from the developing world. Africa, located close to the major markets of Europe, is well-positioned to profit from this growth. Meanwhile, the decline in world oil prices—the equivalent of a tax cut for most of the world—should stimulate economic activity through much of the continent. Most African nations should also benefit from the drop in interest rates and the readjustment of other currencies against the U.S. dollar—the currency in which most African debts are denominated.

African leaders and donor nations alike face many obstacles in our work to brighten the continent's future. But we are engaged in that struggle together. Today, as leaders throughout the continent reexamine the foundations of economic growth and seek new promise for Africa, we must all ensure that our efforts will fulfill the needs of coming generations. The peoples of Africa, and their many friends throughout the world, await with hope our actions at this historic conference. Let our efforts be worthy of their aspirations.

[1]Press release 118 of May 29, 1986. ■

UN Special Session: African Economic Situation

Background

The causes of Africa's economic crisis extend back many years. Since the 1960s, when most African countries became independent, the standard of living of the average African has declined, and the gap is growing between population and internal production, particularly food. Per capita GNP in about half of the countries is less than $400 a year.

Some of the Africans' economic difficulties resulted from external factors beyond their control—weather, international prices for their commodity exports, and interest rate fluctuations—but others have been self-imposed. Many African countries neglected their agricultural sectors, which employ most of their population; borrowed heavily for investments with low productivity; and adopted government controls that distorted market activity at a high cost.

African leaders have learned from experience and are now making economic policy changes that should lay the basis for sustained economic growth. As part of the rebuilding process, the heads of African states met in Addis Ababa in July 1985 to approve a program of action called Africa's Priority Program for Economic Recovery 1986–90 (APPER). In this document, African leaders pledged to strengthen incentive schemes; review public investment policies; improve economic management, with greater discipline and more efficient use of resources; and encourage domestic resource mobilization and the role of the private sector.

Special Session Called

While the African states followed up on this program at home, they also pursued their efforts in the international arena. In December 1985, at their request, the UN General Assembly called for a Special Session on the Critical Economic Situation in Africa. Following 3 months of intermittent meetings of its preparatory committee, the UN special session met May 27–June 1, 1986. It was the first special session on a regional economic problem in the 40-year history of the United Nations.

The discussions were constructive. The Africans reaffirmed their commitment to economic restructuring, hoping that donor countries would respond to making specific commitments on debt relief and increased concessional assistance levels. They also wanted the donors to endorse APPER. The donors, many of them faced with budgetary pressures at home, were either unwilling or unable to make specific commitments. The United States took the strongest position on debt by pointing out that the current case-by-case approach, coupled with adjustment measures, was still the best way to proceed. The donors gave APPER high praise but could not endorse it entirely.

Commitment to Action

After a series of compromises, the African states and the international community committed themselves in a "spirit of genuine and equal partnership" to a UN Program of Action for African Economic Recovery Development 1986–90. The framework of this understanding, which took key sections from APPER, required the African states to:

- Undertake necessary economic reform and structural adjustment;
- Rehabilitate and develop agriculture;
- Address the problems of drought and desertification; and
- Ensure the productive use of scarce resources.

For its part, the international community recognized that "the African countries need additional external resources" and committed itself to improve the quality of its external assistance and to try to provide sufficient resources to support and supplement the African development efforts. The international community agreed to:

- Shift the emphasis from project to program support;
- Increase the concessionality of development assistance;
- Improve donor coordination methods; and
- Urge the speedy replenishment of the World Bank's International Development Association (IDA).

The language of the final declaration was consistent with U.S. positions on debt, commodities, and protectionism. Soviet-proposed polemic language was rejected by the Africans. The opposition of many non-African developing countries of the Group of 77 to the linkage between economic restructuring and foreign assistance and to the language on

debt and protectionism also was overcome. Most important, however, was the establishment of a tie between economic reform and international assistance, accompanied by the reaffirmation by Africa and the international community to work together to solve African economic problems.

U.S. Policy

The United States views the special session as part of a continuing effort to address African economic problems. Although many African states began to restructure their economies several years ago, others are just beginning. The United States expects that the special session will give momentum to these efforts.

In recent years, the United States and other donors have increased their support for economic policy change in Africa. Some tangible examples of U.S. efforts include the African Economic Policy Reform Program, U.S. participation in the World Bank's Special Facility for Africa, and the U.S.-inspired International Monetary Fund's Structural Adjustment Facility. The special session confirmed that the international community and African countries share the same objectives. Joint forceful action is now required to attain them.

Taken from the GIST series of July 1986, published by the Bureau of Public Affairs, Department of State. Editor: Harriet Culley. ■

Central America

LETTER TO THE CONGRESS, JUNE 10, 1986[1]

The enclosed report is transmitted in compliance with the requirements of Section 722(j) of the International Security and Development Cooperation Act of 1985 (P.L. 99-83) and Section 104 of Chapter V of the Supplemental Appropriations Act, 1985 (P.L. 99-88).

The report, with appropriate background, describes efforts by the United States and others, including developments in the Contadora process, to promote a negotiated settlement in Nicaragua; alleged human rights violations by the democratic resistance and the Government of Nicaragua; and disbursement of humanitarian assistance to the democratic resistance (with a classified annex).

During the period covered by the report the Sandinistas continued to obstruct the Contadora process, maintaining their refusal to negotiate a comprehensive, verifiable agreement. The Contadora mediators set June 6 as a deadline for signing a final agreement. The United States has reiterated its support for a comprehensive, verifiable agreement implemented in a simultaneous fashion which is respected by all parties.

During the 90 days covered by the enclosed report the Sandinistas continued their aggression against other countries in the region. In late March the Sandinistas launched the largest border incursion to date into Honduras, when at least 1,500 Sandinista troops attacked up to 25 kilometers into Honduran territory. At the same time, Sandinista attacks against Indian villages caused some 11,000 refugees to flee to Honduras. As detailed in the enclosed report, the Sandinistas accelerated efforts to eliminate domestic dissent. They increased pressure on the Church and continued to violently harass members of the opposition political parties.

The need for sustaining U.S. support for the Nicaraguan democratic resistance forces is clear. Only in this way can the necessary pressure be applied effectively on the Sandinista leadership to: 1) move it toward serious internal and regional negotiations, 2) prevent its consolidating a Marxist-Leninist totalitarian state allied with Cuba and the Soviet bloc, and 3) cease its continuing aggression against the democracies of Central America.

Sincerely,

RONALD REAGAN

[1]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives; Vice President George Bush, President of the Senate; David Durenberger, chairman of the Senate Select Committee on Intelligence; and Lee H. Hamilton, chairman of the House Permanent Select Committee on Intelligence (text from Weekly Compilation of Presidential Documents of June 16, 1986). ■

Current Actions

MULTILATERAL

Conservation
Convention on international trade in endangered species of wild fauna and flora, with appendices. Done at Washington Mar. 3, 1973. Entered into force July 1, 1985. TIAS 8249.
Accession deposited: Spain, May 30, 1986.[1]

Amendment to the convention of Mar. 3, 1973, on international trade in endangered species of wild fauna and flora. Adopted at Bonn June 22, 1979.[2]
Acceptance deposited: Australia, July 1, 1986.

Convention on wetlands of international importance especially as waterfowl habitat. Concluded at Ramsar Feb. 2, 1971, with protocol concluded at Paris Dec. 3, 1982.
Submitted to Senate for advice and consent: June 23, 1986 (Treaty Doc. 99-28).

Copyright
Bern convention for the protection of literary and artistic works of Sept. 9, 1986, as revised at Paris July 24, 1971, and amended.
Submitted to Senate for advice and consent: June 20, 1986 (Treaty Doc. 99-27).

Environmental Modification
Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977. Entered into force Oct. 5, 1978; for the U.S. Jan. 17, 1980. TIAS 9614.
Ratification deposited: Benin, June 30, 1986.

Financial Institutions
Articles of agreement of the International Bank for Reconstruction and Development formulated at Bretton Woods Conference July 1-22, 1944. Entered into force Dec. 27, 1945. TIAS 1502. 60 Stat. 1440.
Signature and acceptance deposited: Poland, June 27, 1986.

Judicial Assistance
Convention on the service abroad of judicial and extrajudicial documents in civil or commercial matters. Done at The Hague Nov. 15, 1965. Entered into force Feb. 10, 1969. TIAS 6638.

Convention on the taking of evidence abroad in civil or commercial matters. Done at The Hague Mar. 18, 1970. Entered into force Oct. 7, 1972. TIAS 7444.
Extended by Netherlands to: Aruba, May 28, 1986.

Marine Pollution
Convention on the prevention of marine pollution by dumping of wastes and other matter, with annexes. Done at London, Mexico City, Moscow, and Washington Dec. 29, 1972. Entered into force Aug. 30, 1975. TIAS 8165.
Ratification deposited: Costa Rica, June 16, 1986.

Protocol of 1978 relating to the international convention for the prevention of pollution from ships, 1973. Done at London Feb. 17, 1978. Entered into force Oct. 2, 1983.
Ratification deposited: Poland, Apr. 1, 1986.

Maritime Matters
Convention on facilitation of international maritime traffic, with annex, as amended. Done at London Apr. 9, 1965. Entered into force Mar. 5, 1967; for the U.S. May 16, 1967. TIAS 6251.
Accession deposited: Australia, Apr. 28, 1986.

International convention on load lines, 1966. Done at London Apr. 5, 1966. Entered into force July 21, 1968. TIAS 6331, 6629, 6720.
Accessions deposited: Congo, June 6, 1986; St. Vincent & Grenadines, Apr. 29, 1986.

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969. Entered into force July 18, 1982; for the U.S. Feb. 10, 1983. TIAS 10490.
Accessions deposited: Cyprus, May 9, 1986; Qatar, Feb. 3, 1986.

Pollution
Convention for the protection of the ozone layer, with annexes. Done at Vienna Mar. 22, 1985 (Treaty Doc. 99-9).[2]
Senate advice and consent to ratification: July 24, 1986.
Ratifications deposited: Byelorussian Soviet Socialist Rep., June 20, 1986; Canada, June 4, 1986; Ukrainian Soviet Socialist Rep., U.S.S.R., June 18, 1986.

Protocol to the convention on long-range transboundary air pollution of Nov. 13, 1979 (TIAS 10541), concerning monitoring and evaluation of the long-range transmission of air pollutants in Europe (EMEP). Done at Geneva Sept. 28, 1984.[2]
Ratification deposited: Finland, June 24, 1986.

Postal
Third additional protocol to the constitution of the Universal Postal Union of July 10, 1964, general regulations with annex, and the universal postal convention with final protocol and detailed regulations. Done at Hamburg July 27, 1984. Entered into force Jan. 1, 1986; for the U.S. June 6, 1986.
Ratifications deposited: Belgium, Dec. 20, 1985; Botswana, Feb. 3, 1986; Bulgaria, Jan. 14, 1986; Finland, June 19, 1986; Iceland, July 1, 1986; Japan, July 30, 1985; Jordan, Mar. 12, 1986; Liechtenstein, Nov. 18, 1985; Luxembourg, Mar. 4, 1986; Singapore, May 21, 1986; Swaziland, June 12, 1986; Sweden, Feb. 4, 1986; Switzerland, Dec. 5, 1985; Tunisia, May 22, 1986; U.S., June 6, 1986.

Money orders and postal travelers' checks agreement, with detailed regulations with final protocol. Done at Hamburg July 27, 1984. Entered into force Jan. 1, 1986; for the U.S. June 6, 1986.
Ratifications deposited: Belgium, Dec. 20, 1985; Bulgaria, Jan. 14, 1986; Iceland, July 1, 1986; Japan, July 30, 1985; Jordan, Mar. 12, 1986; Liechtenstein, Nov. 18, 1985; Luxembourg, Mar. 4, 1986; Sweden, Feb. 4, 1986; Switzerland, Dec. 5, 1985; Tunisia, May 22, 1986; U.S., June 6, 1986.
Approval deposited: Finland, June 19, 1986.

Postal parcels agreement with final protocol and detailed regulations. Done at Hamburg July 27, 1984. Entered into force Jan. 1, 1986; for the U.S. June 6, 1986.
Ratifications deposited: Belgium, Dec. 20, 1985; Botswana, Feb. 3, 1986; Bulgaria, Jan. 14, 1986; Iceland, July 1, 1986; Japan, July 30, 1985; Jordan, Mar. 12, 1986; Liechtenstein, Nov. 18, 1985; Luxembourg, Mar. 4, 1986; Sweden, Feb. 4, 1986; Switzerland, Dec. 5, 1985; Tunisia, May 22, 1986; U.S., June 6, 1986.

Refugees
Protocol relating to the status of refugees. Done at New York Jan. 31, 1967. Entered into force Oct. 4, 1967; for the U.S. Nov. 1, 1968. TIAS 6577.
Accession deposited: Papua New Guinea, July 17, 1986.

Satellite Communications Systems
Convention on the International Maritime Satellite Organization (INMARSAT), with annex. Done at London Sept. 3, 1976. Entered into force July 16, 1979. TIAS 9605.
Accession deposited: Malaysia, June 12, 1986.

Operating agreement on the International Maritime Satellite Organization (INMARSAT), with annex. Done at London Sept. 3, 1976. Entered into force July 16, 1979. TIAS 9605.
Signature: Malaysia, June 12, 1986.

Seabed Disarmament
Treaty on the prohibition of the emplacement of nuclear weapons and other weapons of mass destruction on the seabed and the ocean floor and in the subsoil thereof. Done at Washington, London, and Moscow Feb. 11, 1971. Entered into force May 18, 1972. TIAS 7337.
Ratifications deposited: Benin, July 7, 1986; Jamaica, July 30, 1986.

Slave Trade
Convention to suppress the slave trade and slavery. Done at Geneva Sept. 25, 1926. Entered into force Mar. 9, 1927; for the U.S. Mar. 21, 1929. TS 778.

Protocol amending the slavery convention signed at Geneva Sept. 25, 1926, and annex. Done at New York Dec. 7, 1953. Entered into force Dec. 7, 1953, for the protocol; July 7, 1955, for annex to protocol; for the U.S. Mar. 7, 1956. TIAS 3532.
Notification of succession deposited: Cyprus, Apr. 21, 1986.

Space
Treaty on principles governing the activities of states in the exploration and use of outer space, including the moon and other celestial bodies. Done at Washington, London, and Moscow Jan. 27, 1967. Entered into force Oct. 10, 1967. TIAS 6347.
Accession deposited: Benin, July 7, 1986.

Sugar
International sugar agreement, 1984, with annexes. Done at Geneva July 5, 1984. Entered into force provisionally Jan. 1, 1985; definitively Apr. 4, 1985.[3]
Ratification deposited: Ecuador, June 19, 1986.

Terrorism
Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Done at New York Dec. 14, 1973. Entered into force Feb. 20, 1977. TIAS 8532.
Accessions deposited: Bahamas, July 22, 1986; Egypt, June 25, 1986.

Timber
International tropical timber agreement, 1983. Entered into force provisionally Apr. 1, 1985; for the U.S. Apr. 26, 1985.
Accession deposited: China, July 2, 1986.

Trade
United Nations convention on contracts for the international sale of goods. Done at Vienna Apr. 11, 1980.[2]
Accession deposited: Zambia, June 6, 1986.

Agreement on trade in civil aircraft. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9620.
Acceptance deposited: Portugal, June 13, 1986.

Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade (customs valuation code). Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1981. TIAS 10402.
Acceptance deposited: Lesotho, June 30, 1986.[4]
Notification of withdrawal: Portugal, June 20, 1986.[5]

UN Industrial Development Organization
Constitution of the United Nations Industrial Development Organization, with annexes. Adopted at Vienna Apr. 8, 1979. Entered into force June 21, 1985.
Accession deposited: The Gambia, June 12, 1986.

Wheat
Wheat trade convention, 1986. Done at London Mar. 14, 1986. Open for signature at New York May 1 through June 30, 1986. Entered into force: July 1, 1986.[3]
Signatures: Ecuador, Finland, May 1, 1986; Tunisia, May 14, 1986; Egypt, May 29, 1986; Morocco, June 3, 1986; Brazil, June 12, 1986; U.S.S.R., June 18, 1986; Canada, June 23, 1986; Japan, South Africa, June 24, 1986; Argentina, Sweden, June 25, 1986; Barbados, Belgium, Denmark, EEC, France, F.R.G., Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Switzerland, U.K., U.S., June 26, 1986; Yemen (Sanaa), June 27, 1986; Cuba, Norway, June 30, 1986.

Notifications of provisional application deposited: Ecuador, May 1, 1986; Tunisia, May 14, 1986; Morocco, June 3, 1986; Brazil, June 12, 1986; Finland, June 18, 1986; Argen-

tina, June 26, 1986; Belgium, EEC, France, F.R.G., Greece, Italy, Netherlands, Spain, Switzerland, U.K., U.S., June 26, 1986; India, June 27, 1986; Bolivia, Cuba, Japan, Rep. of Korea, Luxembourg, Pakistan, Portugal, Turkey, June 30, 1986; Egypt, July 2, 1986.
Acceptance deposited: U.S.S.R., June 30, 1986.
Approval deposited: Norway, June 30, 1986.
Ratifications deposited: Canada, June 23, 1986; South Africa, June 24, 1986; Sweden, June 25, 1986; Denmark, Ireland, June 26, 1986.
Accessions deposited: Vatican City, June 23, 1986; Australia, June 27, 1986.

Food aid convention, 1986. Done at London Mar. 13, 1986. Open for signature at New York May 1 through June 30, 1986.
Entered into force: July 1, 1986.[3]
Signatures: Finland, May 1, 1986; Canada, June 23, 1986; Japan, June 24, 1986; Argentina, Sweden, June 25, 1986; Belgium, Denmark, EEC, France, F.R.G., Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Switzerland, U.K., U.S., June 26, 1986; Austria, June 27, 1986; Norway, June 30, 1986.
Notifications of provisional application: Finland, June 18, 1986; Argentina, June 25, 1986; Belgium, EEC, France, F.R.G., Greece, Italy, Netherlands, Spain, U.K., U.S., June 26, 1986; Japan, Luxembourg, Portugal, June 30, 1986.
Approval deposited: Norway, June 30, 1986
Ratifications deposited: Canada, June 23, 1986; Sweden, June 25, 1986; Denmark, Ireland, Switzerland, June 26, 1986.

BILATERAL

Bangladesh
Treaty concerning the reciprocal encouragement and protection of investment, with annex, protocol, and exchange of letters. Signed at Washington Mar. 12, 1986.
Submitted to the Senate for advice and consent: June 2, 1986 (Treaty Doc. 99–23).

Cameroon
Treaty concerning the reciprocal encouragement and protection of investment, with annex. Signed at Washington Feb. 26, 1986.
Submitted to the Senate for advice and consent: June 2, 1986 (Treaty Doc. 99–22).

Canada
Agreement amending and supplementing the agreement of Mar. 9, 1959, as amended and supplemented, governing tolls on the St. Lawrence Seaway (TIAS 4192, 5117, 5608, 6236, 7408, 9003, 9883, 10363), with memorandum of agreement. Effected by exchange of notes at Washington May. 3, 1985. Entered into force May 3, 1985.

Agreement amending the treaty concerning Pacific salmon of Jan. 28, 1985. Effected by exchange of notes at Ottawa Apr. 29 and June 12, 1985. Entered into force June 12, 1986.

Costa Rica
Cooperative arrangement for the production of topographic maps of Costa Rica, with annexes. Signed at San Jose and Washington June 4 and 18, 1986. Entered into force June 18, 1986.

Ecuador
Cooperative arrangement for the production of topographic maps of Ecuador, with annexes. Signed at Washington and Quito Apr. 21 and June 12, 1986. Entered into force June 12, 1986.

Agreement relating to the agreement for sales of agricultural commodities of May 17, 1985, with memorandum of understanding. Signed at Quito June 20, 1986. Entered into force June 20, 1986.

Egypt
Treaty concerning the reciprocal encouragement and protection of investment, with annex, signed at Washington Sept. 29, 1982; with a related exchange of letters signed Mar. 11, 1985; and a supplementary protocol signed Mar. 11, 1986.
Submitted to the Senate for advice and consent: June 2, 1986 (Treaty Doc. 99–24).

European Atomic Energy Community (Euratom)
Memorandum of understanding concerning research on the health and environmental effects of radiation, with annex. Signed at Brussels July 7, 1986. Entered into force July 7, 1986.

Fiji
Agreement concerning the provision of training related to defense articles under the U.S. International Military Education and Training (IMET) Program. Effected by exchange of notes at Suva Nov. 18, 1985 and Feb. 14, 1986. Entered into force Feb. 14, 1986.

Germany, Federal Republic of
Convention for the avoidance of double taxation with respect to taxes on estates. Signed at Bonn Dec. 3, 1980.
Ratifications exchanged: June 27, 1986
Entered into force: June 27, 1986.[6]

Ghana
Agreement concerning the provision of training related to defense articles under the U.S. International Military Education and Training (IMET) Program. Effected by exchange of notes at Accra Dec. 4, 1985 and Feb. 28, 1986. Entered into force Feb. 28, 1986.

Grenada
Treaty concerning the reciprocal encouragement and protection of investment, with annex. Signed at Washington May 2, 1986.
Submitted to the Senate for advice and consent: June 3, 1986 (Treaty Doc. 99–25).

Haiti
Agreement amending the agreement for the sale of agricultural commodities of May 30, 1985. Effected by exchange of letters at Port-au-Prince June 2 and 5, 1986. Entered into force June 5, 1986.

Indonesia
Agreement amending and relating to the agreement for the sale of agricultural commodities of Dec. 2, 1980 (TIAS 10063). Signed at Jakarta June 2, 1986. Entered into force June 2, 1986.

Ireland
Agreement on preinspection in Ireland of passengers and aircraft crew. Signed at Dublin June 25, 1986. Entered into force June 25, 1986.

Japan
Agreement concerning Japan's financial contribution for U.S. administrative and related expenses for 1986 (JFY) pursuant to the mutual defense assistance agreement of Mar. 8, 1954 (TIAS 2957). Effected by exchange of notes at Tokyo June 17, 1986. Entered into force June 17, 1986.

Mauritania
Agreement concerning the provision of training related to defense articles under the U.S. International Military Education and Training (IMET) Program. Effected by exchange of notes at Nouakchott May 21, 1982, and Aug. 26, 1984. Entered into force Aug. 26, 1984.

Mexico
Agreement amending and extending agreement of Feb. 26, 1979 (TIAS 9419), as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Mexico June 9 and 18, 1986. Entered into force June 18, 1986, effective Jan. 1, 1986.

Morocco
Agreement relating to the agreement for the sale of agricultural commodities of Feb. 19, 1985, with memorandum of understanding. Signed at Rabat May 27, 1986. Entered into force May 27, 1986.

Netherlands
Agreement relating to the employment of dependents of official government employees. Effected by exchange of notes at The Hague June 23, 1986. Enters into force on the date on which the Netherlands notifies the U.S. that constitutional requirements have been fulfilled.

Protocol to amend the protocol of Mar. 31, 1978 (TIAS 8998), relating to the air transport agreement of 1957 (TIAS 4782). Signed at Washington June 11, 1986. Enters into force on the date on which the Netherlands notifies the U.S. in writing that its constitutional procedures have been complied with.

Pakistan
Agreement amending and relating to the agreement for the sale of agricultural commodities of Apr. 28, 1985. Signed at Islamabad May 19, 1986. Entered into force May 19, 1986.

Philippines
Agreement for sales of agricultural commodities. Signed at Manila June 20, 1986. Entered into force June 20, 1986.

Agreement amending agreement of Nov. 24, 1982 (TIAS 10612), as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Washington June 11 and 17, 1986. Entered into force June 17, 1986.

Sierra Leone
Agreement relating to radio communications between amateur stations on behalf of third parties. Effected by exchange of notes at Freetown Oct. 23, 1985 and June 18, 1986. Entered into force July 18, 1986.

Tonga
Agreement concerning the provision of training related to defense articles under the U.S. International Military Education and Training (IMET) Program. Effected by exchange of notes at Suva and Nuku'alofa Nov. 18 and 25, 1985. Entered into force Nov. 25, 1985.

United Kingdom
Memorandum of understanding concerning cooperation in the field of environmental affairs. Signed at Washington June 2, 1986. Entered into force June 2, 1986.

Supplementary treaty to the extradition treaty of June 8, 1972 (TIAS 8468), with annex. Signed at Washington June 25, 1985 (Treaty Doc. 99–8).
Senate advice and consent to ratification: July 17, 1986.[7]

Treaty concerning the Cayman Islands relating to mutual legal assistance in criminal matters, with attachments, protocol, and exchange of notes. Signed at Grand Cayman July 3, 1986. Enters into force upon exchange of instruments of ratification.

Zambia
Agreement relating to the agreement for the sale of agricultural commodities of July 9, 1985. Signed at Lusaka May 23, 1986. Entered into force May 23, 1986.

[1]With reservation.
[2]Not in force.
[3]In force provisionally for the U.S.
[4]With declaration.
[5]Consequent to Portugal's membership in the European Economic Community which is a party to the agreement.
[6]With understanding.
[7]With amendments. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
146	7/8	Shultz: remarks at the ASEAN open session of Six plus One Meeting, Manila, June 27.
*147	7/9	Shultz: remarks and question-and-answer session before Foreign Press Center seminar on state-supported terrorism.
*148	7/11	Program for the official visit to the U.S. of Pakistan's Prime Minister Mohammad Khan Junejo, July 15–22.
149	7/23	Shultz: statement before Senate Foreign Relations Committee.
*150	7/25	Shultz: interview with David Molpus, National Public Radio, July 24.
*151	7/29	Shultz: interview on "Newsmaker Saturday," CNN, July 25.
*152	7/26	Statement on behalf of Secretary Shultz on the death of W. Averell Harriman.
*153	7/29	Shultz: interview on USIA's "Worldnet," July 24.

*Not printed in the BULLETIN. ■

Department of State

Free **single** copies of the following Department of State publications are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan
Why Democracy Matters in Central America, TV address to the nation, June 24, 1986 (Current Policy #850).
Ending Apartheid in South Africa, World Affairs Council and Foreign Policy Asso., the White House, July 22, 1986 (Current Policy #853).

Secretary Shultz
The U.S. Approach to South Africa, Senate Foreign Relations Committee, July 23, 1986 (Current Policy #854).

Arms Control
Arms Control: Chemical and Biological Weapons (GIST, July 1986).

Department & Foreign Service
Foreign Policy and the Budget Challenge, Deputy Secretary Whitehead, Council on Foreign Relations, June 23, 1986 (Current Policy #849).

East Asia
U.S.-Japan Relations: A Global Partnership for the Future, Under Secretary Armacost, Japan Society of Northern California, San Francisco, July 21, 1986 (Current Policy #856).
U.S. Export Controls and China (GIST, July 1986).

Economics
Trade Policy: Where Will America Lead? Assistant Secretary McGinn, Council on Foreign Affairs, Baltimore, July 2, 1986 (Current Policy #852).

Refugees
Refugee Resettlement in the Heartland of America, Deputy Assistant Secretary Funseth, multistate refugee conference, St. Louis, June 4, 1986 (Current Policy #847).
U.S. Refugee Policies and Programs at Midyear 1986, Refugee Programs Director Purcell, Senate Judiciary Committee, June 20, 1986 (Current Policy #851).

United Nations
UN Special Session: African Economic Situation (GIST, July 1986). ■

INDEX

September 1986
Volume 86, No. 2114

Africa
Continent at the Crossroads: An Agenda for African Development (Shultz) 88
UN Special Session: African Economic Situation 90
Agriculture. European Communities' Agricultural Markets (White House statement) 59
Arms Control
CDE Negotiations Resume in Stockholm (White House statement) 39
An Essay on Peace (Reagan) 21
Nuclear and Space Arms Talks Conclude Round Five (Reagan) 42
Secretary Visits East Asia and the Pacific (Shultz) 25
Status of MBFR Negotiations (White House statements) 41
Strategic Modernization Program (White House statement) 81
U.S.-European Relations (Ridgway) 58
U.S. Policy on Arms Control: Purpose, Prospects, and Process (Holmes) 38
West Proposes Initiative in CDE (Western statement) 43
Canada
U.S. Policy on Acid Rain (Benedick) 55
Vice President Bush Visits Canada (Bush) . 24
China
Secretary Visits East Asia and the Pacific (Shultz) 25
Sino-American Relations: No Time for Complacency (Lord) 48
Congress
Amending the Foreign Sovereign Immunities Act (Verville) 73
Arms Sales to Saudi Arabia (Reagan, message to the Senate, White House statements) 78
Central America (letter to the Congress) . . 91
Multilateral Development Banks and the Environment (Negroponte) 53
Narcotics Trafficking in Southwest Asia (Wrobleski) 83
Sale of AWACS Aircraft to Saudi Arabia (letter to the Congress, text of certification) 79
U.S.-European Relations (Ridgway) 58
Department & Foreign Service
The U.S. Foreign Service in a Year of Challenges (Spiers) 44
Working Group on South and Southern Africa 9
Economics
Multilateral Development Banks and the Environment (Negroponte) 53
Secretary Visits East Asia and the Pacific (Shultz) 25
Environment
Multilateral Development Banks and the Environment (Negroponte) 53
U.S. Policy on Acid Rain (Benedick) 55
Europe
Bern Experts' Meeting on Human Contacts (Novak, Ridgway, Western draft concluding document) 65
CDE Negotiations Resume in Stockholm (White House statement) 39
West Proposes Initiative in CDE (Western statement) 43
European Communities. European Communities' Agricultural Markets (White House statement) 59
Foreign Assistance. Continent at the Crossroads: An Agenda for African Development (Shultz) 88
Germany
East Berlin *Volkskammer* Elections (Department statement) 59
U.S.-European Relations (Ridgway) 58
Human Rights
Bern Experts' Meeting on Human Contacts (Novak, Ridgway, Western draft concluding document) 65
Ending Apartheid in South Africa (Reagan) 1
The U.S. Approach to South Africa (Shultz) 5
International Law. Amending the Foreign Sovereign Immunities Act (Verville) 73
Korea. North Koreans Propose Three-Way Military Talks (Department statement) . . 51
Law of the Sea. Current Developments in the U.S. Oceans Policy (Negroponte) 84
Maritime Affairs. Current Developments in the U.S. Oceans Policy (Negroponte) 84
Military Affairs
North Koreans Propose Three-Way Military Talks (Department statement) 51
Strategic Modernization Program (White House statement) 81
U.S.-New Zealand Disagreement on Port Access for U.S. Ships (Department statement) 86
Narcotics
Narcotics Trafficking in Southwest Asia (Wrobleski) 82
Secretary Visits East Asia and the Pacific (Shultz) 25
New Zealand
Secretary Visits East Asia and the Pacific (Shultz) 25
U.S.-New Zealand Disagreement on Port Access for U.S. Ships (Department statement) 86
Nicaragua. Central America (letter to the Congress) 91
Oceans. Current Developments in the U.S. Oceans Policy (Negroponte) 84
Palau. Secretary Visits East Asia and the Pacific (Shultz) 25
Philippines. Secretary Visits East Asia and the Pacific (Shultz) 25
Presidential Documents
Arms Sales to Saudi Arabia (message to the Senate, White House statements) 78
Central America (letter to the Congress) . . 91
Ending Apartheid in South Africa 1
An Essay on Peace 21
International Terrorism 23
Nuclear and Space Arms Talks Conclude Round Five 42
Sales of AWACS Aircraft to Saudi Arabia (letter to the Congress, text of certification) 79
Why Democracy Matters in Central America 18
Publications. Department of State 94
Refugees. Secretary Visits East Asia and the Pacific (Shultz) 25
Romania. U.S.-European Relations (Ridgway) 58
Saudi Arabia
Arms Sales to Saudi Arabia (Reagan, message to the Senate, White House statements) 78
Sale of AWACS Aircraft to Saudi Arabia (letter to the Congress, text of certification) 79
Security Assistance
Arms Sales to Saudi Arabia (Reagan, message to the Senate, White House statements) 78
Sale of AWACS Aircraft to Saudi Arabia (letter to the Congress, text of certification) 79
Singapore. Secretary Visits East Asia and the Pacific (Shultz) 25
South Africa
Ending Apartheid in South Africa (Reagan) 1
Misconceptions About U.S. Policy Toward South Africa 12
The U.S. Approach to South Africa (Shultz) 5
Working Group on South and Southern Africa 9
South Asia
Narcotics Trafficking in Southwest Asia (Wrobleski) 82
Sovereign Immunities. Amending the Foreign Sovereign Immunities Act (Verville) 73
Spain. U.S.-European Relations (Ridgway) 58
Terrorism
International Terrorism (Reagan) 23
Secretary Visits East Asia and the Pacific (Shultz) 25
Treaties. Current Actions 91
U.S.S.R.
An Essay on Peace (Reagan) 21
Nuclear and Space Arms Talks Conclude Round Five (Reagan) 42
Secretary Visits East Asia and the Pacific (Shultz) 25
Status of MBFR Negotiations (White House statements) 41
U.S.-European Relations (Ridgway) 58
U.S. Policy on Arms Control: Purpose, Prospects, and Process (Holmes) 38
United Nations
Continent at the Crossroads: An Agenda for African Development (Shultz) 88
UN Special Session: African Economic Situation 90
Western Hemisphere. Why Democracy Matters in Central America (Reagan) 18
Yugoslavia. U.S.-Yugoslav Relations (Armacost) 61

Name Index

Armacost, Michael H 61
Benedick, Richard E 55
Bush, Vice President 24
Holmes, H. Allen 38
Lord, Winston 48
Negroponte, John D 53, 84
Novak, Michael 65
Reagan, President 1, 18, 21, 23, 42, 78, 79, 91
Ridgway, Rozanne L 58, 65
Shultz, Secretary 5, 25, 88
Spiers, Ronald I 44
Verville, Elizabeth G 73
Wrobleski, Ann B 82

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

OFFICIAL BUSINESS
Penalty for Private Use $300

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

READEX FICHE

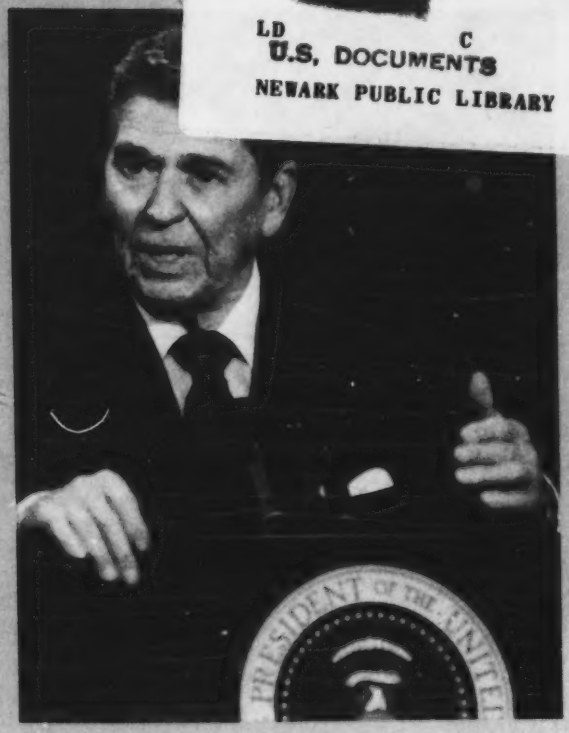
best copy available

86/2115

Department of State bulletin

The Official Monthly Record of United States Foreign Policy/Volume 86/Number 2115

October 1986



LD C
U.S. DOCUMENTS
NEWARK PUBLIC LIBRARY

The President/1

Refugees/49

Arms Control/7

Pacific/43

Western Hemisphere/65

S1.3:

Department of State bulletin

Volume 86 / Number 2115 / October 1986

Cover: President Reagan

(White House photo by Pete Souza)

One of the priorities of the assistance provided by the international community is to supply the refugees with clean drinking water.

(Courtesy of UNHCR: J. Jessen-Petersen)

THE DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

BERNARD KALB
Assistant Secretary for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

SHARON R. LOTZ
Assistant Editor

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

DEPARTMENT OF STATE BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street, NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Most of the contents of this publication are in the public domain and not copyrighted. Those items may be reprinted; citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. Permission to reproduce all copyrighted material (including photographs) must be obtained from the original source. The BULLETIN is indexed in the Readers' Guide to Periodical Literature and in the PAIS (Public Affairs Information Service, Inc.) Bulletin.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

CONTENTS

The President

1 SDI: Progress and Promise
2 News Conference of August 12 (*Excerpts*)
6 International Trade

Arms Control

7 Arms Control: Turning the Corner? (*Kenneth L. Adelman*)
9 CDE Opens Final Session (*White House Statement*)
10 Interim Restraint: U.S. and Soviet Force Projections (*President Reagan, Letter to the Congress, Unclassified Report*)
12 Presidential Response to Soviet Arms Control Proposals (*White House Statement*)
14 U.S. Policy Regarding Limitations on Nuclear Testing
17 U.S.-U.S.S.R. Discussions on Nuclear Testing (*White House Statement*)
18 SCC Meets in Geneva (*White House and U.S. Statements*)

Department

19 The Foreign Affairs Budget (*John C. Whitehead*)

East Asia

20 U.S.-Japan Relations: A Global Partnership for the Future (*Michael H. Armacost*)
22 U.S.-Japan Semiconductor Trade Agreement (*President Reagan*)
24 Perspective and Proportion for U.S.-Japanese Relations (*Gaston J. Sigur, Jr.*)

Economics

27 Economic Sanctions to Combat International Terrorism
31 Trade Policy: Where Will America Lead? (*Douglas W. McMinn*)

Energy

34 Strategic Petroleum Reserve (*White House Statement*)

Europe

35 25th Anniversary of Berlin Wall (*President Reagan*)
35 27th Report on Cyprus (*Message to the Congress*)

Human Rights

36 11th Anniversary of the Helsinki Final Act (*President Reagan*)
36 Captive Nations Week, 1986 (*Proclamation*)

Military Affairs

37 Binary Chemical Munitions Program (*White House Statement*)

Narcotics

37 U.S. International Narcotic Control Programs and Policies (*John C. Whitehead*)

Oceans

41 Who Will Protect Freedom of the Seas? (*John D. Negroponte*)

Pacific

43 U.S. and Australia Hold Ministerial Talks (*Kim Beazley, Bill Hayden, Secretary Shultz, Caspar W. Weinberger*)

Refugees

49 U.S. Refugee Policies and Programs at Midyear 1986 (*James N. Purcell, Jr.*)

South Asia

54 Visit of Pakistan's Prime Minister (*Joint Statement*)

Terrorism

55 Terrorism and Tourism (*Robert B. Oakley*)
58 Antiterrorism Act Signed into Law (*President Reagan*)

United Nations

58 Nicaragua's Role in Revolutionary Internationalism (*Vernon A. Walters*)
61 Report on UN Human Rights Commission Meeting (*Richard Schifter*)
63 UN Financial Crisis (*Vernon A. Walters*)

Western Hemisphere

65 Visit of Mexican President (*Miguel de la Madrid Hurtado, President Reagan*)
66 Update on Chile (*Elliott Abrams*)
70 Obstacles to Investment and Economic Growth in Latin America (*Richard T. McCormack*)
73 Visit of President of Uruguay (*President Reagan, Julio Maria Sanguinetti*)

Treaties

75 Current Actions

Press Releases

77 Department of State

Publications

77 Department of State
78 Background Notes
78 Foreign Relations Volume Released

Index

NEWARK PUBLIC LIBRARY
OCT 2 9 1986
U. S. GOVT. PUBS.
DEPOSITORY 376

SDI: Progress and Promise

President Reagan's remarks at a White House briefing on August 6, 1986.[1]

I'm grateful to have this opportunity to speak with you and to thank you for all you're doing to keep America in the forefront of scientific and technological change. Our country's security today relies as much on the genius and creativity of scientists as it does on the courage and dedication of those in the military services. It also relies on those with the wisdom to recognize innovation when they see it and to shepherd change over the obstacles and through the maze. It takes a special person, endowed with vision and tenacity, to overcome political and bureaucratic inertia; and many of you here today are just this kind of special people, and I want you to know that your President and your country are grateful. And, if I'm not being too presumptuous, I think history will remember you, too.

There are three stages of reaction to any new idea, as Arthur C. Clarke, a brilliant writer with a fine scientific mind, once noted. First, "It's crazy; don't waste my time." Second, "It's possible, but it's not worth doing." And, finally, "I always said it was a good idea."

When I notice how much support tax simplification seems to have attracted as of late, I can't help but think of Clarke's observation. Well, one sometimes has to live with opposition to proposals such as changing the tax code, but when the same kind of skepticism stands in the way of the national security of our country, it can be perilous.

Clearly, intelligent and well-meaning individuals can be trapped by a mindset, a way of thinking that prevents them from seeing beyond what has already been done and makes them uncomfortable with what is unfamiliar. And this mindset is perhaps our greatest obstacle in regard to SDI.

We're at a critical point now on national security issues, and we need your help. Many of our citizens are still unaware that today we are absolutely defenseless against the fastest, most destructive weapons man has ever created—ballistic missiles. Yet, there are still those who want to cut off, or severely cut back, our ability to investigate the feasibility of such defenses. Congressional action on the defense authorization bill is coinciding with increasing diplomatic activity with the Soviet Union. Yet, at the same time, we're in the midst of a budget fight which could take away the very leverage we need to deal with the Soviets successfully.

Back in 1983, I challenged America's scientific community to develop an alternative to our total reliance on the threat of nuclear retaliation, an alternative based on protecting innocent people rather than avenging them; an alternative that would be judged effective by how many lives it could save, rather than how many lives it could destroy.

All of you know that during the past three decades deterrence has been based on our ability to use offensive weapons to retaliate against any attack. Once an American President even had to make the excruciating decision to use such weapons in our defense. Isn't it time that we took steps that will permit us to do something about nuclear weapons, rather than simply continue to live with them in fear? And this is what our SDI research is all about, and there can be no better time than today, the 41st anniversary of Hiroshima, to rededicate ourselves to finding a safer way to keep the peace.

Many people believe the answer lies not in SDI but only in reaching arms control agreements. Trust and understanding alone, it is said, will lead to arms control. But let's not kid ourselves; it's realism, not just trust, that is going to make it possible for adversaries, like the Soviet Union and the United States, to reach effective arms reduction agreements. Our SDI program has provided a historic opportunity; one that enhances the prospects for reducing the number of nuclear weapons. Technology can make it possible for both sides, realistically, without compromising their own security, to reduce their arsenals. And the fear that one side might cheat—might have a number of missiles above the agreed upon limit—could be offset by effective defenses. Clearly, by making offensive nuclear missiles less reliable, we make agreements to reduce their number more attainable. Particularly is that true where one side now is an economic basket case because of the massive arms buildup that it's been conducting over the last few decades—the Soviet Union.

There has been progress. There's a serious prospect today for arms reductions, not just arms control; and that by itself is a great change, and it can be traced to our Strategic Defense Initiative. SDI can take the profit out of the Soviet buildup of offensive weapons and, in time, open new opportunities by building on today's and tomorrow's technologies.

I say this fully aware of the Soviet campaign to convince the world that terminating our SDI program is a prerequisite to any arms agreement. This clamoring is nothing new. It also has preceded steps we've taken to modernize our strategic forces. It was especially loud, for example, as we moved to offset the unprovoked and unacceptable Soviet buildup of intermediate-range missiles aimed at our allies by deploying our Pershing IIs and cruise missiles.

When I made it clear that we would no longer base our strategic force decisions on the flawed SALT [strategic arms limitation talks] Treaties—and, let me add, that action was taken when there was ample evidence that the Soviet Union was already in clear violation of key SALT provisions—the cry went up that it was the death knell of arms control and the beginning of a new, even more destructive nuclear arms race.

Well, let me just point out, in case no one noticed, the naysayers' predictions have been about as accurate as the time my old boss, Harry Warner of Warner Brothers' film company, said when sound films first came in: "Who the hell wants to hear an actor talk?"

Today, we continue to negotiate with the Soviets, and they are negotiating with us. In fact, their recent proposals—in stark contrast to those gloomy predictions—are somewhat more forthcoming than those of the past. We are giving serious consideration to what the Soviets have recently laid upon the table in response to our own concrete reduction proposals. Also, we are looking toward the next summit between General Secretary Gorbachev and me, as we agreed upon last November, where nuclear arms reduction will be one of several significant issues to be discussed.

Forecasting is not useful, but, let me just say again, I am optimistic. It is demonstrably in the interest of both our countries to reduce the resources that we commit to weapons. If the Soviet Union wants arms reduction—strategic, chemical, or conventional—the United States stands ready to commit itself to a fair and verifiable agreement.

As for SDI, let me again affirm, we are willing to explore how to share its benefits with the Soviet Union, which itself has long been involved in strategic defense programs. This will help to

demonstrate what I have been emphasizing all along—that we seek no unilateral advantage through the SDI.

There's been some speculation that in my recent letter to General Secretary Gorbachev, I decided to seek some sort of "grand compromise" to trade away SDI in exchange for getting the Soviets to join with us in the offensive reductions. Now, to those who have been publicizing what is supposed to be in that letter, I hope they aren't offended to find out that they don't know what's in that letter because no one's really told them. I know. Let me reassure you right here and now that our response to demands that we cut off or delay research and testing and close shop is: no way. SDI is no bargaining chip; it is the path to a safer and more secure future. And the research is not, and never has been, negotiable. As I've said before, it's the number of offensive missiles that needs to be reduced, not efforts to find a way to defend mankind against these deadly weapons.

Many of the vocal opponents of SDI, some of them with impressive scientific credentials, claim our goal is impossible; it can't be done, they say. Well, I think it's becoming increasingly apparent to everyone that those claiming it can't be done have clouded vision. Sometimes smoke gets in your eyes. And sometimes politics gets in your eyes. If this project is as big a waste of time and money as some have claimed, why have the Soviets been involved in strategic defense themselves for so long, and why are they so anxious that we stop?

I understand that General Abrahamson [Director of the Strategic Defense Initiative Organization] has already briefed you on the progress we've made. I want to take this opportunity to congratulate the General and his team. They're all first string and doing a terrific job.

I'm more than happy with the strides made in our ability to track and intercept missiles before they reach their targets. The goal we seek is a system that can intercept deadly ballistic missiles in all phases of their flight, including and, in particular, the boost phase—right where they're coming out of the silos. Our research is aimed at finding a way of protecting people, not missiles. And that's my highest priority and will remain so.

And to accomplish this, we're proceeding as fast as we can toward developing a full range of promising technologies. I know there are those who are getting a bit antsy, but to deploy systems of limited effectiveness now would divert limited funds and delay our main research. It could well erode support for the program before it's permitted to reach its potential.

Jack Swigert, an astronaut, an American hero of the first order, once said: "I was privileged to be one of the few who viewed our earth from the moon, and that vision taught me that technology and commitment can overcome any challenge." Well, Jack tragically died of cancer and was cut short from the great contributions he would have made to his country and to mankind. He was the kind of individual who made this the great land of freedom and enterprise that it is. His can-do spirit is alive and well in America today.

We and the other free people of the world are on the edge of a giant leap into the next century. That turning point in 13½ years will not only mark the end of a century but the beginning of a new millennium. And the free people of the world are ready for it. Our research on effective defenses helps to point the way to a safer future. The best minds from some allied countries are already working with us in this noble endeavor, and we believe others will join this effort before too long. In SDI, as elsewhere, we've put technology that almost boggles the mind to work—increasing our productivity and expanding the limits of human potential. The relationship between freedom and human progress has never been more apparent.

But our freedom and security, as we are sorely aware, depend on more than technology. Both diplomacy and our internal debate are at a critical juncture, and your active support is imperative. Together, we must make it plain that this is the worst time to undermine vital defense programs and take away America's needed negotiating leverage.

If we cut back on our own forces unilaterally, we will leave our adversaries no incentive to reduce their own weapons. And we will leave the next generations not a safer, more stable world but a far more dangerous one. The future is literally in our hands. And it is SDI that is helping us to regain control over our own destiny.

Just one last little incident, if you aren't aware of it already, that might be helpful to you and some people that you might be discussing this subject with. Back when Fulton was inventing the steamboat and it came into reality, there was an effort made to sell it to Napoleon in France. And that great general, with all his wisdom, said: "Are you trying to tell me that you can have a boat that will sail against the tide and the currents and the winds without any sails?" He said: "Don't bother me with such foolishness." Well, we know where the foolishness lay, and let's not make the same mistakes.

I want to thank you all again for all you are doing to keep our country out in front, to keep her secure and free. Don't let up. God bless you.

I'll just leave you with this thought once again. When the time has come and the research is complete, yes, we're going to deploy.

[1]Text from Weekly Compilation of Presidential Documents of Aug. 11, 1986. ■

News Conference of August 12

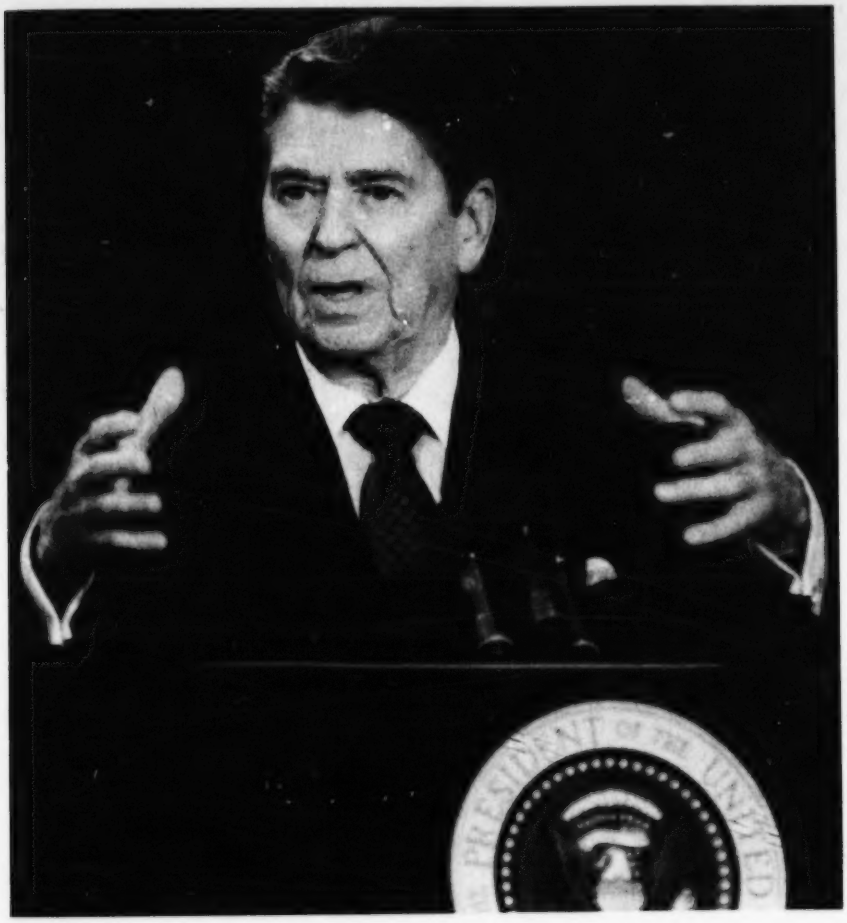
Excerpts from President Reagan's news conference held in Chicago on August 12, 1986.[1]

. . . .

Tomorrow the Senate will cast a crucial vote. The question is that of assistance to the freedomfighters who are trying to bring democracy to Nicaragua, where a communist regime, a client state of the Soviet Union, has taken over. The question before the Senate is: Will it vote for democracy in Central America and the security of our own borders, or will it vote to passively sit by while the Soviets make permanent their military beachhead on the mainland of North America?

Q. Soviet and American negotiators just completed 2 days of top-level talks in Moscow. Did they narrow any differences on arms control, perhaps paving the way for a summit later this year? And how did the Soviets react to your offer to delay the deployment of a Strategic Defense Initiative in return for an agreement to deploy it later?

A. That isn't exactly what we've proposed to the Soviet Union about delaying our Strategic Defense Initiative. And I'm not going to discuss what was in my letter, and no one who has been guessing at it has guessed right yet. But the General Secretary did not reveal his letter to me, and I'm not going to reveal mine to him. But we don't have an answer or a reply yet from our negotiators over there, and I'm waiting for their report to see where we stand. But we have no word as yet.



(White House photo by Pete Souza)

President Reagan at news conference of August 12.

Q. Are you more or less optimistic about the prospects for a summit in November?

A. Yes, I am optimistic. And I'm optimistic that we're going to make more progress than probably has been made in a number of years because of some of the problems that are concerning the General Secretary at this time.

Q. Your recent speech on South Africa met with what one account called "a bipartisan chorus of boos on Capitol Hill." It neither silenced your critics nor satisfied members of your own party who are pressing for a more forceful U.S. approach to that problem. At this point, are you willing to ignore those calls for firmer U.S. action and possibly see Congress seize the initiative in setting policy toward South Africa?

A. I don't think that it's a case of whether it's firm action or not. I think the simple case is that punitive sanctions that would affect the economy there would not only be disruptive to surrounding states that are virtually linked to South Africa's economy but would also be very punitive to the people that we want to help. And whether the Members of the Congress were ready to accept what I said in that speech—I can tell you that in communication with some of the most prominent of the black leaders, individuals who are leaders of groups of several million, 4½ million in one religious group, and are all solidly opposed to the sanctions. And the one group that is in support of them in South Africa is a group that very definitely has been the most radical and wants the disruption that would come from massive unemployment and hunger and desperation of the people; because it is their belief that they could then rise out of all of that disruption and seize control. And this has been transmitted to me personally by some of these other leaders, like Buthelezi of the largest tribal group in all of South Africa, the Zulus. And there are others. There are religious leaders. Another one, another Bishop—you never hear of him—I don't know whether I pronounce his name right, but it's, I think, Moreno or Marnarama. I'm going to have to find out what sounds they attach to some of their combination of letters. But he's the leader of 4½ million Christians there. And all of them are deathly opposed to sanctions. So, I just think that up on the Hill there, well-intentioned though they may be, they're asking for something that would not be helpful.

On the other hand, I think there are evidences that maybe ourselves and some of our allies could be invited to meet with their government representatives and see if we couldn't bring about some coming together of these responsible leaders of the black community.

Q. If you're unwilling at this point to define what a reasonable timetable is for the abolition of apartheid, does the situation, in fact, reach a point at some stage where the United States is pushed to go beyond friendly persuasion to prod the South Africans for change?

A. I think that's something that you face if and when that time comes. Yes, we're impatient. And, yes, we feel as strongly about apartheid as anyone does, and it should be done away with. On the other hand, President Botha himself has said the same thing and that his goal is to eliminate apartheid.

• • • •

Q. After you announced your decision to subsidize grain sales to the Soviet Union, Secretary of State Shultz was extremely critical. And I'd like you to reply to his criticism. He said the Soviet Union must be chortling at having sales to them subsidized and scratching their heads about a system that says we're going to fix it up so that American taxpayers make it possible for Soviet housewives to buy American-produced food at a price lower than an American housewife. Now, that's Secretary Shultz; what do you have to say about that?

A. You fellows all caught Secretary Shultz—he'd been away, and you caught him before he'd had a chance to talk to us and find out what it was we really had done.

Now, we're not out, as a matter of policy, to continue subsidizing the Soviet Union. The Soviet Union has a long-term grain agreement with us, and it calls for a purchase of 4 million metric tons of grain this year. They have not yet bought that.

This measure that I employed was in the bill that the Congress passed. And what we did was say for this one crop, and for this one season, that we would offer this subsidy to the farmers. We didn't do it for the Soviet Union. We did it for our farmers, who are, as you know—and we hope temporarily—but in a real bind, a very severe one. This amounted to a subsidy for them, but allowed the Soviet Union to buy that 4 million. If they came in and wanted to buy 5, the other million would be back at the regular price. And I think George has mellowed considerably since he found out what it is that we did.

Q. A lot of people just simply think you were trying to buy votes in the fall elections, because the American taxpayer is going to pay about 20¢ a bushel for this subsidy.

A. No, we're trying to help in a situation that I believe was originally created by the Federal Government, when the Federal Government, back in the days of the Depression, started invading the farm community. And with all its various programs, it has brought on most of the problems that bother the farmers today.

Q. Yesterday you offered strong words of encouragement to those who would like to see the Berlin Wall torn down. I am wondering if at some point in the future you might be willing to go beyond rhetoric and perhaps put it on a future agenda for negotiation with the Soviet Union?

A. I would have no hesitation, whatsoever, in a summit meeting to discuss this with the General Secretary. I think it's a wall that never should have been built. And I happen to believe that at the time that they started to put it up—and they started with wire, barbed wire, instead of a wall—that if the United States had taken the action it should have—because that was a total violation of the Four Powers agreement for Berlin—that if we'd gone in there and knocked down that wire then, I don't think there'd be a wall today. Because I don't think they wanted to start a war over that.

Q. How realistic is it, though? Some critics have suggested that it raises false hopes for those beyond the wall.

A. I don't think anyone is intending to do anything of that kind. But we know that they've done a kind of lucrative business in letting people come through that wall, if the price was right, and rejoin their families and friends in West Germany. And isn't it strange that all of these situations where other people build walls to keep an enemy out, and there's only one part of the world and one philosophy where they have to build walls to keep their people in? Maybe they're going to recognize that there is something wrong with that soon.

Q. I'd like to go back to your first answer on South Africa. You said that the only blacks who want sanctions are the radical blacks, the ones who want upheaval. One of the blacks who very much is in favor of sanctions and is very critical of your policy is Desmond Tutu, who is a bishop of the church and the Nobel Peace Prize winner. Are you saying that he's one of those radical blacks who wants upheaval?

A. No, but I don't think he's right in what he's advocating now. But, I guess that was careless of me. I was talking in terms of the various groupings, political alliances and so forth, of the people in the black community there. Of course there are individuals that may be all over, individuals that think that's the thing to do, that there's no other answer now except just punish, never mind trying to find a solution to the problem. And so, I agree that was careless of me. No, I was not linking him in with the particular group that I had in mind.

Q. You also, in your first answer, talked about a possible meeting—Western governments invited to talk to the South African Government and to blacks. Could you tell us a little bit more about where that stands now, the question of your appointing an ambassador to South Africa and also the possibility of a special envoy?

A. We have made no decision yet on the ambassador, nor have we made up our minds whether we want to send an envoy or not. But at the risk of violating something that I said, or I thought that I wouldn't do, I am going to say one thing about Mr. Botha's speech today. Now, I'm not going to comment generally or take questions on that because I haven't heard it, and I'm not going to comment until I hear the whole thing. But I did, thanks to the media, hear at least one line of his. And this line—he spoke of the idea of having the leaders of West Germany, France, United Kingdom, and the United States to some meetings.

This is what we ourselves have been talking about, and among ourselves, these same leaders—is if we could be of help. This is a sovereign nation. You can't go in and dictate to them and tell them how they must run their country. But if we could be of help in bringing together various groupings there to discuss with the government as to how something could be planned to bring along an end to apartheid earlier, this we would be pleased to do.

As I say, I can't comment because I haven't heard or read, and I will get his transcript and read his speech. But he did—and that was quoted on the air—he did say that he was thinking of such a meeting.

Q. Would you go to that kind of a summit meeting?

A. I don't know whether it would require us or whether it could be done with foreign ministers or not. We'd have to see the details.

. . . .

Q. When you spoke earlier of that one group that you said wants disorder and is radical—just to clear up the point—you seemed to be referring to the African National Congress, the very group that Secretary of State Shultz says should be negotiated with, that the Commonwealths feel should be part of the solution. Are you saying that they should not be among the groups that ought to be included in some sort of dialogue, even though they seem to be very representative of a large number of people in South Africa?

A. The African National Congress started out some years ago, and there was no question about it being a solid organization. But in 1921, in South Africa, the Communist Party was formed. And some years later the Communist Party of South Africa joined with, and just moved into, the African National Congress. And it is that element; I don't say the entire ANC, no. And George Shultz has talked with them. We know that there are still sound people. We've had enough experience in our own country with so-called communist fronts to know that you can have an organization with some well-meaning and fine people, but you have an element in there that has its own agenda. And this is what's happened with the ANC. And right now, the ANC in exile, the ones we're hearing from, that are making the statements, are the members of that African Communist Party. So, no, if you could do business with and separate out and get the solid citizens in the ANC

to come forward on their own, that's just fine.

Q. Let me understand, also, the logic of what you said tonight about sanctions. The front-line states, the neighboring states, have said that they, even though hurt by sanctions, would welcome it if it came from Western countries. Yet President Botha has imposed sanctions upon them. You've not criticized him for that, you personally, and at the same time this country has imposed sanctions on Nicaragua and Poland. Are you saying that what those regimes do to their people is worse than what the South African regime has done to the residents of that country?

A. No, with regard to Poland, if you would check the sanctions that we finally felt had to be applied there, we applied sanctions that we were sure—and we sought Polish advice on this—that would not harm the citizens of Poland, that there would be restrictions on the government that was at that time denying Lech Walesa and the union and so forth, the Solidarity movement, its rights. With regard to Nicaragua, there is no comparison between South Africa and Nicaragua. In South Africa you're talking about a country—yes, we disagree and find repugnant some of the practices of their government, but they're not seeking to impose their government on other surrounding countries. Nicaragua is a totalitarian, communist state. It is a sort of a vassal of the Soviet Union. And it has made plain in utterance after utterance, even since the Somoza revolution, that their revolution is not going to be confined to their borders, that they intend to spread that revolution throughout Latin America.

So, what we're talking about is helping the people of Nicaragua. Just recently, the last newspaper, *La Prensa*, was silenced; two religious leaders were ejected from the country for criticizing some facets of the government. And we simply feel that the revolution against Somoza, which declared in writing to the Organization of American States what their goals were: a pluralistic society, a democracy, free speech, freedom of press, free labor unions, and all of this—they pledged what they were trying to achieve. Then one element in the revolution threw out the others that had fought beside them, and who largely make up the *contras*, took over, seized power at the point of a gun. And we simply believe that the people of Nicaragua have got a right to try for their original goals.

Q. After Reverend Lawrence Martin Jenco was released by his captors in Beirut a few weeks ago, he met with you and said he delivered a message from his captors. What was in that message, specifically, and how have you been using that to obtain the release of the other Americans held in Lebanon?

A. Contrary to what the tone of some people is, we've been trying relentlessly to get those hostages back from the first day of their captivity. First, we had to try and find out where they were. We still don't really know that. They're moved frequently. And we're going to keep on trying. We have had some broken hearts. Many times that we thought we were on the track and that we were almost going to be able to set a day when they would be free, and then it would disappear into the sand and we'd have to start on another path. We're going to continue until we get them back.

But he did bring some oral messages—well, I say messages because I didn't hear the one that was for the Pope—but he did to us. And I feel that it was told to me in confidence, and I have a feeling that if I should go public with some of the things in that, I might do harm to our efforts to try and get them back. So, I'm not going to comment on that.

Q. Can you say tonight that we are any closer to seeing the other Americans held there being freed as Father Jenco was?

A. My hesitance about that—it's just what I've said before: that there have been times when, if you'd asked me that question, I would have been tempted to say, yes, it's imminent. And then, as I say, it disappeared, and we had to find another track and start over. And we've known encouragement and discouragement. And I can't comment. We must get them back, and we're going to keep on doing everything we can and trying to get them back. But I don't want to say anything that will endanger them.

Q. The comparison you discussed before between Nicaragua and South Africa seems to agitate many of your critics who note the eloquence with which you address the issue of freedom fighting in Nicaragua but seem to lose that eloquence in South Africa. Do you honestly believe that the South African Government treats its black majority worse than the Sandinista regime, Marxist though it may be, treats Nicaraguan citizens inside Nicaragua, keeping in mind the number of black South Africans who have died over the past year alone, the amount of the cross-border incursions the South African Government has conducted against the neighboring states, *et cetera, et al*?

A. I think that I have condemned publicly all of those things that you're talking about. On the other hand, I also realize the complexity of the South Africa problem, because much of that death that you spoke of is being inflicted by blacks on blacks because of their own tribal separations. And all of this must be taken into account in finding a system of government.

But also I am quoting now one of those black leaders who wrote a most statesmanlike and eloquent letter to me just recently, and he pointed out that while, yes, they were impatient, and, yes, we hope that we can make progress faster, he pointed out he did not disapprove of Botha. He pointed out what he has accomplished and the things that he has done. And he also made a point about what would happen if those in our country who want us to have the American companies that are over there doing business withdraw. And he pointed out that those companies—some 200 of them—following the Sullivan principles, in which there is the kind of treatment that we would recognize as being decent in this country with regard to their employees and outside the actual employment, the things they've tried to do to improve life for the families on the outside, that this would all be lost if some people had their way with sanctions and so forth and with forcing us to withdraw.

But then he also pointed out that because of the Sullivan principles that were used by these American companies, a great many South African companies had taken the cue from that and adopted on their own principles that were similar to that—having to do with promotion, having to do with hiring, having to do with ignoring racial difference with regard to promotion to supervisory positions and all.

Now, this is all going on. Nothing like that is going on in Nicaragua, not when a priest stands up and speaks to his congregation and because he says some things that—well, for example, protesting the fact that the government has shut down on the church's newspaper and shut down on the church's radio station, seized their printing presses so that they can't even have church bulletins anymore—and then he's thrown out of the country for having said that.

That's a little different than what was going on in South Africa.

Q. Twice now, black candidates to become your new Ambassador to South Africa seemed, for one reason or another, to have fallen by the wayside. Are you having difficulty in finding a black Ambassador to South Africa because you can find no qualified black who agrees with your policy now?

A. No, [it] has nothing to do with that. And the one that fell by the wayside—let me tell you that I regret that more than anything. I have the greatest respect and admiration for that man. And what happened was some possible connection with a legal action involving some institutions—he's in a public relations field at this moment—and that he, for one thing, he very probably would not be able to leave and have the time to go there as this comes to a head.

• • • •

[1]Text from Weekly Compilation of Presidential Documents of Aug. 18, 1986. ■

International Trade

President Reagan's radio address to the nation of August 2, 1986.[1]

It's sometimes said that if you put three economists together in a room and ask them a question, you're liable to get more than three answers. It's true, economists don't often agree; but there is one issue on which almost all responsible economists, whatever their political persuasion, are unanimous. They agree that free and fair trade brings growth and opportunity and creates jobs. And they all warn that high trade barriers, what is often called protectionism, undermines economic growth and destroys jobs. I don't call it protectionism; I call it destructionism.

That's why our motto is: free and fair trade with free and fair traders. Now, we've seen that governments sometimes don't play by the rules. They keep exports out of subsidy—or subsidize, I should say, industries, giving them an unfair advantage. Well, our patience with unfair trade isn't endless, and we're taking action to bring other nations back in line to ensure that free trade remains fair trade. We're aggressively using existing trade laws to pry open foreign markets and force others to play by the rules.

This week, for instance, we signed a breakthrough trade agreement that'll open up Japanese markets to U.S. semiconductors and prevent the Japanese from dumping semiconductors in our markets. And last month, after intensive negotiations in response to a deadline I set, the European Community agreed to keep its market open to U.S. farm exports.

These agreements are examples of positive, result-oriented trade action. Instead of closing markets at home, we've opened markets to U.S. products abroad, thus helping to create more American jobs. Instead of erecting destructionist import barriers, we're tearing down foreign barriers to make trade freer and fairer for all. Because, believe me, when Americans are competing on a level playing field, they can outproduce and outsell anyone, anywhere in the world.

We've been tough with those nations who've been unfair in their trading practices, and that toughness has produced results. And with hard-pressed industries like textiles and apparel that have gone through difficult times, we've taken strong action to help. We renegotiated agreements with Taiwan and Hong Kong over a year early to expand product coverage and tighten controls of imports from those countries. We are pursuing negotiations with Korea to tighten restraints on their exports to us and improve opportunities for our producers in their market. And just this week we completed a tough, new multifiber arrangement with our trading partners that will include products not previously covered and which gives us tools to prevent damaging import surges. This is result-oriented action.

What doesn't bring results is the sort of destructionist legislation now before the House of Representatives. Next week the House will vote on whether to override my veto of a textile trade bill, and I'm hopeful this won't happen.

My council of economic advisers estimates this bill would cost you, the consumer, $44 billion over the next 5 years: $70,000 for every job saved, jobs that pay about $13,000 on average. Even worse, these temporarily protected jobs would be more than offset by the loss of thousands of other jobs—jobs in retail, marketing, and finance, and jobs directly related to importing, such as dockworkers and transportation workers. And then there are all those who would be thrown out of work as we began to feel the effects of foreign retaliation, and you can bet there would be retaliation. I'm thinking, especially, of our struggling agricultural sector and its many connected industries. At a time when we're trying to increase agricultural exports, let's remember that some of the first victims of retaliation would be our farmers—kicking them when they're already down.

So, our trade policy remains a positive one that will not play off one region against another or one American worker against another, doing grievous damage to the industries involved. In trying to help workers in ailing industries, we must be careful that the cure is not worse than the disease, like the infamous Smoot-Hawley tariffs that deepened and prolonged the Great Depression. The best way to help is with the pro-growth policies of free and fair trade that have created more than 10 million new jobs in the last 3½ years. In the last 7 months 1,650,000 people have found jobs in the United States. That's more than Europe and Japan combined in the last 10 years. And by the way, recently released figures show the leading economic indicators are up and unemployment has dropped to 6.8%.

You know, the Europeans talk about the "American miracle" of economic growth and job creation. Well, I'm going to do everything I can to keep that miracle of hope alive, creating jobs and opportunities for all Americans.

[1]Text from Weekly Compilation of Presidential Documents of Aug. 11, 1986. ■

Arms Control: Turning the Corner?

by Kenneth L. Adelman

Address before the American Bar Association's annual meeting in New York City on August 12, 1986. Mr. Adelman is Director of the U.S. Arms Control and Disarmament Agency.

This summer has been an intensely busy period for arms control. It began with the President's decision on interim restraint and SALT [strategic arms limitation talks]. Then there was the new Soviet proposal, General Secretary Gorbachev's subsequent letter to the President, a series of meetings with the President and his response to Gorbachev—as well as a special session of the Standing Consultative Commission and new talks on nuclear testing issues. In roughly a month, the sixth round of the Geneva talks will resume.

As the President said at Glassboro, we may be at a turning point in arms control. There are signs of hope in Gorbachev's letter and in Soviet moves in Geneva. The President's response seeks to bridge the remaining differences in our positions.

To get this far has taken an enormous amount of perseverance on his part. Having worked with him for 5-plus years now, I am most struck by his deep commitment to building a safer world, to reversing the nuclear arms buildup, and to providing an alternative strategy that does not hinge so dreadfully on the threat of mutual annihilation.

That said, I suspect the question in your minds and many others is: "Will there be an arms agreement during this Administration?"

To answer that question, we must first address two others.

Question One: What have we learned in the arms control process?

Question Two: What exactly is the United States trying to accomplish in arms control today?

What We Have Learned

First, what have we learned? Several things:

For one, we've learned the lesson that arms control negotiations with the Soviet Union are not necessarily a progressive or cumulative enterprise.

The assumption in 1972, remember, was that SALT I would be a "first step" to more ambitious agreements—agreements which actually reduced and restricted the arms competition. You would move step by step to more comprehensive and ambitious treaties. That was the theory. The reality turned out otherwise. By 1979 when SALT II failed to get Senate approval, it was clear that our hope had not materialized.

What happened, and who was to blame? In 1979 I think there was a widespread feeling in this country that we had kept our side of the bargain. Americans from the President on down plainly saw the SALT agreements and negotiations as an opportunity to limit and stabilize the arms competition. In the wake of SALT I, our defense effort genuinely slackened, at least in part because of our faith in the arms control process. In the 1970s U.S. defense spending actually dropped in real terms—the most significant decline since the Korean war—with procurement of new strategic systems declining the most.

I am not saying that we stood still. We continued to modernize our forces. But we did so at a far slower rate than we had pursued during the previous decade. We converted our missiles to multiple warheads and thus increased our total warheads, as did the Soviet Union.

But we did not field a new set of strategic weapons systems—and many of the new systems that were scheduled to come on in the late 1970s were stretched out or postponed. There was no new U.S. intercontinental ballistic missile (ICBM) after we began deploying Minuteman III in 1970 until the MX. We built no new ballistic missile submarines between 1966 and 1981.

Believing, as many people did in the 1970s, that both sides were now prepared to accept "mutual vulnerability" and "mutual assured destruction," Congress also slashed funds for strategic defense research in the mid-1970s and voted to dismantle our one permitted ABM [antiballistic missile] site.

Meanwhile, on the Soviet side, we saw basically the opposite pattern. Instead of slowing down, the Soviets accelerated their building effort, using the breathing spell provided by SALT as an opportunity to move ahead.

Working largely—but not entirely—within the treaty limits, the Soviets essentially quadrupled their arsenal of ballistic missile warheads. They amassed a large force of first-strike-capable weapons—the SS-18 missiles, weapons apparently designed to reduce our ability to retaliate and to undermine mutual deterrence. In a period of roughly 15 years—during which both sides were supposedly restrained by SALT—the Soviets deployed four new types of ICBMs, five new classes of ballistic missile submarines, and five new types of submarine-launched ballistic missiles, to name only the most conspicuous things.

They never accepted the theory of "mutual vulnerability." They poured roughly an equal amount of money and energy into defensive systems as they did into offensive ones. They upgraded their Moscow ABM system and vigorously pursued their own strategic defense program. (And, let me tell you, the Soviets were vigorously engaged in "star wars" long before anybody had heard of Luke Skywalker.)

We see similar problems in the negotiating process itself. With the Soviets, discussions do not normally proceed step by step to bigger and better things. More often than not, we found ourselves in the position of Sisyphus having to push the rock up the hill only to have it roll right back down again.

To take one example: when the SALT I negotiations began, the Soviets insisted on a completely lopsided definition of strategic systems. They proposed to include systems with which we defend our European and Asian allies, while excluding the comparable Soviet systems that threaten our allies. Eventually, the Soviets dropped this requirement, so that we could conclude SALT I. When negotiations resumed on SALT II, it reemerged. Eventually, they dropped it again so that we could conclude SALT II. When negotiations resumed on the strategic arms reduction talks (START), it reemerged. The rock kept rolling down the hill.

Negotiating with the Soviets is really an extraordinary experience, quite unlike anything even the most experienced negotiator—as many of you are—is likely to come across in the West.

Throughout the past 15 years, we have witnessed a process in which the United States has frequently carried the ball for both sides. In the SALT negotiations, the United States supplied not only the figures on U.S. forces but, relying on our intelligence, the figures on Soviet forces as well. The Soviets did not

volunteer facts and figures on their forces, but merely said they did not dispute our estimates. They wouldn't tell us the number, the types, or even the names of the systems on which we were negotiating.

On one occasion, when we gave them our figures on their weapons, the Soviet military representative asked us to refrain. He was agitated that such highly secret information would be revealed to the civilian members on his delegation.

The United States and the Soviet Union viewed negotiations very differently. We crafted proposals designed to be balanced and fair to both sides. The Soviets crafted proposals to give themselves advantages. The game was being played, so to speak, on our half of the field. To put it another way: while we played to tie, they played to win.

In the second place, we've learned that the Soviets use arms control negotiations to advance their broader aims of splitting the United States from its allies and having the United States unilaterally stop major strategic programs.

This approach was clear even in 1917. When Trotsky went to negotiate the peace of Brest-Litovsk with the Germans, Lenin told him to remember that what happens outside the negotiating room may be more important than what happens within.

So, there has always been a large political purpose to Soviet negotiating strategy. Frequently, in arms control it is the driving factor. During the negotiations on intermediate-range nuclear forces in 1981–83, for example, it was extremely unlikely that the West could have achieved an agreement. It's clear now that the Soviets were not seriously interested in any arms control agreement. Their main effort was outside the negotiating room to divide the NATO alliance. Similarly, for the past 3 years, their main effort was outside the negotiating room—to stop the Strategic Defense Initiative (SDI).

The problems in arms control negotiations are, of course, not all on the Soviet side. There is, to put it gingerly, a great deal of "pluralism" on our side.

President Reagan wants to hear all points of view on an issue before deciding a course. Believe me, he is never disappointed in this regard when it comes to arms control. While this diversity can be constructive in the decisionmaking process, it can get carried away at times.

Imagine that you were representing a corporation negotiating with another corporation—as I am sure many of you do—and that the other corporation simply refused to reveal any financial information relevant to the deal and repeatedly reraised issues you thought were settled. And then imagine that your opposites maintained an absolutely solid front—while your senior management, your board of directors, and your employees all staked out separate positions publicly that weakened your negotiating hand.

But these are precisely the conditions under which the United States tends to go into an arms negotiation, when you consider activities in the media, Congress, and among our allies and others.

The Congress has been particularly prone over the years to conduct its own, independent arms control policy based largely on the discredited idea that unilateral concessions by us will inspire matching concessions on the Soviet side. There is not a single instance when this has occurred. On the contrary, the Soviets read these gestures not as a sign of good will but as a sign we lack will. Unilateral concessions on our part just mean unilateral advantages on theirs.

All too often a weapons system that gets the Soviets' attention, that actually prompts the Soviet Union to bargain seriously, becomes fair game for Congress to gut or kill in the name of arms control.

The $5.3 billion proposed for SDI, which got the Soviets back to the table for talks, is trimmed to less than $4 billion by a Senate committee. A $300-million program for an antisatellite (ASAT) weapon is gutted. The fact that the Soviets already have an ASAT weapon and an extensive strategic defense program in progress somehow does not weigh heavily in the arcane calculus by which Congress arrives at such decisions.

Two hundred years ago Congress was debating the creation of the Federal army. One member introduced a resolution that would limit the army to 3,000 soldiers. General Washington responded by suggesting his own resolution—to provide that any enemy invading the country would be limited to 2,000 soldiers. The first resolution was drowned in laughter. I wish George Washington were around to make the same point today.

The third major lesson is that the Soviets violate agreements. This says something about the Soviets and about the need for effective verification.

Look, for example, at the 1972 convention banning biological and toxin weapons. According to Arkady Shevchenko, the former senior Soviet official at the United Nations who defected to the United States, the Politburo decided to continue activities which violated the convention in the same time period that the Soviet Union signed it.

The Soviet violation of the 1972 ABM Treaty is a similar story. They decided to build the Krasnoyarsk radar in the early to mid-1970s. They knew we would eventually detect it, since it was over three football fields large. They must have known it could not be explained except as a violation of the treaty.

Hours upon hours of the ABM Treaty negotiations were spent negotiating the provisions governing such large radars. Why? Because these radars are a key to complying with the treaty: they are the large, long-lead-time item in any effort to deploy a nationwide ABM system. This is an issue we have to come to terms with. Soviet violations are undermining the basis for future agreements.

Finally, we've also learned the lesson that arms control negotiations and agreements by themselves are no guarantee of overall peace or stability. This lesson, too, went against the conventional wisdom.

After SALT I, the expectation was for a steady improvement of relations between the United States and the Soviet Union. But the period between SALT I and SALT II was, in fact, a period of deteriorating global stability. Regional conflicts were multiplying around the globe. Between 1975 and 1980—the height of the SALT process—virtually a nation a year fell to communist forces: South Vietnam in 1975, Angola in 1975–76, Ethiopia in 1977, Cambodia in 1978, and Afghanistan in 1979.

The Soviet invasion of Afghanistan occurred in the same year as the signing of the major arms control agreement—SALT II—and just 6 months after a summit meeting between the American President and the Soviet leader. Arms control agreements can play a useful role, but it takes much more than a treaty to keep the peace.

What We Are Trying to Accomplish

Now to my second question: what are we *trying to accomplish in arms control* today?

The answer is simple: we want an arms agreement that will accomplish something of substance; one that will measurably decrease the risk of war and enhance stability; one that will reverse the upward nuclear spiral. President Reagan wants real reductions.

Arms agreements need to accomplish something in the real world. They have to be worth more than the paper they're printed on. They must express our hope, but they must be more than mere expressions of hope. That has been, and continues to be, the principle that governs the arms control policy of this Administration.

So, how far have we succeeded? Much more than our critics concede.

First, we have succeeded in getting the Soviets back to the table. They played politics and walked out. Now we finally discern what the President has said may be a turning point toward real and detailed bargaining on the substantive issues that divide us. If this is true, it is good news. Staying the course on one's overall goals is the watchword of sincerity on arms control. Shifting from goal to goal is to treat arms control primarily as a public relations enterprise, an activity more appropriate for Madison Avenue than Pennsylvania Avenue.

Second, we have succeeded in getting the Soviets to talk about reductions in nuclear weapons. This was no small feat. In 1977, you may remember, President Carter sent Secretary of State Vance to Moscow with a plan for deep reductions in nuclear weapons. Brezhnev turned the proposal down flat.

When President Reagan first proposed deep cuts in nuclear arsenals in 1982, he was criticized for seeking too much. A major criticism of this Administration's arms control policy during the first term was that our proposals were too ambitious and thus, as the saying goes, insufficiently "negotiable" with the Soviets. Over the past 5 years, we have redefined what is negotiable by insisting on negotiating about what is most important.

Third, we have succeeded in getting the talks to focus on the more critical measures of strategic power. While the flawed and obsolete SALT structure dealt almost entirely with strategic nuclear delivery vehicles, our proposals now talk about warheads and destructive capabilities directly. The Soviets have begun to move in this direction as well. If they accepted this approach with deep reductions, we would finally get an agreement that would mitigate Soviet first-strike capabilities, really reduce the risk of war, and thus realize the primary goal of strategic arms control.

Finally, we have succeeded in launching an effort to see whether we can devise a means to effectively counter such nuclear missiles. Such defenses, if they prove feasible, could improve our security by strengthening deterrence and reducing the likelihood of any nuclear attack. President Reagan has simply asked whether we can find a better way to maintain the peace than the threat of mutual annihilation and total vulnerability. It may not be possible to find one. But we must continue to try.

Even with these successes we have a long way to go. Major bargains are not struck easily, especially with an adversary like the Soviet Union.

Proposing good arms control is one thing; attaining good arms control is another. As Glendower boasts in *Henry IV,* "I can call spirits from the vasty deep," to which Hotspur replies, "Why, so can I, or so can any man. But will they come when you do call for them?"

That brings us back to the question we began with: will there be an arms control agreement in this Administration?

Yes, there will be an agreement if the Soviets decide they want an agreement. Yes, there will be an agreement if the Soviets move off some unacceptable positions and, yes, if the Soviets are as ready to bargain as seriously as we are.

I personally am hopeful about the prospects for an agreement. We are ready to move. But we don't know whether the Soviets are ready to move seriously with us.

But even if we do not achieve an agreement, that does not mean we will be less secure. In the past 5 years, we have had no new agreements. But the goals that arms control is meant to advance—security, peace, a world safe for free nations—have been advanced. The 1980s have not witnessed those kinds of crises that brought the world to the brink—the Korean war in the 1950s, the Berlin and Cuban missile crises in the 1960s, and the Yom Kippur war in the 1970s (when we went on strategic alert to prevent Soviet forces from moving into the Middle East).

From 1975–80, when arms control negotiations were occupying center stage, freedom was on the run around the world—from our embassy in Tehran, to the valleys of Afghanistan, to the

CDE Opens Final Session

WHITE HOUSE STATEMENT, AUG. 18, 1986[1]

After 2½ years of negotiations, the Stockholm Conference on Confidence- and Security-Building Measures and Disarmament in Europe (CDE) begins its 12th and final session on August 19. It will adjourn on September 19, and its work must be complete by then.

The United States places great importance on reaching a militarily significant result in Stockholm. Success in CDE would contribute directly to a clearer and more predictable military situation in Europe. More broadly it would give an important impulse to the Helsinki process, of which CDE is an integral part, and thus contribute to promotion of all the aims of the Helsinki Final Act.

The United States was pleased with the progress that was made in the final days of the last round of negotiations. If the East adopts a constructive posture, we believe we can fulfill the conference's mandate to negotiate concrete, verifiable measures that increase the openness of all military activities in Europe. To meet this objective, we believe the Stockholm conference must adopt measures to create a comprehensive, verifiable confidence-building regime requiring the exchange of military information and the forecasting, notification, and observation of military activities. We believe that effective verification of these measures by all participating states can only come from inspection of activities which cast doubt on compliance.

Because so little time remains in which to reach agreement, the President has instructed the U.S. delegation to return to Stockholm early to take part in informal consultation aimed at resolving some outstanding issues. Ambassador Robert L. Barry, head of the U.S. delegation to CDE, has the full support of the President in seeking a concluding document which meets the objectives we have pursued since negotiations began and which will contribute to the security of all participating states.

[1]Text from Weekly Compilation of Presidential Documents of Aug. 25, 1986. ■

charnel houses of Cambodia. The communist insurgencies of the 1970s—those seedbeds of tyranny—have given way to a new generation of popular movements against Marxist regimes—in Afghanistan, Nicaragua, Angola, Ethiopia, and Cambodia.

In the 1980s we have restored stability by rebuilding our military strength and restoring our national pride. We have intensified our dialogue with the Soviet Union on human rights and regional issues—as well as arms control. We have drawn the line against tyranny and terrorism, and the faith and free economies of the world are prospering. Democracy is burgeoning around the globe. Freedom is no longer on the run. Freedom is now on the march. ■

Interim Restraint: U.S. and Soviet Force Projections

LETTER TO THE CONGRESS, AUG. 5, 1986[1]

Enclosed in an unclassified version of a classified report which I provided on June 19 in response to related Congressional requests, including a request for projections and comparisions of U.S. and Soviet strategic force dismantlements, inventories, etc., in terms of adherence to existing arms control agreements.

As I noted in my letter of June 19 transmitting the classified report, it is clear that SALT II and I codified a very major arms buildup including a quadrupling of Soviet strategic weapons (warheads and bombs) since SALT I was signed in 1972 and near doubling of Soviet ballistic missile warheads from about 5,000 to more than 9,000 since SALT II was signed in 1979.

The report further found that the SALT I and II agreements, even if fully complied with, would not prevent a very substantial further expansion of Soviet capabilities. We believe that, absent SALT II, the Soviets would not necessarily expand their forces significantly beyond the increases already projected *with* SALT II since the Soviet forces are very large and would appear, in our judgment, more than enough to meet reasonable military requirements.

In my letter of June 19, I noted that in view of the adverse implications of Soviet noncompliance for our security and for the arms control process, I had determined on May 27 that, in the future, the United States must base decisions regarding its strategic force structure on the nature and magnitude of the threat posed by Soviet strategic forces, and not on standards contained in the SALT structure which has been undermined by Soviet noncompliance, and especially in a flawed SALT II treaty which was never ratified, would have expired if it had been ratified, and has been violated by the Soviet Union.

I have also noted that the full implementation of the Strategic Modernization Program is critical both to meeting our future national security needs and to appropriately responding to Soviet noncompliance. However, we will exercise utmost restraint. As we modernize, we will continue to retire older forces as national security requirements permit. We do not anticipate any appreciable growth in the size of U.S. strategic forces. Assuming no significant change in the threat, we will not deploy more strategic nuclear delivery vehicles or more strategic ballistic missile warheads than does the Soviet Union.

I want again to emphasize that no policy of interim restraint is a substitute for an agreement on deep and equitable reductions in offensive nuclear arms, provided that we can be confident of Soviet compliance with it. Achieving such reductions continues to receive my highest priority. This is the most direct path to achieving greater stablity and a safer world.

Sincerely,

RONALD REAGAN

UNCLASSIFIED REPORT

REPORT TO THE CONGRESS ON U.S. INTERIM RESTRAINT POLICY AND REPRESENTATIVE SOVIET AND U.S. DISMANTLEMENT AND STRATEGIC FORCE PROJECTIONS WITH AND WITHOUT SALT I AND II

I. Introduction: U.S. Interim Restraint Policy and U.S. Responses to Soviet Noncompliance

This report is an unclassified version of a report forwarded to the Congress on June 19, 1986, in response to the requirements of the fiscal year 1986 Department of Defense Authorization Act (Title X, Section 1001 (b)) for a report on certain data and assessments related to U.S. and Soviet strategic offensive forces and on possible Soviet political, military, and negotiating responses to changes in the U.S. policy of interim restraint. As requested by this legislation, the report covers a 5-year period. It is provided in conjunction with material including the President's statement of May 27 and a White House fact sheet of the same date on "U.S. Interim Restraint Policy: Responding to Soviet Arms Control Violations."

The U.S. policy of interim restraint as first announced by the President in 1982 has been that, in spite of the flaws inherent in the SALT [strategic arms limitation talks] agreements and in an effort to foster an atmosphere of mutual restraint conducive to serious negotiations on arms reductions, the United States would *not undercut* the expired SALT I Interim Offensive Agreement of 1972 or the unratified SALT II Treaty of 1979 *so long as* the Soviet Union exercised *equal* restraint.

In three detailed Administration reports to the Congress on Soviet noncompliance, and through diplomatic channels including the U.S.-Soviet Standing Consultative Commission, the President has consistently made clear that this U.S. policy required Soviet reciprocity and that it must not adversely affect our national security interests in the face of the continuing Soviet military buildup and uncorrected Soviet noncompliance.

In accordance with U.S. interim restraint policy and our efforts to build a framework of truly mutual restraint, the United States has not taken any actions that would undercut existing agreements. We have continued scrupulously to live within all arms control agreements, including the SALT I and II strategic arms agreements. Unfortunately, while the United States has been attempting to hold to the structure of SALT through our policy of interim restraint, the Soviet Union has undercut the very foundation of that structure through its continued violations.

In June of 1985, the President went the extra mile. He decided to dismantle a U.S. Poseidon submarine, in order to give the Soviet Union adequate time to correct its noncompliance, reverse its unwarranted military buildup, and seriously pursue equitable and verifiable arms reduction agreements in the Geneva negotiations. Regrettably, the Soviet Union has so far failed to move constructively in these three areas.

In spite of our expressed concerns and our diplomatic efforts for corrective Soviet actions, the Soviet Union has not corrected its noncompliance. Concerning SALT II, the President's most recent report, of December 23, 1985, to the Congress cited as Soviet violations:

(1) the development of the SS–25 missile, a prohibited second new type of intercontinental ballistic missile (ICBM); (2) extensive encryption of telemetry on ICBM missile flight tests, which impedes verification; (3) concealment of the association between the SS–25 missile and its launcher during testing; and (4) exceeding the SALT II numerical cap of 2,504 strategic nuclear delivery vehicles (SNDVs). In addition, the President's report cited three areas of ambiguous Soviet behavior as involving possible violations or other problems with regard to SALT II: (1) SS–16 ICBM activity, (2) the Backfire bomber's intercontinental operating capability, and (3) the Backfire bomber's production rate. Concerning SALT I, the President's report cited a violation in the Soviet use of former SS–7 ICBM facilities in support of the deployment and operation of the SS–25 mobile ICBMs. These SALT II and SALT I violations and other ambiguous situations involving these treaties remain matters of serious concern, as does Soviet violation of the Anti-Ballistic Missile (ABM) Treaty of 1972 and of other major arms control agreements.

The Administration has now concluded a comprehensive review, and extensive consultations with our allies and friends abroad and with Members of the Congress on the continuing Soviet pattern of noncompliance, the Soviet strategic arms buildup, and the lack of progress by the Soviets at the Geneva negotiations. The President announced on May 27 that in the future the United States would base decisions regarding its strategic force structure on the nature and magnitude of the threat posed by Soviet strategic forces, not on standards contained in the flawed SALT structure, which has been seriously undermined by Soviet noncompliance.

In his May 27 announcement on U.S. interim restraint policy and on the U.S. response to continued Soviet noncompliance, the President pointed out the inappropriateness of continuing with the SALT II agreement. SALT II codified continuing major arms buildups. It was considered by a broad range of critics, including the Senate Armed Services Committee, to be unequal and unverifiable in important provisions. It was never ratified by the U.S. Senate and was clearly headed for defeat before the President's predecessor asked the Senate not to act on it. *With* SALT II the Soviets have nearly doubled their strategic ballistic missile warheads from about 5,000 to 9,000, and *with* SALT II they could legally undertake a further significant increase. Even if SALT II had been ratified, it would have expired on December 31, 1985.

Finally, continued Soviet violations have seriously undercut the agreement for several years in spite of repeated U.S. requests for corrective Soviet action. (Concerning SALT I, this agreement expired in 1977, and since it was signed in 1972, the Soviet Union has quadrupled the number of its strategic nuclear warheads. As for the United States, even if we did not retire older systems, the United States would, under current plans, remain in technical observance of the SALT I numerical limits until mid-1989.)

The President made clear in his May 27 announcement that the United States would continue to exercise utmost restraint in the future, seeking to meet U.S. strategic needs, given the Soviet buildup, by means that minimize incentives for continuing Soviet offensive force growth. The President stated that, as we modernize, we will continue to retire older forces as our national security requirements permit and that we do not anticipate any appreciable numerical growth in U.S. strategic forces. He also indicated that, assuming no significant change in the threat we face as we implement the strategic modernization program, the United States will not deploy more strategic nuclear delivery vehicles or more strategic ballistic missile warheads than does the Soviet Union.

The President also noted that, as a result of his decision to dismantle two older Poseidon submarines, the United States will remain technically in observance of the terms of the SALT II Treaty for some months. He continues to hope that the Soviet Union will use this additional time to take the constructive steps necessary to alter the current situation. Should they do so, the President has stated that this would be taken into account.

Needless to say, the most essential near-term response to Soviet noncompliance remains the implementation of our full strategic modernization program, to underwrite deterrence today, and the continued pursuit of the Strategic Defense Initiative (SDI) research program, to see if it is possible to provide a safer and more stable basis for our future security and that of our allies. The strategic modernization program, including the deployment of the second 50 Peacekeeper missiles, is the foundation for all future U.S. offensive force options. It provides a solid basis that can and will be adjusted over time to respond most efficiently to continued Soviet noncompliance. The SDI program represents our best hope for a future in which our security can rest on the increasing contribution of defensive systems that threaten no one.

In his May 27 statement, the President emphasized that no policy of interim restraint is a substitute for an agreement on deep and equitable reductions in offensive nuclear arms, provided that we can be confident of Soviet compliance with it. Achieving such reductions has received, and will continue to receive, his highest priority. We hope the Soviet Union will act to give substance to the agreement reached by the President and General Secretary Gorbachev at the summit meeting last November to achieve early progress in the Geneva negotiations. It was agreed to focus, in particular, on areas where there is common ground, including the principle of 50% reductions, appropriately applied, in the strategic nuclear arms of both countries, as well as an interim agreement on intermediate-range nuclear forces. If the Soviet Union carries out this agreement, we can move now to achieve greater stability and a safer world.

The classified report transmitted to the Congress on June 19 provided a comparison of representative U.S. and Soviet strategic weapons dismantlement that would be required over the next 5 years if both countries were actually to observe all of the quantitative limits of the SALT I and SALT II agreements. It then presented representative projections of the strategic offensive forces of the two sides, assuming that the SALT I and SALT II limits no longer apply. Finally, it provided an assessment of possible Soviet political and negotiating responses, insofar as these are understood and anticipated at present. For security reasons, the present, unclassified version provides the information concerning U.S. and Soviet forces in substantially abbreviated form.

At the outset, it must be noted that there are important uncertainties in the assessments presented herein. With respect to the data on Soviet forces, the projections represent broad trends—based on both evidence and assumptions—and are not intended to be precise forecasts. On the basis of U.S. experience, it is unlikely that Soviet strategic forces 5 years from now will be identical (or necessarily even extremely close) to these force projections. Nevertheless, we believe that Soviet strategic forces in the

next 3–5 years can be reasonably characterized, based on evidence of ongoing programs that would be difficult to alter radically in this timeframe.

By contrast, the size and complexion of future U.S. strategic forces are relatively easier for the Soviets to determine. We must contend with potential *increases* in Soviet strategic programs and capabilities. However, the principal source of uncertainty for Soviet planners about the scope and size of future U.S. strategic programs is, in all likelihood, the extent to which future U.S. programs may be *reduced* by congressional or executive branch action.

The data presented here assume *full* implementation of the Administration's strategic modernization program. It is absolutely essential that we maintain full support for these programs. To fail to do so would be the worst response to Soviet noncompliance. It would immediately and seriously undercut our negotiators in Geneva by removing the leverage that they must have to negotiate equitable reductions in both U.S. and Soviet forces. It would send precisely the wrong signal to the leadership of the Soviet Union about the seriousness of our resolve concerning their noncompliance. And, it would significantly increase the risk to our security for years to come. Therefore, our highest priority must remain the full implementation of these programs.

II. Projected Soviet and U.S. Dismantlements

This section of the report provides representative projections on dismantling that would result if SALT limitations were extended. They should be considered to be approximations and would be subject to alteration by policy decisions or programmatic adjustments by either side. It should be pointed out that, as documented in the President's December 23, 1985, report to the Congress on "Soviet Noncompliance With Arms Control Agreements," the Soviet Union's SALT-accountable strategic nuclear delivery vehicle level is above the SALT II cap of 2,504, in violation of the Soviets' political commitment not to undercut the treaty.

Representative Soviet Dismantlements. The Soviet Union has several programs underway to introduce new strategic delivery systems that would necessitate dismantling of older systems if the Soviets were to restrict their overall force to SALT levels. Under a representative projection of such programs, consistent with SALT limits over the next 5 years the Soviets would deploy significant numbers of new delivery vehicles, including SS–25 and SS–X–24 ICBMs, Typhoon- and Delta-type SSBNs, and Backfire bombers and ALCM [air-launched cruise missile] carriers.

If SALT I and II limits were to be complied with, these actions would necessitate dismantling some older systems in the Soviet inventory, as well as some more modern systems. The older systems include SS–11 and SS–13 ICBMs, SS–N–6 SLBMs [submarine-launched ballistic missiles] on Y-class SSBNs, and Bison and Bear aircraft. Because the Soviets already are very close to the SALT II sublimit of 820 MIRVed [multiple independently targetable reentry vehicle] ICBM launchers, deployment of the MIRVed SS–X–24 would require dismantling of existing MIRVed ICBMs—most likely SS–17s and possibly some SS–19s—to stay within the ceiling. Similarly, with the continued deployment of SS–N–20 and SS–N–23 SLBMs, their total of MIRVed missile launchers would exceed the ceiling of 1,200 in a year or two; then they would need to dismantle more MIRVed ICBMs or some SS–N–18 launchers on relatively new D–III-class SSBNs to continue observing the cumulative sublimit of 1,200 MIRVed ICBM and SLBM launchers. They have, for some time, been at the limit of 62 modern SSBNs established by SALT I; thus deployment of new SSBNs would require continued dismantling of older submarines.

The dismantlements that would derive from these actions probably would total over the next 5 years slightly more than 600 strategic nuclear delivery vehicles, with some 1,000–1,200 associated ballistic missile warheads. (The SNDV figure also includes heavy bombers judged to have a capacity for some 300 nuclear weapons.) Some dismantling of older systems would occur eventually in any case, with or without SALT limits. These projected dismantling actions do not take into account the Soviet potential for *additional* cheating, while nominally observing SALT numerical limits. This might be intended to avoid compensatory dismantlement of other ICBMs, including MIRVed ICBMs.

Representative U.S. Dismantlements. With respect to U.S. programs and dismantlements, full implementation of the strategic modernization program would require continued dismantlements under SALT of U.S. older strategic program systems, most of which are nearing the end of their useful life based on both military and economic considerations.

Presidential Response to Soviet Arms Control Proposals

WHITE HOUSE STATEMENT, JULY 25, 1986[1]

President Reagan on July 25, 1986, responded to recent Soviet arms control proposals in a private letter to General Secretary Gorbachev. The President is hopeful that the ideas he has put forward in this letter will continue the process of building a firm basis for progress in a number of critical areas.

The President finds his exchange of correspondence with General Secretary Gorbachev to be of great value in the search for understanding between our two countries. We hope that our efforts will produce agreement not only in arms control but in the other important regional and bilateral issues that too often are sources of tensions between the United States and the Soviet Union. It is our policy to eliminate, where possible, these sources of tension.

The United States remains committed to the objective of significant reductions on offensive nuclear weapons, long-range strategic missiles, and intermediate nuclear forces. We look upon the energetic research effort of our government toward finding a defense against these weapons of mass destruction to be an essential part of the task of reducing the effectiveness and the very need for these offensive weapons.

The prospects for progress on the array of U.S. Soviet issues are enhanced by conducting a confidential dialogue; therefore, we will not comment on the content of the President's letter.

[1]Text from Weekly Compilation of Presidential Documents of July 28, 1986. ■

III. Projected Soviet and U.S. Strategic Forces

Projected Soviet Forces. In projecting Soviet strategic offensive force deployments, assuming SALT limits no longer apply, the caveats discussed above regarding assumptions and uncertainties underlying such projections are relevant.

To place these figures in historical perspective, since 1972 when SALT I was signed, there has been a fourfold increase in the number of Soviet strategic nuclear weapons (missile warheads and bombs) and nearly a doubling of Soviet ballistic missile throw-weight. Indeed, since the signing of SALT II in 1979, the number of Soviet strategic ballistic missile warheads has nearly doubled from about 5,000 to more than 9,000. This great expansion of Soviet strategic forces has been possible for the most part with SALT. (The agreements limited launchers and only indirectly affected deployed weapons.) As noted, however, the Soviet Union has also violated the arms control limitations imposed by these agreements.

The Soviet Union now has about 10,000 strategic nuclear weapons (missile warheads and bombs). The SALT I and II Treaties, even if fully complied with, would not prevent a very substantial further expansion of Soviet capabilities. Even assuming future Soviet compliance with SALT II—other than the continuation of current Soviet violations—deployed Soviet weapons are projected to increase to over 12,000 in the next 5 years. Moreover, by further violating the agreements, the Soviets could plausibly add in the same time period a relatively modest increase of even more weapons to their forces.

It is difficult to predict precisely what the Soviets might do absent SALT constraints. They would not necessarily expand their forces significantly beyond the increases discussed above, which are very large and would appear, in our judgment, more than enough to meet reasonable military requirements. Thus there might well be little appreciable difference, in terms of total weapons, between the forces that the Soviets might deploy with and without SALT constraints. It is reasonable to expect that in the absence of SALT, the Soviets would not dismantle all their older systems as rapidly as under SALT. Some classes of weapons (e.g., SSBNs) might not be dismantled at all during the next 5 years without SALT constraints. Given the great extent of the Soviet strategic modernization program, however, many of these older systems would have relatively little impact on the overall threat to U.S. security.

The Soviets have the potential to expand their forces somewhat further, should they decide to do so for either military or political reasons. If a deliberate effort were made by the Soviet Union to expand its strategic forces beyond SALT II levels, they might increase their forces somewhat further, to about 15,000 weapons by 1991.

However, the costs associated with such an expansion of capability, on top of an already very aggressive and expensive modernization program, would be a disincentive against any such Soviet effort.

With or without SALT, the Soviets are, in any case, likely to modernize their intercontinental nuclear attack forces further by replacing most of their currently deployed land- and sea-based ballistic missiles and heavy bombers by the mid-1990s. This impressive Soviet modernization program, which will result in significantly improved survivability, flexibility, and hard-target capability, has been in train for a long time.

Projected U.S. Forces. The United States could achieve roughly 14,000 weapons by fiscal year 1991 in a no-SALT environment by introducing the full strategic modernization program without undertaking the dismantlements that would otherwise be required by SALT.

IV. Soviet Political and Negotiating Reponses

It is difficult to predict specific moves the Soviets might decide to take politically or in the negotiations to try to increase criticism of, and build pressure against, the President's May 27 decision. They have already leveled a propaganda campaign against the decision. Ironically, in light of ongoing Soviet violations of SALT II, including violation of the strategic nuclear delivery vehicles numerical limit, they have warned that they will go beyond the SALT limits if the United States does. While they have stated that they would take the "necessary practical" steps, e.g., increasing missiles and warheads, it is not at all clear that they would further expand their forces beyond the increases already planned, as discussed above. However, they are likely to portray *any* expansion, including that already planned, as a response to U.S. actions.

The Soviets may decide to make political or negotiating moves as a matter of tactics that seek to discredit the U.S. decision. However, the May 27 decision is not likely permanently to alter their basic, overall objectives for negotiations or for a summit. These objectives include increasing opposition to the U.S. modernization program, particularly the Strategic Defense Initiative, and weakening the Western alliance.

We hope that the Soviet Union will join us in a framework of *truly* mutual restraint. For its part, the United States will continue to exercise utmost restraint in the future, seeking to meet U.S. strategic needs, given the Soviet continuing buildup, by means that minimize incentives for continuing Soviet offensive force growth. As we modernize, we will continue to retire older forces as our national security requirements permit. Assuming no significant change in the threat we face as we implement the strategic modernization program, the United States will not deploy more strategic nuclear delivery vehicles or more strategic ballistic missile warheads than does the Soviet Union.

No policy of interim restraint is a substitute for an agreement on deep and equitable reductions in offensive nuclear arms, provided that we can be confident of Soviet compliance with it. We hope the Soviet Union will act to give substance to the agreement reached by the President and General Secretary Gorbachev at the summit meeting last November to achieve early progress in the Geneva negotiations.

Our objectives in Geneva remain the same as stated at the summit: to seek common ground in negotiating deep, equitable, and verifiable reductions in strategic and intermediate-range offensive nuclear arsenals and to discuss with the Soviet Union how we could enhance deterrence and stability by moving toward a world in which we would no longer rely exclusively on the threat of nuclear retaliation to preserve the peace. We hope the Soviets will negotiate seriously with us toward these important goals.

[1]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives; George Bush, President of the Senate; Barry Goldwater, chairman of the Senate Armed Services Committee; and Les Aspin, chairman of the House Armed Services Committee (text from Weekly Compilation of Presidential Documents of Aug. 11, 1986.) ■

U.S. Policy Regarding Limitations on Nuclear Testing

The United States is committed to a national security policy which includes both a strong deterrent to aggression and an active pursuit of deep, equitable, and verifiable reductions in Soviet and American nuclear arms as well as effective verification arrangements for existing limitations on nuclear testing. Under existing conditions, neither a comprehensive ban nor a moratorium on nuclear testing would enhance the cause of security, stability, or peace. This special report sets forth the principles underlying U.S. policy toward limitations on nuclear testing.

Recent Developments

Shortly before this special report went to press, the White House announced that the United States and the Soviet Union agreed to have experts meet, without preconditions, to discuss issues related to nuclear testing. An initial meeting of experts was held in late July 1986 at Geneva.

As this report details, the United States has long sought a meeting with the Soviets to present our concerns about the verification provisions of the Threshold Test Ban Treaty (TTBT) and the Peaceful Nuclear Explosions Treaty (PNET). This meeting of experts allows the United States to present its ideas and concerns to the Soviets—and to hear Soviet concerns. The United States is ready to present and discuss our views on verification improvements in existing agreements which we believe are needed and achievable at this time. If we are successful in addressing these verification concerns, we could move forward on ratification of these two treaties.

A Collective Security Issue

The maintenance of a strong nuclear deterrent has for four decades ensured the security of the United States and the freedom of our allies and friends. Therefore, while a comprehensive test ban remains a long-term objective of the United States and while we are actively investigating technologies that could one day reduce and ultimately eliminate our dependence on offensive nuclear arms for our security, nuclear weapons will remain the key element of deterrence for the foreseeable future. During such a period, where both the United States and our friends and allies must rely upon nuclear weapons to deter aggression, nuclear testing will continue to be required.

A carefully structured nuclear testing program is necessary to ensure that our weapons are safe, effective, reliable, and survivable. The directors of both the Los Alamos and Livermore national weapon laboratories have stated that, while non-nuclear tests sometimes detect problems with the nuclear component of warheads, the most serious problems with the nuclear weapons stockpile are only revealed and solved by actual nuclear testing. Even a seemingly minor modification in a weapon design could seriously undermine confidence in the weapon's effectiveness unless the modified design can be tested with a nuclear yield. Testing also allows us to take necessary steps to modernize our forces to counter the continuing Soviet military buildup, particularly in offensive nuclear capabilities.

The United States has long sought to achieve agreement with the Soviet Union on nuclear testing limitations that could strengthen security for all nations. In 1963, both sides ratified the Limited Test Ban Treaty (LTBT), which prohibits nuclear explosions in the atmosphere, outer space, and under water. The LTBT also prohibits the release of radioactive debris outside the boundaries of the state conducting a nuclear explosion. In 1974 and 1976, respectively, the United States and Soviet Union signed the Threshold Test Ban Treaty and Peaceful Nuclear Explosions Treaty. These treaties prohibit underground nuclear explosions having a yield that exceeds 150 kilotons. Neither side has ratified the TTBT or PNET, but each has stated that it would respect the 150 kiloton limit.

Verification Problems and Soviet Violations

The United States is not currently seeking ratification of the TTBT and PNET because we cannot effectively verify Soviet compliance with the 150-kiloton threshold on underground nuclear explosions. The remote seismic techniques we must rely on today to monitor Soviet nuclear tests do not provide yield estimates with the accuracy required for effective verification of compliance. Nor will the treaties' verification provisions solve this problem. The TTBT itself provides only for an exchange of data. This data would be of limited value in verification and, in any event, cannot be independently validated by the U.S. Government. This means, for example, that we would have no way of knowing whether the Soviets were providing data for all geophysically distinct testing areas. Yet if the Soviets withheld such knowledge from us, they could conduct high-yield tests in excess of 150 kilotons that, from the perspective of a seismic observer outside Soviet boundaries, could appear to fall within the 150 kiloton limit.

The verification provisions of the PNET Protocol would not resolve the problem of TTBT verification because they are not applicable to weapons tests. They would permit mandatory on-site inspection only of peaceful nuclear explosions—and then only in very restrictive circumstances. Specifically, on-site inspection is mandatory only for a group of explosions whose aggregate yield exceeds 150 kilotons. In fact, since 1976 the Soviets have not conducted any group nuclear explosions of the size which would have required them to permit such inspection. Thus, even if we were to ratify the treaties and implement their verification provisions today, our concerns regarding Soviet compliance with the TTBT would not be resolved.

These verification deficiencies have become a matter of great concern in light of the pattern of Soviet noncompliance with existing arms control agreements including existing limitations on nuclear testing. As stated in the President's December 1985 "Report to Congress on Soviet Noncompliance With Arms Control Agreements," the Soviet Union's testing practices have resulted in the release of radioactive debris and caused radioactive matter to be present outside the Soviet Union's territorial limits in violation of its legal obligation under the LTBT. The report notes that Soviet venting has occurred on numerous occasions. In his 1984 report, the President concluded that "while the available evidence is ambiguous, in view of ambiguities in the pattern of Soviet testing and in view of verification uncertainties, and [while] we have been unable to reach a definitive conclusion, this evidence indicates that Soviet nuclear activities for a number of tests constitute a likely violation of legal obligations under the TTBT." In his 1985 reports the President reiterated this concern, finding "that Soviet nuclear testing

activities for a number of tests constitute a likely violation of legal obligations under the TTBT of 1974...."

U.S. Presidential Initiatives

President Reagan has long advocated a dialogue with the Soviet Union to arrive at the required improvements in monitoring procedures for effective verification of the TTBT and PNET, which are the necessary first steps if there is to be progress in the area of nuclear testing limitations. The United States has taken the following initiatives:

- On several occasions in 1983, the United States unsuccessfully sought to engage the Soviet Union in discussions on verification improvements to these treaties.
- In September 1984, the President proposed, in an address to the UN General Assembly, that the United States and the Soviet Union find a way for Soviet experts to come to the U.S. nuclear test site and for our experts to go to the Soviet test site to measure directly the yields of nuclear weapons tests.
- In July 1985, the President invited Soviet experts to come to the U.S. test site to measure the yield of a U.S. test with any instrumentation devices they deemed necessary for measuring yield. There were no conditions or requirements for a reciprocal visit. The President's purpose was to begin a process to build confidence and cooperation between our nations regarding limitations on nuclear weapons testing.
- In December 1985, the President proposed to General Secretary Gorbachev that U.S. and Soviet experts on nuclear testing limitations meet in February to discuss our respective verification approaches and to address initial tangible steps to resolve this issue.

The President's Proposal of March 1986

In his most recent initiative, on March 14, 1986, the President urged the Soviet Union to begin bilateral discussions to find ways to reach agreement on essential verification improvements of the TTBT and PNET. The President provided General Secretary Gorbachev with a technical description of a specific method known as CORRTEX, which is an accurate method for measuring the yield of a nuclear explosion (see Appendix 1). The President also proposed, on a unilateral basis, that Soviet experts visit our Nevada test site in April to discuss verification methods, examine the CORRTEX system more closely, and monitor a planned U.S. nuclear weapon test. The President stated that if the United States and the Soviet Union could reach agreement on the use of an effective verification system incorporating CORRTEX, the United States would be prepared to move forward with the ratification of the TTBT and PNET.

The President's proposal offers an opportunity for the Soviets to demonstrate that they take testing limitations seriously and recognize that compliance with such agreements is necessary. The United States must stand by its standard of effective verification with respect to the TTBT. Anything less would harm U.S. security interests, undermine our ability to demand effective verification in other arms control areas, and undercut the objectives of the TTBT.

Comprehensive Test Ban

A Comprehensive Test Ban (CTB) remains a long-term objective of the United States. As long as the United States and our friends and allies must rely upon nuclear weapons to deter aggression, however, some level of nuclear testing will continue to be required. We believe such a ban must be viewed in the context of a time when we do not need to depend on nuclear deterrence to ensure international security and stability and when we have achieved broad, deep, and verifiable arms reductions, substantially improved verification capabilities, expanded confidence-building measures, and greater balance in conventional forces. For our part, the United States is energetically pursuing negotiations and discussions with the Soviet Union on concrete steps in all of these areas. We have made clear our strong and continuing view that Soviet calls for an immediate and unverifiable nuclear testing moratorium are not a basis for meaningful progress to this end.

At the same time, the United States has supported international discussion of verification and compliance problems related to nuclear testing limitations. Discussions have taken place in past years at the multilateral Conference on Disarmament (CD) in Geneva, in both a technical-level *ad hoc* group of scientific experts and in the Nuclear Test Ban Working Group. We continue to support consideration of scope, verification, and compliance issues related to a CTB in these two groups at the CD.

Appendix 1

CORRTEX System of Direct Yield Measurement

CORRTEX (Continuous Reflectometry for Radius versus Time Experiment) is a hydrodynamic yield measurement technique that measures the propagation of the underground shock wave from an explosion. This technique uses a coaxial cable which can be emplaced in a hole parallel to the device emplacement hole. Precise measurements are made of the length of the cable by timing the return of low energy electrical pulses sent down to, and reflected from, the cable end. When the nuclear device is detonated, a shock wave emanates through the ground, crushing and shortening the cable. The rate by which the cable length changes is recorded via measurements of the changing pulse transit times. This rate is a measure of the propagation rate of the explosive shock wave through the ground which is, in turn, a measure of the yield of the nuclear explosion.

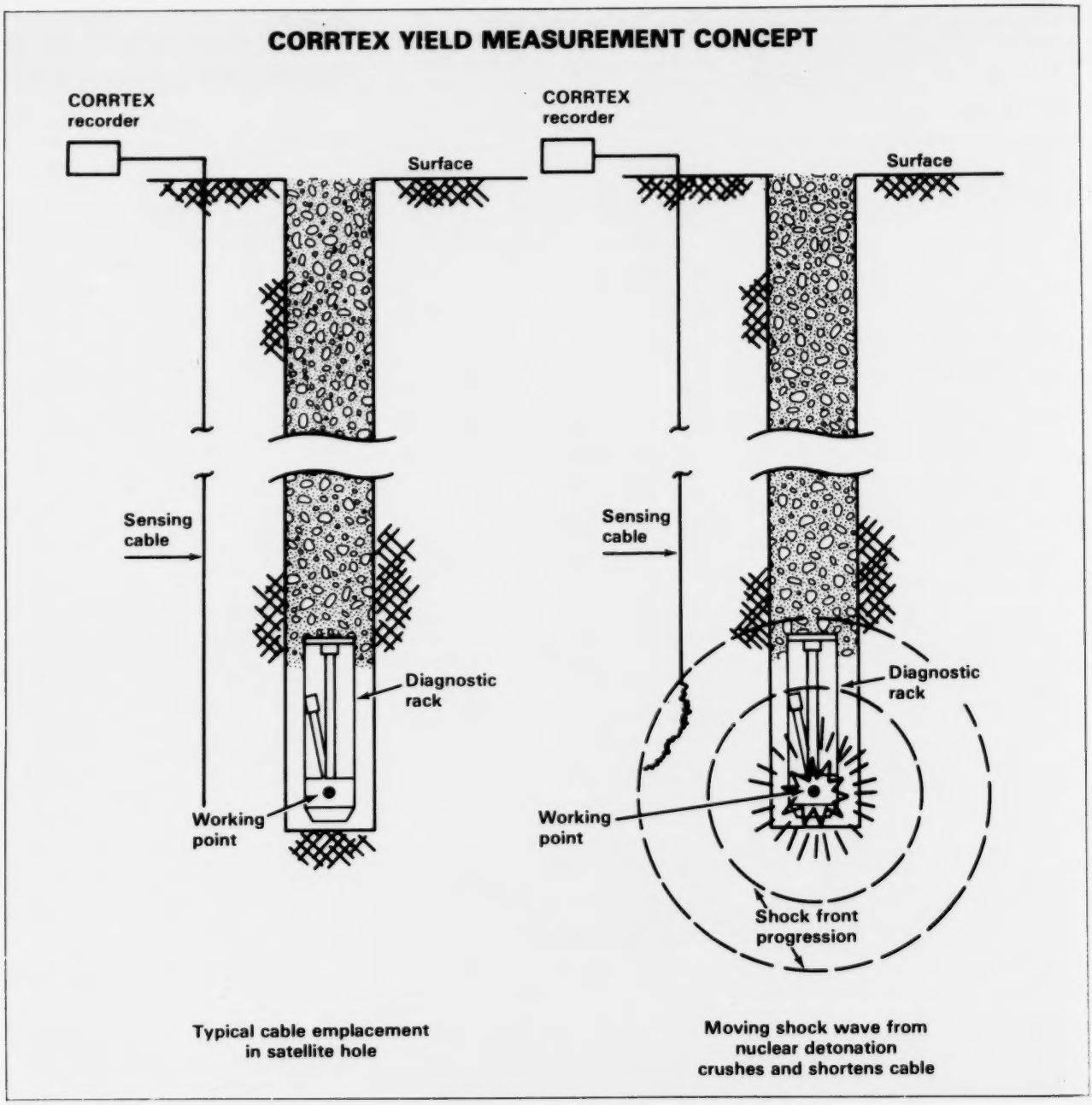
CORRTEX has been shown to be accurate to within 15% of the more accurate, radio-chemical yield measurements for tests of yield greater than 50 kilotons and in the geologic media of the U.S. test site in Nevada. Use of CORRTEX-measured yields at the Soviet Shagan River test site should provide accuracies to within 30%. The U.S. estimate is based on its use in over 100 tests with the sensing cable in the device emplacement hole and four tests with cables in a satellite hole. The accuracy of the technique is believed to be relatively, but not wholly, independent of the geologic medium, provided the satellite hole measurements are made in the "strong shock" region near the nuclear device explosion. At greater separation distances, the properties of the medium become much more important factors. A satellite hole separation distance of 14 meters (46 feet) is appropriate for a test near 105 kilotons.

The electronic device that provides the timing signals is a battery-powered, suitcase-sized unit that may be remotely controlled. All equipment for power, recording, and data reduction can be contained in a small trailer.

Appendix 2

Lessons of the 1958–61 Moratorium

The United States does not believe that a testing moratorium is a prudent, effective, or constructive step along the path



toward our goal of a safer world. A look back at the 1958–61 testing moratorium demonstrates why the United States believes that moratoria are never acceptable substitutes for negotiated, equitable, and effectively verifiable arms control agreements.

There were three unilateral, voluntary pledges to suspend testing in the late 1950s: the United States and the United Kingdom acted in 1958, followed by the Soviet Union in 1959 (although the Soviets suspended testing in November 1958). These suspensions amounted to a *de facto* moratorium. There was, however, no joint formal agreement. Thus, given a *de facto* moratorium by the United States, the United Kingdom, and the Soviet Union beginning in late 1958, the question is: who was the first to resume testing? The verdict of history is clear: it was the Soviet Union.

The following is a chronology of key statements and actions related to the 1958–61 moratorium:

1958

March 31. The Soviet Union unilaterally suspends testing after a

major test series but just prior to an announced U.S. test series. The United States and the United Kingdom reject the Soviet call to suspend testing, but President Eisenhower proposes a meeting of technical experts to study the practical problems regarding international control of an agreed disarmament program.

July 1. An exchange of letters between Eisenhower and Soviet leader Khrushchev results in the convening of a Conference of Experts in Geneva to study the problems of verifying a test ban.

August 21. The Conference of Experts reports that it is technically feasible to establish a workable and effective system, using available capabilities, to monitor compliance with a worldwide suspension of nuclear testing.

August 22. Based on the experts' report, Eisenhower proposes trilateral negotiations on a verifiable test ban. He also expresses willingness to suspend testing for 1 year (on a renewable basis) beginning October 31, 1958, the date of the opening of the Geneva Conference on Discontinuance of Nuclear Weapons Tests. The United Kingdom follows suit.

September 23. The United Kingdom ends testing series begun in May 1958.

September 30. The Soviet Union resumes testing.

October 30. As promised in August, the United States ends testing. The Geneva Conference on Discontinuance of Nuclear Testing convenes the following day.

November 3. The Soviet Union ends testing.

November 7. Eisenhower states that, in light of Soviet tests after the opening of the Geneva conference, the United States considers itself free from its pledge. He adds that the United States, nevertheless, would continue the testing suspension and hopes the Soviet Union will do the same.

1959

January 5. The United States reopens the verification issue based on the finding by U.S. seismic experts that earlier assessments by the Geneva experts regarding verification of underground tests were too optimistic. The Soviets refuse to consider the new U.S. data.

August 26. Eisenhower extends U.S. moratorium until the end of the year. Two days later, the Soviets pledge "not to resume nuclear tests...if the Western Powers do not resume the testing of atomic and hydrogen weapons. Only in the case of resumption by them of nuclear weapons tests will the Soviet Union be free from this pledge." It should be noted that given the Soviet emphasis on "resumption," the term "Western Powers" can only refer to the United States and the United Kingdom—the only Western Powers to have tested at that time.

December 29. Eisenhower denounces the intransigence of Soviet technical experts in Geneva, who refuse to address deficiencies in seismic monitoring of underground nuclear explosions. He announces that "the voluntary moratorium on testing will expire on December 31. Although we consider ourselves free to resume nuclear testing, we shall not resume nuclear weapons tests without announcing our intention in advance of any resumption. During the period of voluntary suspension of nuclear weapons tests the United States will continue its active program of weapon research, development and laboratory-type experimentation."

December 30. Khrushchev states that the Soviet Union would not resume testing until the "Western Powers" resume.

1960

February 13. France, which had indicated its intention to become a nuclear power as early as March 1957, conducts its first test.

April 1. France conducts a second test.

December 27. France conducts a third test.

1961

April 25. France conducts a fourth test.

May 15. The Soviet Union states that "if France continues" testing, the Soviet Union would be compelled to test.

August 30. Although the French have not conducted another test, the Soviet Union announces it would resume testing—contrary to its statements of August 28, 1959, and May 15, 1961.

August 31. Khrushchev tells visiting British parliamentarians that he decided to resume testing with a bomb of unprecedented proportions to shock the Western Powers into negotiations on Germany on his terms, and into accepting his demand that Geneva test-ban negotiations be merged with those on general and complete disarmament.

September 1. The Soviet Union resumes atmospheric testing.

September 5. President Kennedy authorizes underground testing, which resumes on September 15.

November 4. The Soviet Union concludes its test series, of over 40 tests, including the largest single explosion in history.

November 7. Seven months after the Soviet warning against continued testing, France conducts a fifth nuclear test.

U.S.-U.S.S.R. Discussions on Nuclear Testing

WHITE HOUSE STATEMENT, JULY 16, 1986[1]

The United States and the Soviet Union have agreed to have experts meet shortly to discuss issues related to nuclear testing. We have further agreed to begin these discussions without preconditions.

The United States has long sought a meeting with the Soviets to present our concerns about the verification provisions of the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty. These treaties were signed in the 1970s, but they have not been ratified. The United States determined in the early 1980s that U.S. ratification could not be considered until verification improvements were made and U.S. compliance concerns were answered. We have made repeated offers to the Soviet Government to present our ideas for improvements that would allow us to move forward on ratification of these treaties.

This upcoming meeting of experts will allow the United States to present its ideas and concerns to the Soviets and to hear Soviet concerns. The United States will be ready to present and discuss our views on verification improvements in existing agreements, which we believe are needed and achievable at this time. We hope the Soviets will be prepared to join in a constructive dialogue.

[1]Text from Weekly Compilation of Presidential Documents of July 21, 1986. ■

The preceding chronology clearly demonstrates that the Soviets broke their own pledges as well as the moratorium then still being observed by the United States and the United Kingdom. In addition, Khrushchev's candid admission of August 1961, and the size of the ensuing test series, undercuts arguments that French testing or Eisenhower's December 1959 statement in any way "justified" the Soviets' breaking of the moratorium. Indeed, Soviet evidence of bad faith was so clear that, in an address to the American people in March 1962, Kennedy summed up the experience as follows:

> [O]n September 1st of last year, while the United States and the United Kingdom were negotiating in good faith at Geneva, the Soviet Union callously broke its moratorium with a 2-month series of more than 40 nuclear tests. Preparations for these tests had been secretly underway for many months. Accompanied by new threats and new tactics of terror, these tests—conducted mostly in the atmosphere—represented a major Soviet effort to put nuclear weapons back into the arms race. . . .
>
> Some may urge us to try it [a moratorium] again, keeping our preparations to test in a constant state of readiness. But in actual practice, particularly in a society of free choice, we cannot keep topflight scientists concentrating on the preparation of an experiment which may or may not take place on an uncertain date in the future. Nor can large technical laboratories be kept fully alert on a standby basis waiting for some other nation to break an agreement. This is not merely difficult or inconvenient—we have explored this alternative thoroughly, and found it impossible of execution. ■

SCC Meets in Geneva

WHITE HOUSE STATEMENT, JULY 16, 1986[1]

The United States has informed the Soviet Union through diplomatic channels that it is prepared to convene a special session of the U.S.-U.S.S.R. Standing Consultative Commission (SCC) beginning on or about July 22 in Geneva.

The United States will be prepared to respond to questions or concerns the Soviet Union has with respect to the President's May 27th decision on interim restraint. We would expect that in the context of such a discussion the Soviet Union will also be prepared to address U.S. concerns about Soviet noncompliance with arms control agreements.

Since the President came into office, he has done everything he could to try to persuade the Soviet Union to meet its arms control obligations and to achieve agreement on significant reductions in U.S. and Soviet nuclear arsenals. In 1982 he said the United States would continue not to undercut the SALT I [strategic arms limitation talks] interim agreement, which had already expired, and the SALT II Treaty, which was stillborn, so long as the Soviets exercised equal restraint. Regrettably, the Soviets did not. In June 1985 the President once again called attention to the record of Soviet noncompliance and called upon the Soviet Union to join us in building an interim framework of truly mutual restraint until a new strategic arms reduction treaty (START) replaced the SALT structure. The SALT II Treaty, even in its own terms, expired on December 31, 1985.

In the absence of an adequate Soviet response, the President announced on May 27 of this year that henceforth the United States would base decisions regarding its strategic forces on the nature and magnitude of the threat posed by the Soviet Union rather than on standards contained in SALT agreements that had expired, were unratified, and were being violated by the Soviet Union.

On May 27th the President also decided to retire two older Poseidon submarines as the eighth Trident submarine began sea trials. This means the United States will remain in technical observance of the terms of the SALT agreements for some months. Time remains for the Soviet Union to alter the situation which led the President to his May 27 decision. If the Soviet Union does, the President will take this into account.

As the President said when he announced his decision on May 27, we must now look to the future, not to the past. The primary task now facing both the United States and the Soviet Union is to build a new structure of arms control, one based on significant, equitable, and verifiable ***reductions*** in the size of existing U.S. and Soviet nuclear arsenals. This is what we are proposing in the Geneva negotiations.

Until this is achieved, the United States will continue to exercise the utmost restraint. Assuming no significant change in the threat we face, as we implement the strategic modernization program, the United States will not deploy more strategic nuclear delivery vehicles or strategic ballistic missile warheads than the Soviet Union.

This special session of the Standing Consultative Commission offers us the opportunity to renew the President's request that the Soviet Union join us in establishing an interim framework of truly mutual restraint.

U.S. STATEMENT, JULY 22, 1986

The 31st session of the U.S.-U.S.S.R. Standing Consultative Commission—the second session of 1986—began today with two meetings between the two sides. The commission was established by the Treaty on the Limitation of Anti-Ballistic Missile Systems concluded by the United States and the U.S.S.R. on May 26, 1972.

This session was requested by the Soviet side. Agreement by the United States to convene this special session stands in contrast to the position taken by the Soviet Union in 1983, when the United States asked for a special session to discuss compliance matters relating to the SALT II Treaty. The Soviet Union denied that request. However, the United States has agreed to this session as a sign of our desire that the Soviet Union join us in establishing an interim framework of truly mutual restraint.

U.S. STATEMENT, JULY 30, 1986

The U.S.-U.S.S.R. Standing Consultative Commission met in Geneva today, completing a special session of the commission, the second session of 1986 and the 31st since its establishment. The U.S. and Soviet commissioners reaffirmed that the next session of the commission would begin in the fall of this year in Geneva. The commission was established by the Treaty on the Limitation of Anti-Ballistic Missile Systems concluded by the United States and the U.S.S.R. on May 26, 1972.

At this session, the Soviet Union rejected President Reagan's May 27, 1986, call for the Soviet Union to join the United States in establishing an interim framework of truly mutual restraint pending conclusion of a verifiable agreement on deep and equitable reductions in offensive nuclear arms. The Soviet Union was informed that the call remains open.

---

[1]Text from Weekly Compilation of Presidential Documents of July 21, 1986. ■

The Foreign Affairs Budget

by John C. Whitehead

Statement at a press briefing on August 11, 1986. Mr. Whitehead is Deputy Secretary of State.[1]

We face a national security crisis. Proposed congressional cuts in the international affairs budget will seriously jeopardize our national security interests and global foreign policy objectives. The ability of the United States to maintain its leadership role in the world; to provide for its national security; and to support the cause of freedom, democracy, and economic development is at stake.

In January the Administration submitted to the Congress a bare bones international affairs budget for fiscal year 1987 of $22.6 billion—only 2% of the total Federal budget. This budget includes funds for all of our foreign affairs functions: for the State Department and USIA [United States Information Agency] operating budgets, which include the operations of our 260 embassies and consulates around the world; funds for economic development, military security, and humanitarian assistance programs; funds for our contributions to multilateral development banks and international organizations; and funds for combatting the inflow of narcotics, the battle against terrorism, aid to refugees, the Peace Corps, and the security of American personnel abroad. I came to government a year ago after four decades in the private sector as a banker and a businessman. I know how important it is to reduce costs, to keep budgets lean, and to maximize efficiency. I participated actively in the review of this budget. It is a minimum, bare bones budget. With the help of the Office of Management and Budget, and with my own input as a hard-nosed businessman and taxpayer, all the fat has been squeezed out. In the last few months, I have been actively involved with my colleagues in the foreign affairs community in a review and reduction of almost 1,500 foreign affairs positions overseas. That review was designed to trim overseas costs without jeopardizing our ability to project and implement our foreign policy objectives.

Yet the current congressional budget resolution reduces this minimal and carefully considered request by 27%. Recent congressional actions would reduce and restrict the remaining amount even further. Such cuts will cost Americans more in national security and foreign policy terms than we can afford to pay.

Take, for example, foreign assistance. Of the Administration's foreign economic and military assistance request, 34% is for Israel and Egypt to sustain and nurture the search for peace in the Middle East; 26% is for our allies where we have important military bases, such as the Philippines, Greece, and Turkey, and for Pakistan which faces cross-border threats from the Soviet invasion of Afghanistan; 11% is for programs to assist our neighbors in Central America and the Caribbean; 17% is for those who share our democratic ideals, such as Colombia and India, or those where democracy has only recently emerged and is still fragile, such as Bolivia and Uruguay, and those where fundamental economic reform programs are underway, such as Senegal and Ecuador. Which of these would the Congress have us eliminate? Which of these are unimportant to our national interests?

Congressional reductions of over $3 billion in these accounts, and the earmarking of aid levels in several key countries, will mean a cut of 50%–60% for our foreign assistance programs in the remaining countries. I cannot emphasize enough how seriously these actions inhibit our ability to achieve our foreign policy objectives worldwide. Over the last several weeks, I have been working on how we would implement these congressional mandates. Let me tell you what these cuts will mean in the real world.

- It will mean a severe cut, maybe even a complete elimination in some cases, in our humanitarian programs in sub-Saharan Africa.
- It will mean a two-thirds reduction in our assistance programs for the key Caribbean countries of Jamaica, Haiti, and the Dominican Republic.
- It will mean severe limitations on programs for Central America and the Philippines and other countries where we have military facilities. In some cases, negotiations in upcoming base talks would be undermined.
- It will mean a reduction in full-time employment of up to 1,000 State Department employees and the closing of perhaps more than a dozen overseas embassies and consulates in addition to the seven posts already being closed.
- It will mean a one-third cut in funding for the multilateral development banks, which are crucial to development efforts in the Third World and the implementation of the Baker initiative on international debt.
- It will mean the reduction of embassy security programs in posts where the danger and threat to the lives of our people is higher than ever.
- It will mean that our efforts to halt the production and illegal export of narcotics from the Andean region will be seriously stymied just as they are gaining momentum.
- It will mean a reduction of broadcasts by the Voice of America, Radio Liberty, and Radio Free Europe and the closing of American libraries and cultural centers overseas.

These are but illustrations of the price Congress is asking Americans to pay.

The cumulative impact of these cuts will be devastating to our foreign relations. America's responsibilities and commitments around the world are many. They are important to Americans, to our neighbors, and to those who seek freedom and economic well-being. These programs represent our first line of defense in protecting American freedoms. A penny-wise but pound-foolish budgetary approach to foreign affairs and security will only confuse our friends and encourage our adversaries.

Even during times of financial constraint, the devotion of two cents out of each budget dollar is a small price to pay for the liberties and ideals we as Americans and other freedom-loving peoples hold dear. The values for which our country stands—democracy, free enterprise, freedom of thought, and the right of self-determination—are on the move around the world. Can we afford to retreat at the very moment when global interdependency and the momentum of success demand our continuing and active involvement?

The answer must be a resounding no. And so I call on the Congress to take another look, to review the decisions they have made to date. I know Congress' decisions have been based on the well-intentioned objective of reducing Federal expenditures and moving toward a balanced budget. But I strongly urge them to reconsider the effects of these cuts on the ability of our national government to meet its primary responsibility of protecting U.S. interests around the globe. The defense of freedom and the pursuit of peace are not cost free.

[1]Press release 159. The question-and-answer session following the statement is not printed here. ■

U.S.-Japan Relations: A Global Partnership for the Future

by Michael H. Armacost

Address before the Japan Society of Northern California in San Francisco on July 21, 1986. Ambassador Armacost is Under Secretary for Political Affairs.

I am pleased and honored to join you on this commemoration of the 80th anniversary of the Japan Society of Northern California. This organization has consistently fostered closer relations between the United States and Japan. It is an important task, and it has never been more consequential for our two countries than at the present time. So I congratulate you on what you have accomplished, even as I urge you to redouble your efforts.

I am always happy to have an excuse to return to San Francisco. In a sense, this city is the birthplace of the modern U.S.-Japan relationship. At the Presidio in 1951, the peace treaty between the allies and Japan and the security treaty between the United States and Japan were signed. These agreements formally initiated 35 years of peace and prosperity in U.S.-Japan relations. They set the framework for the U.S.-Japan partnership about which I wish to comment this evening.

It is a remarkable partnership. Within the lifetimes of most of us in this room, our countries struggled on opposite sides of a bitter global war. Today, we stand united in our efforts to preserve peace and to promote economic growth and development throughout the world. The U.S.-Japan alliance is critical to the security of both our nations, and it is a pillar of that balance of power which supports the independence of free countries around the globe. Japan is our largest overseas trading partner—a fact of special significance to Californians, since 40% of all U.S. trade with Japan flows through this state. Politically, Japan stands firmly within the Western camp as a nation which practices market economics and democratic politics. In short, we both have a huge stake in this relationship about which I should like to make a few observations in order to put past accomplishments, current challenges, and future possibilities in perspective.

Changing Contours of U.S.-Japan Relations

Change has been a constant in this relationship. I have seen this firsthand. My involvement with Japan goes back nearly 20 years to 1968 when I took sabbatical leave from Pomona College to serve as a visiting professor at the International Christian University (ICU). I went not as a specialist but as a student eager to learn about a country which I vaguely apprehended would be an increasingly important force in the world.

To my surprise, the Japanese I encountered at that time seemed less concerned with the future than with the past. They were preoccupied with issues left over from history. They appeared surprised by their considerable postwar accomplishments and a little uncertain whether they could be sustained.

Although Japan had created a remarkably stable political structure, Japanese politics remained polarized over relations with the United States, the terms of and necessity for the mutual security treaty, and the constitutionality and role of Japanese defense forces. More than 100 universities—including ICU—experienced crippling student strikes during the year I was supposedly teaching. I recall witnessing Japanese riot police in full battle gear evicting student leaders from Yasuda Hall at Tokyo University. Though scarcely anyone was injured, it had all the appearances of a major military operation. One source of contention was the mutual security treaty, and the struggle symbolized the unsettled state of important issues between us.

In 1968 Japan was a relatively prosperous country. But despite nearly two decades of unbroken economic growth, many Japanese exhibited doubts about their economic future. They thought of themselves as a "poor, island nation without natural resources." They acknowledged their achievements, yet worried abut their "feet of clay." They feared Japan's prosperity would not last. Such anxieties fostered tight government controls on commerce and finance and encouraged an export-led growth strategy sustained by extensive neomercantilist import barriers.

Nor had U.S.-Japan bilateral relations attained the "equal partnership" of which the period's diplomatic communiques routinely spoke. Indeed, the Japanese seemed uncertain of their place in the world. Despite a natural preoccupation with its own neighborhood, Japan's role even in Northeast Asia was modest. Japan had little voice at the United Nations, no place yet at Western summits, and was just beginning to make its presence felt in economic groups such as the Organization for Economic Cooperation and Development (OECD).

Cultural interchange, in those days, remained largely a one-way street. Japanese knowledge of the United States was spurred by friendship, business, and the experience of occupation. Americans generally knew little of Japan. We had only the sketchiest appreciation of its potential and future promise. As a sign of the times, in those days, Washington had only one sushi bar, and you could still drive for blocks without seeing a Japanese-made car.

I need not tell you that times have changed.

The Present

Earlier this month, concurrent elections were held in both Houses of the Japanese *Diet* for only the second time in history. The stunning, almost unprecedented, landslide victory by the Liberal Democratic Party (LDP) symbolized perhaps the end of a political era. The young radicals of the 1960s, who fought the police on campus and voted for socialists and communists, are now white-collar workers, most of whom evidently voted for the LDP.

The conservative party made impressive gains in the cities, where, according to conventional wisdom, it was weakest. Within the party, a group of energetic "new leaders" emerged to carry their nation's banner into the future. And, of course, Prime Minister Nakasone scored an extraordinary personal triumph and secured a strong popular mandate for his policies. These include expanding Japan's international role, continuing administrative and fiscal reforms, and restructuring the economy to lessen reliance on export-led growth. With the support of a remarkably adaptive party, Prime Minister Nakasone has demonstrated world-class leadership.

Last week, the most prominent of Japan's new leaders—Mr. Abe, Mr. Miyazawa, and Mr. Takeshita—announced their support for extending the Prime Minister's tenure in office so that he can finish pending business. We

welcome the prospect of continuing to work with a prime minister who is held in high esteem in the West and has so convincingly earned the trust of the Japanese electorate.

Mr. Nakasone, to be sure, faces some formidable challenges. The LDP has achieved a general mandate for change. Some of the presumed directions of change have been outlined in the Maekawa report—a future-oriented blueprint that has been widely praised on both sides of the Pacific. In a democracy like Japan's the *Diet* will obviously play a major role in translating a broad mandate into specific policies and laws.

The ruling LDP now appears committed to opening the Japanese market and restructuring the economy. Some of its *Diet* members, however, will continue to resist measures that appear threatening to constituency interests. This should not be surprising to Americans. The President, after all, has secured a broad, bipartisan consensus behind tax reform. Yet some of the details are still to be negotiated in conference. Just as I am sure an acceptable tax bill will emerge from the House-Senate conference, so I am confident that a new consensus in Japan will support a timely restructuring of the Japanese economy. The die is cast, I believe, in favor of a more and more internationally oriented Japan.

U.S.-Japan relations were not a major issue in the recent election. In fact, the issues that dominated U.S.-Japan relations in the late 1960s have largely disappeared. The Indochina conflict no longer stirs partisan emotions; Okinawa transferred to Japanese administration in 1972; and both Tokyo and Washington have established solid working relations with China.

Today, Japan perceives its interests and its role in global terms. Perhaps most significant for U.S.-Japan relations, there is a striking convergence of U.S. and Japanese perceptions of the global situation. Two factors have contributed to this substantial coincidence of world views.

First, Japanese perceptions of its security requirements have been shaped by Soviet intransigence on the Northern Territories issue, by the relentless Soviet military buildup in the Pacific, and by Moscow's aggression in Afghanistan and its support for Vietnam's occupation of Cambodia.

Second, developments beyond East Asia—such as the "oil shocks" of the mid-1970s and the persistent turbulence in the Middle East and Persian Gulf areas since then—have reinforced our common interest in global stability. Over time, a consensus has emerged in Japan which supports steady improvements in Japan's self-defense capabilities and expanded bilateral defense cooperation with the United States.

In recent years the level and frequency of the U.S.-Japan bilateral dialogue has also changed dramatically. The Emperor's visit to the United States in 1975 symbolized the end of the postwar period. Starting with Gerald Ford, all our Presidents have visited Japan while in office. President Reagan and Prime Minister Nakasone have already met twice this year—first at Camp David and less than a month later in Tokyo. Secretary of State Shultz and Foreign Minister Abe have had 26 bilateral meetings—four of them this year. And senior officials responsible for areas as diverse as arms control and African affairs consult with even greater frequency.

The substance of our exchanges has changed as well. Twenty years ago, our talks with Japan focused primarily on bilateral rather than global or even regional issues. Now, our political dialogue is unsurpassed in its breadth and depth and extends literally to every corner of the globe. Many of these consultations go beyond simple exchanges of views to include increasingly close coordination of operational concerns. For example, my Japanese counterpart and I meet annually to promote the complementarity of our respective aid programs.

Foreign aid, in fact, is a good example of the expanding scope of Japan's international interests and involvement. In the 1960s, Japan's modest aid effort involved reparations to war victims and subsidies for Japan's expanding commercial interests. Today, under the concept of comprehensive security, Japan is seeking to make a significant contribution to Western security through other than military means. In 1984 the United States and Japan ranked first and second in the world as donors of foreign assistance. Between us, we furnished over $11 billion to developing countries. If Japan meets its declared objective of doubling its foreign aid by 1992, it will provide roughly $40 billion of additional assistance to less developed countries (LDCs) over the coming 6 years.

We particularly welcome the role Japan has assumed in providing aid to friendly countries such as Thailand, Turkey, Egypt, Pakistan, and the nations of Central America and the Caribbean. The Philippines and Haiti are now at crucial stages in their political evolution. The South Pacific is undergoing important political and economic changes. Africa faces natural calamities as well as daunting economic problems. We are working cooperatively with the Government of Japan to expand our respective efforts in promoting growth and encouraging stability in these and other areas.

The measures Japan has taken to expand its foreign aid constitute an appropriate effort to recycle its prosperity back into the global economic system. Clearly, there is more to be done. Japan gives twice as much aid to the nearby nations of Asia as it gives to African, Latin American, and Middle Eastern nations combined. As Japan's foreign policy activities expand to take account of its global economic power and "reach," we would anticipate not only increases in the levels of its aid but a further improvement in the concessional terms of assistance and the provision of a larger percentage of its aid to countries outside East Asia.

Foreign assistance efforts pay foreign policy dividends. Over the past few years, many developing countries have discarded statist policies for market-oriented approaches to economic growth and are increasingly receptive to democratic ideas. Regrettably, at just this moment of opportunity, the U.S. Congress is drastically cutting back on our own foreign aid budget. This is penny wise and pound foolish, since aid to friendly countries is one of the most cost-effective investments we can make in our own security. Aside from the fact that about 70% of every U.S. bilateral aid dollar is spent on American goods and services, assistance to friendly governments supports freer markets, alleviates poverty or disaster, and underpins newly democratic regimes.

The cuts Congress threatens are potentially devastating. For fiscal year 1987 the President is requesting $22.6 billion for international affairs funding. This covers all our economic, military, and food aid programs as well as the State Department and United States Information Agency (USIA) budgets, our security programs overseas, and the costs of Radio Free Europe and Radio Liberty.

Congress has cut that amount to $17.4 billion—a 27% reduction. What will happen if we are forced to take a cut of this magnitude?

Some programs have been earmarked by Congress; they will be sustained. They include aid to Israel and

Egypt, security assistance for base rights countries, and important programs in Central America and Pakistan. After taking care of these priorities, all other programs would have to be cut by over 50%. What might this mean?

- Haiti and other fledgling democracies in the Caribbean could see cuts in U.S. economic aid by more than two-thirds.
- Aid for the Andean countries—Bolivia, Colombia, Ecuador, and Peru—could be eliminated, with unfortunate consequences for our efforts to halt the production and illegal export of narcotics from that region.
- Economic support for Africa could be virtually eliminated—undermining policy reform plans and famine relief efforts.
- The Peace Corps could be forced to cut as many as 1,000 volunteers in Africa alone.
- Radio Free Europe and Radio Liberty could be forced into bankruptcy.

These are not idle threats or scare tactics. They reflect the plans we would be forced to put into action if Congress does not reconsider its drastic reductions. It is inconceivable that any serious person could presume that cuts of this magnitude will not significantly and adversely affect our national interests. We are a superpower. Superpowers have far-flung interests. Supporting those interests carries with it certain costs. One cannot cut the means by which we protect our interests without placing our interests in jeopardy. This is a simple verity I hope Congress will not ignore.

Please excuse this brief commercial, but it is relevant to my theme. We are not encouraging Japan to do more in the field of aid so that we can do less but in order that jointly we can meet the requirements of stability and development in areas of vital interest to us both. Japan is expanding its aid efforts. It is not a time for us to be cutting our own program.

Current Challenges

The most difficult current bilateral problems continue to confront us in the field of trade. When I first lived in Tokyo, the United States and Japan experienced some acute trade problems—principally involving textiles. But they were of a different order of magnitude and character than today's. In the late 1960s, Japan maintained numerous quotas, high tariffs, and a host of other formal trade barriers which it was just beginning to dismantle. In 1968, Japan had a global trade deficit of $15 million. Its trade surplus with the United States was $604 million.

Over the last 20 years, the Japanese Government has eliminated most of its quotas and formal trade barriers. It has reduced its tariffs to a point where Japan now has the lowest average tariff of any industrialized country. However, a host of nettlesome problems—including some quotas, high tariffs, nontariff barriers, and restrictive business practices in certain areas—remain.

At the same time, the competitive challenge posed by high-quality Japanese products to important U.S. manufacturing industries has increased pressures for protection in this country. A 1985 U.S. global trade deficit of $148 billion—including a $50-billion trade deficit with Japan—coupled with a Japanese global trade surplus of $46 billion that year, heightens these pressures.

The U.S. trade problem is not, of course, limited to Japan. Our trade problem is global, but the bilateral deficit with Japan remains so large that it will be difficult to make headway on our global problem without redressing the bilateral imbalance. Progress must be made to reduce it.

We are determined to bring our bilateral trade with Japan into a more balanced equilibrium. Failure to do so exposes our political relations and security cooperation to heavy strains. And we believe our policy efforts will pay off.

- As Congress and the Administration reduce the U.S. Government's budget deficit, our savings/investment imbalance should decline and, along with it, our global trade deficit, including our bilateral deficit with Japan.
- In accordance with agreements reached by the major financial powers (G-5) last fall and by the Summit Seven in Tokyo last May, we are coordinating on international economic policies more closely with Japan and the other major

U.S.-Japan Semiconductor Trade Agreement

PRESIDENT'S STATEMENT, JULY 31, 1986[1]

I am announcing today that the United States and Japan have reached an agreement on semiconductor trade. This agreement represents an important step toward freer and more equitable world trade and will enhance the ability of our semiconductor manufacturers to compete fairly in the Japanese market. It will also help prevent Japanese manufacturers from dumping semiconductors in the United States and in third countries.

This agreement successfully addresses a series of trade complaints raised by the U.S. semiconductor industry and this Administration charging Japanese chip manufacturers with impeding U.S. access to their market, while dumping semiconductors on world markets and violating U.S. dumping laws.

With the agreement of the government of Japan to this landmark pact, the United States suspends the pending 301 market access case and EPROM [erasable, programmable read only memories] semiconductor dumping case. The 256K semiconductor dumping case will be suspended August 1.

By holding to our free market principles, but at the same time insisting on fair trade, we have created a climate in which the U.S. semiconductor industry should substantially increase its sales position in Japan. We have also set an important precedent to help prevent future unfair trade practices in other high technology industries.

As I have said time and again, we will not stand idly by as American workers are threatened by unfair trading practices. We have and we will take the tough actions that are necessary to ensure that all nations play by the same rules. Today's agreement shows that vigorous enforcement of existing laws can open markets. To succumb to the temptation of protectionism will benefit no one.

This is an historic agreement. U.S. Trade Representative Yeutter, Secretary of Commerce Baldrige, and the U.S. negotiating team are to be commended for their tenacity, skill, and resoluteness during the months of intense negotiations.

[1]Text from Weekly Compilation of Presidential Documents of Aug. 4, 1986. ■

industrialized countries. Adjustment of exchange rates is the most visible and dramatic result. A roughly 40% depreciation in the dollar against the yen during the past year should have a sizable impact, over time, on our trade position.

- Representatives of the U.S. and Japanese Governments are initiating a bilateral dialogue concerning structural economic issues of mutual concern. Indeed, a preparatory meeting on this subject was held in San Francisco today. This dialogue will examine the imbalances in the Japanese economy and U.S. economy and consider ways to correct them.
- The MOSS (market-oriented, sector-selective) talks are improving market access to entire industrial sectors within Japan. We have made substantial progress in electronics, telecommunications, medical equipment and pharmaceuticals, and forest products. We will soon open discussions on a fifth sector—transportation machinery.
- And finally, we are seeking to eliminate remaining trade barriers on other products—e.g., tobacco, leather, etc.—as we encounter them.

These are substantial efforts. We believe they are producing results. They are aimed at expanding trade while assuring equitable access to each other's market. They reflect faith in competition and a determination to see that the playing field for competition is level. They constitute an alternative to protectionism, which we are determined to resist.

Protectionism has a false and dangerous allure. Industries affected by imports usually ask for temporary and limited protection. Yet, while giving temporary relief to one industry, protectionist actions penalize the consumer and divert investment and labor from more efficient and productive industries. Protectionist bills like the House Omnibus Trade Bill (H.R. 4800) will not solve our trade problem. Protectionist measures will damage the U.S. economy, threaten American jobs, and embroil us in trade conflicts with virtually all our major trading partners. We cannot afford such an outcome, particularly with Japan.

Current Japanese-American challenges are not limited to trade. Significant accomplishments have been registered in bilateral security cooperation. Frequently criticized as a "free rider" for relying on American muscle to protect its economic and political health, Japan has steadily augmented its defense capabilities. A growing domestic consensus has supported qualitative and quantitative improvements in Japan's Self-Defense Force and contributed to steady annual increases in Japan's defense spending.

We have also witnessed a growing Japanese commitment to the U.S.-Japan security structure. Antidefense shibboleths have disappeared from the platforms of several opposition parties. The Government of Japan has welcomed U.S.-homeported ships; it has authorized new U.S. Air Force deployments; it has participated in additional joint exercises. Japanese support for the American presence in Japan is now valued at over $1 billion annually.

While Japan's defense budget remains small as a percentage of gross national product, it is now the sixth largest in the world and is growing rapidly. This expanding defense budget supports a modern, well-trained military establishment with appropriate defense roles and missions: the conventional defense of Japanese territory, the surrounding seas and sky, and the sealanes within 1,000 miles. These roles are consistent with Japanese and American expectations—and with those of Japan's neighbors.

Japan's new 5-year defense spending plan represents a good start toward achieving the capabilities necessary to carry out these missions. We certainly would like to see Japan achieve its goals more quickly. Nonetheless, the Japanese Self-Defense Force is already an increasingly potent deterrent against aggression aimed at Japan and makes the role of our own forces in the region that much more effective.

Agenda for the Future

Time does not permit me to elaborate on the variety of other ways in which the U.S. and Japan cooperate diplomatically in many areas of the world. Suffice it to say, compared with 20 years ago, U.S.-Japan relations are now on a firm and solid basis. Our give-and-take on substantive issues has increased significantly. Recognition in both our countries of the scope of our interdependence has grown. Our knowledge of each other has appreciably increased.

We welcome these developments, yet we know there is no room for complacency on either side of the Pacific. As our relationship with Japan enters a new and more mature stage, the issues our two countries face become ever more complex and far-reaching. Constructively managing the U.S.-Japan relationship through the 1980s and beyond will be even more challenging.

We now need to look at the U.S.-Japanese relationship as an active partnership for global progress. In particular, we need to work closely with Japan to:

- Make equitable and sustained economic growth a reality for both the developed and developing world by preserving and improving the international trading system and assisting the LDCs to cope with their myriad problems, including the problem of external debt;
- See that people everywhere understand that a nuclear war cannot be won and must not be fought, by preserving deterrence while pursuing substantial and verifiable arms reduction;
- Expand international cooperation to rid the world of the scourge of terrorism;
- Defuse regional conflicts, such as in Indochina and Afghanistan; and
- Find ways to apply the technological developments of our information societies to the benefit of mankind.

Persistent and purposeful effort will be required as our governments and peoples create the conditions and consensus necessary for cooperation on this broad agenda.

Conclusion

Let me return to my opening theme. Times change. As they do, we must sometimes overcome what we thought we knew in the past. We have long since learned that we cannot go it alone, and we have begun to see Japan with new eyes. Japan is a strong country; it is becoming an outward-looking country. Japan is more than a trading partner; it is a valued ally and good friend. Even so, Japan is only on the brink of fulfilling its potential as a major contributor to world economic growth and comity.

We share many things with Japan: above all the conviction that we are not mere temporary allies but permanent friends. Our task is to use that friendship to bring to the benefit of all mankind our shared devotion to peace, our ability to foster change, our economic prowess, and our dedication to democracy.■

Perspective and Proportion for U.S.-Japanese Relations

by Gaston J. Sigur, Jr.

Address before the "U.S.-Japan Economic Agenda" sponsored by the Institute for Sino-Soviet Studies of George Washington University, the Carnegie Council on Ethics, and International Affairs, Inc., on June 2, 1986. Mr. Sigur is Assistant Secretary for East Asian and Pacific Affairs.

It is a great pleasure to be here among friends to offer some observations on our kaleidoscopic relations with Japan. I was reflecting on this subject not long ago as I rode from Narita Airport to my hotel in Tokyo.

Driving from Narita to central Tokyo, one passes through rice fields and groves of cryptomeria before entering the suburban sprawl of houses, garish hotels of dubious purpose, and small factories. At one point, Disneyland's castle towers loom up beyond the highway's embankment. As one crosses the Ara Kawa, one sees ahead the jumble of Tokyo's buildings and the flashing signs advertising Ricoh, Seiko, and a hundred other companies. Inching along the overhead expressway, the traveler can look into the companies' windows and see the employees phoning, writing, and, he imagines, making deals. The car passes through the bright neon of the Ginza and into the open area around the Imperial Palace. The space is relaxing and welcome after the traffic and congestion; yet the moat and turreted gate are incongruous. By the time one reaches the hotel in Akasaka, one's mind is nearly numb with jet lag and the conglomeration of images. It is time for a shower, a drink, and welcome rest.

In a way, U.S.-Japan relations are like the ride in from Narita. Those of us involved in them are bombarded with reports, articles, meetings, conversations, and developments of a hundred sorts. At least occasionally, we have to stand back, reflect, sort out the images, and put them into perspective. I would like to use this relaxed occasion among friends to consider events over the last year or so and to comment on our policies.

First, we should remember that U.S.-Japan relations rest on a "triad" that is the product of the early postwar period—a shared commitment to democratic values, a fervent belief in the dynamism of free markets, and a security framework. This "triad" has endured now for three decades.

Security Relationship

In the early years, the future of defense cooperation was anything but certain: the security treaty and United States bases were the targets of violent protest from the extreme left, and even the existence of the Japanese self-defense forces was challenged by those who sought to prevent a replay of the militarism of the 1930s by a strict and unrealistically literal application of the constitutional proscription against the use of military force. But with the reversion of Okinawa to Japanese sovereignty, the end of the Vietnam war, the normalization of relations with China, and the steady buildup of Soviet military power in the Far East in general and in the Northern Territories in particular, a broad consensus has emerged in support of our security relationship and of Japanese self-defense at about present levels. The Japanese now recognize the threat posed by the Soviet Union, the importance of a credible, conventional self-defense capability, and the need for our military presence.

Under the Mutual Security Treaty, the interest of both the United States and Japan are well served. We are able to maintain our personnel and facilities in Japan, where they are essential for the peace and security of the United States and of the entire Far East; Japan is provided a strategic deterrent—the so-called nuclear umbrella. With the threat of nuclear blackmail neutralized, the Government of Japan has set for itself the missions of defending, with conventional weapons, its territorial land, seas, and skies and also of protecting the vital sealanes out to 1,000 nautical miles from Japan. It has maintained a slow, steady program of acquiring the capabilities needed to carry out those missions. In the process, it has kept intact the essential domestic consensus on the correctness of this policy and has satisfied its neighbors, who have historical cause for worry, that it does not pose a threat to them.

Perhaps more important, Japanese efforts to develop realistic defense missions and to relate defense spending to their achievement have made increasingly irrelevant the old concerns about the Japanese defense budget—the debate in both countries over the 1% of GNP cap on defense spending and the alleged "free ride."

To tell the truth, I never saw much point to those arguments. Despite the GNP cap, Japanese defense spending has kept growing. Moreover Japan now is contributing over $1 billion per year for the direct support and maintenance of U.S. forces in Japan. Not much is ever said about this, but it is a tribute to quiet cooperation and to the progress Japan has been making.

Political Relationship

Cooperation with Japan is not limited to the defense relationship. Every year our two governments hold consultations on Africa, the Middle East, the United Nations, the Soviet Union, and foreign assistance. We discuss specific problems as they occur. For example, during the past year, the United States and Japan consulted closely on developments in the Philippines, and we found that Japan's policy and actions were complementary to ours. In late May of this year, Japan was the host to an international consultative meeting to establish an enhanced aid program for the Philippines. Indeed, Japan has recently been the largest donor of economic aid to the Philippines.

Japan's parallel policies and helpful actions with regard to the Philippines are typical. Japan has also given substantial development assistance to countries like Egypt, Pakistan, Turkey, and Jamaica, which are of special importance to us; it is almost uniquely able to use economic assistance to encourage Chinese development with a Western orientation; and Japan's global aid program is now the world's second largest.

To cite another example, Japan joined its summit partners at the Tokyo economic summit to put countries sponsoring international terrorism on notice. I can say straightforwardly that on issues ranging from arms control to the Middle East, we have found Japan's views to be valuable and geared to Western goals, and we have seen our cooperation become increasingly intimate and fruitful.

Much of the consultation to which I have referred has occurred for many years between senior bureaucrats of the two governments. What is noteworthy about the last several years is that the consultations at the political level have become more frequent, more detailed, and more useful. Since January 1985, Prime Minister Nakasone and the President have met five times. In that same

period Secretary Shultz and Foreign Minister Abe have had seven sets of consultations. In fact, since assuming their present positions, Foreign Minister Abe and the Secretary have met 23 times. Obviously a good part of the conversations between the political officials of the two countries concerns bilateral relations, and particularly economic relations. But the leaders have taken up a variety of international topics as well, and the discussions have taken on the character of coordination and collaboration. I hope that this very welcome pattern will continue.

Economic Relationship

It is precisely because our defense relationship with Japan is crucial and because our cooperation with Japan on international matters is so important and cordial that the economic friction between the two countries is so vexing. The resolution of the trade problems between our two countries is necessary and central to the maintenance of a sound overall relationship.

We quite correctly make the argument that only protectionists place importance on bilateral trade balances. However, the size of Japan's trade surpluses with the United States and with the world has become a disruptive political issue, and we have to deal with it. We must not let economic friction persist, for if it does, it has the potential to disturb our cooperation with Japan on defense and international matters and, for that matter, to impede the growth of fertile partnerships between U.S. and Japanese enterprises.

Let me summarize my analysis of the challenge we face in our economic relations with Japan. With determination and with goals shared by business, government, and citizens, Japan has built an economic structure capable of developing and producing attractive, high-quality products at very competitive prices. In the past, Japan often used "infant industry" protection. That sort of protection, questionable in any event, is no longer needed. The large Japanese manufacturers have the engineers, the expanding research and development, and ample finance to compete vigorously and successfully at home and abroad in the absence of government protection. There is no more visible evidence of this than the amount of Japan's exports to the United States and to the world. Inefficient industries in Japan, which certainly exist, should restructure or retrench in an environment of open markets. I believe Japan is already on that path, and I wish to encourage it.

If we wish to solve problems, we must confront reality. We must and will seek the removal of Japan's remaining trade impediments vigorously. But at the same time, we must recognize that the elimination of those barriers will not result in a dramatic reduction of our bilateral trade imbalance. Therefore, we must address economic structural issues in Japan and the United States. We should not deceive ourselves that protectionist bills like the House Omnibus Trade Bill (H.R. 4800) will solve the trade problem. If enacted, that bill would severely damage the U.S. economy, destroy American jobs, reduce our international trade competitiveness, and embroil us in trade conflicts with virtually all our major trading partners.

. . . Japan now is contributing over $1 billion per year for the direct support and maintenance of U.S. forces in Japan.

One hears the allegation in Washington that the Administration has no trade policy. That is not so. With regard to Japan, we have a policy which addresses both individual trade problems and the structural issues that lie behind our deficit, and it is working. There are five elements in that policy, and I would like to describe them to you.

First, in accordance with the President's statement last September 7, we are seeking the elimination of remaining Japanese trade barriers. To cite an example, last fall, [U.S. Trade Representative] Ambassador Yeutter successfully negotiated the reduction of some of Japan's barriers to the import of leather and leather products and obtained compensation for the barriers Japan would not remove. Under a Section 301 case begun by the Administration, we have entered discussions with Japan to reduce tariffs on tobacco products and to correct distribution problems. At present we are also negotiating with Japan the elimination of its import quotas on 12 agricultural product categories. We stand ready to investigate and to negotiate with Japan the removal of any Japanese trade practices that are inconsistent with international rules.

Second, in the MOSS [market-oriented, sector selective] process we are achieving significant improvements in market access in entire industrial sectors.

- The **telecommunications** talks resulted in a major opening of the Japanese market. The successful MOSS talks with Japan are being used as a pattern for discussions on telecommunications with the Europeans and the Canadians.
- The talks on **medical equipment and pharmaceuticals** were an overall success.
- From the **electronics** MOSS came tariff cuts, improvements in the patent system, and legal protection for semiconductor chips and computer software.
- We also obtained reductions of the duties on some **wood products and paper products.** The MOSS talks on forest products will continue, and the United States will monitor developments in the other sectors. We have agreed with Japan to begin discussions on a new sector, transportation machinery, this summer.

The **third** element of the Administration's economic policy toward Japan has been dealing with the financial issues that affect exchange rates and, therefore, the trade balance. Following the G-5 agreement last September, the value of the yen strengthened nearly 30% against the dollar. At [Treasury] Secretary Baker's suggestion, the summit countries agreed in Tokyo in early May that, "additional measure should be taken to ensure that procedures for effective coordination of international economic policy are strengthened further."

The summit statement correctly emphasizes economic fundamentals as determinants of exchange rates. That brings me to the **fourth** element of our policy toward Japan, a dialogue on economic structural adjustment which we expect to begin this July. One of the observations that economists make is that there are domestic savings/investment imbalances in both the United States and Japan which foreordain a Japanese global trade surplus and a U.S. global trade deficit. In the structural

dialogue, we will discuss with the Japanese ways of encouraging greater domestic-led growth in Japan. We also will discuss imbalances in our own economy, such as the dearth of savings.

The **final** element of our economic policy toward Japan is really our own domestic policy. As Gramm-Rudman-Hollings bites and the Federal deficit drops, the excess of consumption over production, and the trade deficit, should decline.

Japan is keenly aware that it is not in its interest to continue to run large trade surpluses. Announcing the Maekawa commission's report in April, Prime Minister Nakasone said: "It is impossible for Japan alone to continue to be an island of solitary prosperity, with a large current account imbalance, depending on exports. It is no exaggeration to say that our success in achieving the transformation will be essential to Japan's future." He went on: "Japan is now at an historic turning point in its relations with the international community. Our continuing large current account imbalance is a matter of serious concern not only for the management of our own economy but also for the harmonious development of the world economy. Therefore, it should be our national goal to steadily reduce the current account imbalance to one consistent with international harmony."

I agree that Japan is at a historic turning point. Japan's postwar economic policies had their roots in the Meiji period when the Japanese Government sought to build a strong economy and to maintain autonomy. Now the quotas, high tariffs, and investment restrictions that Japan employed to achieve its goals by and large have been discarded as unnecessary.

Yet Japan's history over the last 100 years has left the present generation a mixed inheritance. One legacy is solid prosperity. But others are a certain austerity of attitude and an economy that tolerates excessive government regulation, that continuously produces more than it consumes, and that tends toward large current account surpluses. These are among the sources of the current economic friction between Japan and its trading partners.

It is, in a way, ironic that in building the strong, independent economy the Meiji leaders sought, Japan became dependent on foreign markets. It is also ironic that Japan, whose culture promotes harmony, should be provoking such disharmony in its trading relationships. Of course, Japan is not different from the United States, Western Europe, or its neighbors in Asia in being enmeshed in an economically interdependent world. Still Prime Minister Nakasone's announcement that policies and attitudes that have prevailed for a hundred years must change is one of the most significant statements in postwar Japanese history.

The skeptical among us may question whether Japan will carry through with the changes necessary to reduce the imbalance in its trade account. I think it will, because it has to. If one reviews the past year, one finds a tremendous momentum in the direction of positive change.

- In the MOSS talks, particularly the telecommunications talks, Japan removed many governmental controls. Despite domestic political difficulties, Japan made many of the concessions we requested.
- In his unprecedented April 9, 1985, address to the nation, Prime Minister Nakasone embraced the notion that Japan's market should be "open in principle, with restrictions by exception."
- Japan reduced tariffs on 1,850 items during 1985.
- Japan has played a positive role in the G-5 decisions and will be involved in the economic coordination mechanism devised at the Tokyo summit.
- Japan is proceeding on course with the full liberalization of its financial markets.
- Japanese investment in overseas manufacturing is increasing rapidly. Japan's annual direct investment in foreign countries more than doubled from $4.7 billion in 1980 to $10.2 billion in 1984. By that year Japan's total foreign investment totaled $71 billion, of which $19 billion was in the United States.
- A November 1985 Nomura Research Institute report predicts that as a result of a strong yen, investment overseas, and stronger foreign competition, Japan's imports will increase faster than its exports, so that by 1995 Japan's trade surplus will decline to $1.5 billion.

We must and will seek the removal of Japan's remaining trade impediments. . . at the same time, we must recognize that the elimination of those barriers will not result in a dramatic reduction of our bilateral trade imbalance.

I am confident that Japan will, in Prime Minister Nakasone's words, "steadily reduce the current account imbalance to one consistent with international harmony." Apart from anything else, doing so will result in the higher standard of living that the Japanese people have earned.

I would like to make some observations on the conduct of our economic relations with Japan. In the course of the series of intense trade negotiations during the past several years, the U.S. and Japanese Governments have worked together to solve problems. Some of the negotiations have been strained at times, but they have been successful. And through the talks, Japanese agencies and U.S. agencies have established relationships. The negotiations have been educational for both sides, and the cooperation they have engendered will continue to be essential given the growing integration of the U.S. and Japanese economies.

In our attempt to deal with the effects of trade on our own industries and with political pressures in the United States, we often forget that other democratic governments must deal with much the same political realities and problems as we. This is by no means an argument for inaction. Rather it is a caution that patience and subtlety may bring better results than importunate demands.

We should keep a sense of proportion in our relations with Japan and our other trading partners. Through international trade and investment, we seek increased prosperity in the United States. In order for the international free economic system to work, there obviously must be generally equal opportunities for all countries. However, it is

hardly realistic to demand perfect justice item by item and sector by sector. If we do so in our negotiations, we have to choose between total victory—which is not always realistic given politics in other countries—or retaliation, which harms everyone. We should not limit our options. I might add that perfect justice is subjective and rarely takes account of our own import restraints.

Finally, there is no substitute for good domestic economic policy. In the present international economy, goods and funds flow easily across borders. Businessmen have many options. If interest rates are high in one country, companies can borrow in another. If the yen appreciates, Japanese businesses are likely to invest in the United States or serve this market from third countries. If we bar imports from one country, we are likely to see shipments from others. To survive in this kind of world, we must look to the fundamentals. We must save and invest, research and innovate. The government must create an environment conducive to these things. But only private individuals and companies can accomplish them.

As I said earlier, I think that both Japan and the United States are headed in the right directions. As a result of the yen's appreciation, in volume terms Japanese exports to the United States are declining and Japanese imports from the United States are growing. The United States is taking steps to correct its economic policies. At the same time, the Japanese Government has resolved to alter its economic structure. The United States and Japan will undertake a structural dialogue, and we both will participate in the new international economic monitoring system. Market access negotiations on specific products will continue. I am confident that through perseverance and cooperation, the United States and Japan will solve their economic problems in a way that will contribute to increased prosperity in each country and to an ever more solid and productive relationship across the board. ■

Economic Sanctions to Combat International Terrorism

The following article is adapted from a report prepared by the Department of State in response to a request from Senators Richard G. Lugar and Frank H. Murkowski for an analysis of the advisability of economic sanctions as a diplomatic tool to combat international terrorism.

Advisability of Imposing Antiterrorism Sanctions

This Administration is taking actions to combat international terrorism by every legitimate means. Economic sanctions are an integral part of peaceful measures that we can take to deter states from supporting terrorism. The advisability of imposing sanctions depends on their likely effectiveness and the economic and diplomatic consequences for the United States. In addition to their potential economic effect, sanctions may serve useful political and diplomatic ends.

Economic sanctions may be used to pressure targeted states to change their policies and to strengthen the resolve of others, such as neighboring countries or U.S. allies, in dealing with governments that support terrorism. Although sanctions such as trade controls may adversely affect our global trade position and may have a particularly negative impact on some U.S. firms, they demonstrate our resolve and show that we are prepared to accept economic losses, if necessary, in our battle against terrorism. Openly acknowledging that the United States also will suffer from sanctions helps us to encourage others to follow our example and make the required trade and financial sacrifices. At the Tokyo economic summit, the seven participating heads of government agreed in their Declaration on International Terrorism that:

> Terrorism has no justification. . . [It] must be fought effectively through determined, tenacious, discreet and patient action combining national measures with international cooperation.

However, antiterrorism considerations, as important as they are, are only one facet of our policy toward any country. Other relevant factors—strategic, political, economic, humanitarian—must play a part in deciding whether to undertake an action such as imposing trade controls. Thus, in the abstract it is difficult to evaluate the advisability of sanctions. A particular course may be advisable in one case but inappropriate in another. The Administration banned virtually all trade and financial transactions with Libya after it became clear that previous actions, including partial sanctions, had not gone far enough. Similar action may not be useful in the case of other countries that support international terrorism.

Economic Consequences of Trade Sanctions

Impact on Target Countries. The effectiveness of U.S. economic sanctions in exerting economic pressure on a foreign government depends on many factors, including the U.S. trade relationship with the target country, the availability of similar products from other countries, and alternative markets for the target country's products. The diversity of supply that characterizes most widely traded goods today limits the impact of unilateral trade sanctions on the target country's behavior: when one country or group of countries decides to withhold goods or services from a terrorist-supporting state, other suppliers may move in to fill the gap. Similarly, a unilateral boycott of the products of a terrorist-supporting state may simply shift market patterns. In the absence of international cooperation, the terrorist state often obtains what it wants to buy and finds alternative customers for what it has to sell, and our intended influence on it is correspondingly reduced. Sanctions, however, can have a significant effect in sectors where the United States is the key supplier. Export controls tend to have the greatest economic impact over the short term, as current sources of supply are interrupted and the target economy struggles to adjust.

The precise impact is often difficult to judge because reliable, up-to-date economic data may be lacking. In the case of Libya, we believe that the measures taken in January 1986 to ban virtually all economic activity with that country, magnified by the steep decline in oil prices, are contributing to the deterioration of the Libyan economy. Other countries' willingness to join us increases the economic effectiveness of the sanctions.

From 1978 to 1980, the United States provided 6% of Libya's imports, according to International Monetary Fund (IMF) figures. On the other hand, the European Community (EC) accounted for more than 60% of Libya's total imports, while other Western industrialized countries supplied an additional 10%–15%. However, U.S. export controls probably have assumed an enhanced significance because they focus on items, such as aircraft and sophisticated oil field equipment, that may not be readily available from other countries.

As a result of increasingly more stringent export controls in 1981 and 1982, the U.S. market share in 1983 decreased to 2.5% of Libyan imports. IMF statistics indicate that, as a result of the downturn in the Libyan economy, European Community exports to Libya also declined in absolute terms during this period. It appears that our European trading partners were restrained in assuming lost U.S. business. Newly industrialized countries, however, including South Korea and Brazil, substantially increased their share of exports to Libya.

Following our 1982 ban on crude oil imports, U.S. imports from Libya declined dramatically, from $7.4 billion in 1980 to only $865,000 in 1983, according to Commerce Department statistics. The President's Executive Order of January 7, 1986, prohibited virtually all direct trade to or from Libya.

Libya traditionally has sought out U.S. contractors because of their reputation and reliability. Although the impact on services is not easily quantified, the departure of U.S. firms providing consulting, management, construction, and contracting services to Libya's oil industry and major development projects could be costly to the Libyan economy in terms of temporary disruptions and recontracting time. We have obtained promises from the other Summit Seven countries to try to discourage their firms from replacing departing American companies. How this will work out in practice remains to be seen, but the Italian presence, for example, has fallen from 15,000–17,000 to under 3,000.

Impact on the U.S. Economy. When the Administration has restricted trade with countries supporting terrorism, it has acted in full awareness that such measures also have costs for the U.S. economy. These can be divided into:

- Direct costs in terms of lost trade; and
- Indirect costs in our trade with other trading partners.

Direct Costs. The sheer size of the U.S. economy has helped absorb the direct costs of our trade controls. For example, U.S. exports to Libya in the late 1970s, before imposition of antiterrorism export controls, accounted for less than 1% of all U.S. exports. As a result of our export controls, U.S. exports to Libya declined by $500 million from 1981 to 1982 and by another $191 million in 1983. These direct costs often fall unevenly on different sectors of the U.S. economy. In the Libyan case, the most severe impact was on the U.S. aircraft and petroleum industries, which previously had dominated the Libyan market. In 1983 alone, the Administration denied licenses to sell $597.5-million worth of large civil transport aircraft to Libya. The Commerce Department estimates that in the petroleum sector, our controls prevented U.S. firms from pursuing contracts worth at least $150 million in 1984 and 1985 for the development of the Ras Lanuf refinery and petrochemical plant in Libya.

U.S. trade with other terrorist-supporting countries also has decreased in recent years. For example, exports to Iran declined from $954 million in 1979 to just under $74 million in 1985, and imports from $2.7 billion to $762 million. Trade with Syria and South Yemen is mininal. In 1985, we exported $106-million worth of goods to Syria, while importing less than $3 million. For South Yemen, the figures were $9 million of exports and $1 million of imports.

Indirect Costs. The use of economic sanctions also may entail significant indirect costs—generally incurred over a longer period. Frequent use of unilateral trade controls for foreign policy purposes can damage the reputation of American firms as reliable suppliers. Customers forced to buy elsewhere may never return to their U.S. suppliers. Other U.S. trading partners may change suppliers or deliberately "design out" U.S. components in their manufactured goods to avoid restrictions on where they can sell. For instance, the Commerce Department has reported that some foreign aircraft manufacturers are increasingly avoiding U.S. high-technology navigational devices for fear that new U.S. export controls might be imposed, thereby preventing sales or curtailing supplies of parts. U.S. firms also report that they are being precluded from major aircraft projects in some countries that do business with Libya and other targeted countries.

On the other hand, economic consequences flow from the continuation of terrorism. Some countries have been reluctant to join in sanctions because of concerns about losing the economic benefits of trade with Libya. However, the terrorist threat and growing public concern about terrorism are costing airlines and other businesses, including American firms, millions of dollars in lost tourism and increased security costs. Although difficult to quantify, there is a growing economic cost from the lack of sufficient international cooperation to make economic and political sanctions more effective.

Diplomatic Consequences of Trade Sanctions

Leaving aside their economic impact, sanctions can be used for their political or diplomatic effect to demonstrate U.S. determination to oppose another nation's support of terrorism. Sanctions send a powerful nonmilitary signal that we will not countenance business as usual with those who support terrorists. They demonstrate that we support our policies with actions as well as words and are prepared to incur costs in our battle against international terrorism. This serves to refute criticisms that we ask our allies to make sacrifices while we continue to profit from commercial relations with countries supporting terrorism or that we are unwilling to try "peaceful measures" before taking other steps.

Sanctions can have political costs as well. U.S. policy attempts to consider political as well as economic consequences of sanctions in adjusting our responses. To the extent that we have other interests and prospects for cooperation with a targeted country, the United States must weigh the probable loss of influence against the expected benefits from economic sanctions. Measures that appear unnecessarily harsh or inappropriate can undermine our credibility with the targeted country as well as with friendly countries whose support we seek.

Economic sanctions can also create difficulties in our political relations with friendly countries that are unwilling to take measures similar to ours. These tensions may increase when our controls are applied extraterritorially to persons or things within the territories of friendly countries in a manner they consider infringes on their sovereignty. Our experience with the gas pipeline sanctions against the Soviet Union demonstrated

the problems of extending unilateral U.S. sanctions effectively to overseas subsidiaries of U.S. companies. Several European countries, including the United Kingdom, have enacted blocking legislation that can be invoked to prohibit persons in their territories from complying with U.S. controls. For these reasons, the Administration has attempted to moderate, where appropriate, the extraterritorial reach of our sanctions. For instance, our most recent sanctions against Libya were not extended to foreign subsidiaries of U.S. firms or to reexports of U.S.-origin goods, except transshipments.

All of these considerations influenced our decision to impose economic sanctions against Libya. Unilateral U.S. restrictions underscored our opposition to Qadhafi's policies, but they did not produce sufficient economic and political pressures to cause significant policy change. The decision to end all direct commercial relations with Libya showed our allies that we are willing to accept heavy costs and may have contributed to our recent success in obtaining multilateral cooperation, albeit limited, on sanctions and other measures.

Libya is an exceptional case. There are major qualitiative differences between our relationship with Libya and other countries on the terrorism list. We have normal diplomatic relations with Syria and maintain a limited dialogue with some of the other countries. In stark contrast to Libya, we have been able on occasion to use our relationships with those countries to the benefit of U.S. interests.

Potential for Gaining International or Multilateral Cooperation

It is difficult to evaluate abstractly the potential for gaining international or multilateral cooperation for sanctions against countries that support or harbor terrorists.

Since the United States, Japan, and Western Europe together account for nearly three-quarters of the world's GNP [gross national product] and trade, the position of our allies is worth noting. The allies are reluctant to adopt economic sanctions for several reasons.

First, most maintain that sanctions are ineffective, often pointing to past efforts where they believe sanctions failed, such as Rhodesia.

Second, many allies have substantial commercial interests as well as citizens who might be placed in jeopardy by imposing sanctions.

Our major European allies belong to the European Community. Community decisions on sanctions historically have been made on the basis of consensus. Given the strong opposition of some EC members to economic sanctions, for reasons outlined above, consensus is difficult to achieve in most cases.

The allies are prepared, on a case-by-case basis, to take specific actions short of broad economic sanctions. In the Libyan case, the EC agreed at an early date that members would not sell weapons or military equipment to Libya and that, to the extent possible, EC governments would prevent their companies from undermining U.S. actions and replacing U.S. companies. Other measures, reaffirmed at the Tokyo summit, such as reducing the staffs of the Libyan Peoples' Bureaus, also are being implemented in a number of countries. We welcome the cooperation achieved and the strong signal it sends. We are consulting closely with our allies and have been urging additional measures.

Adequacy of Existing Authority to Impose Economic Sanctions

Existing legislation gives the President extensive authority to take economic measures against countries supporting terrorism. This authority has proven sufficient to impose broad controls on trade and other economic activity with such countries. The Export Administration Act of 1979, as amended, authorizes restrictions on exports to countries that support terrorism, and the recently enacted International Security and Development Cooperation Act of 1985 authorizes a ban on imports from such countries. U.S. law also permits a wide range of other antiterrorism sanctions, including a cutoff of foreign assistance and arms sales and termination of air services. In addition, the International Emergency Economic Powers Act authorizes the President, upon declaration of a national emergency, to regulate or prohibit a wide range of trade and financial transactions. An appendix to this report describes the most important of these authorities.

Under Section 6(j) of the Export Administration Act, the Secretary of State has designated Libya, Syria, Iran, Cuba, and the People's Democratic Republic of Yemen (South Yemen) as countries that have repeatedly provided support for international terrorism. These designations are periodically reviewed, and changes are made whenever a country's conduct so warrants. Cuba and Iran were added to the list in 1982 and 1984, respectively; Iraq was removed in 1982.

As our sanctions against these countries and, more recently, our ban on virtually all trade and financial transactions with Libya illustrate, the Administration is prepared to use these authorities vigorously. We must continue, however, to take specific circumstances into account, including the probable effectiveness and diplomatic and economic consequences of our actions. Other key factors include the entire range of relations we have with a specific nation and the direction of its policies. Legislation that would tie our hands by mandating blanket prohibitions on trade and/or financial transactions could harm U.S. business and relations with our allies without imposing any significant costs on the target country.

Flexibility is essential to respond to the unique and often rapidly changing circumstances of each case. For instance, during the Iranian hostage crisis, we imposed extensive prohibitions on trade and financial transactions with Iran. These sanctions provided a powerful negotiating tool in working for the release of the hostages. Had the sanctions been statutorily required, this leverage would have been lost. Armed with the flexibility to lift U.S. trade sanctions, we were able to conclude the 1981 Algiers accord and secure the release of the hostages.

APPENDIX A

Statutory Authorities for Sanctions

U.S. law permits a wide range of sanctions by the executive branch against countries involved in international terrorism. These include terminating assistance and arms sales, imposing import and export controls, suspending Export-Import Bank (Eximbank) credits, and, upon declaration of a national emergency, prohibiting financial transactions. The most important authorities are discussed below.

Emergency Powers. The International Emergency Economic Powers Act authorizes the President to regulate or prohibit a wide range of trade and financial transactions involving property in which any foreign country or national has an interest. This authority may be used to deal with "an unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security,

foreign policy, or economy of the United States, if the President declares a national emergency with respect to that threat."

Commercial Exports. Section 3(8) of the Export Administration Act states that it is "the policy of the United States to use export controls to encourage other countries to take immediate steps to prevent the use of their territories or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism." Section 6(a) authorizes the President to adopt foreign policy controls on exports of goods or technology subject to U.S. jurisdiction (or by any person subject to U.S. jurisdiction) to carry out this policy. This authority is exercised by the Secretary of Commerce in consultation with the Secretary of State, the U.S. Trade Representative, and certain others.

Imposition of foreign policy controls under the act is subject to procedural and substantive limitations. For example, section 3(8) provides that the President "shall make reasonable and prompt efforts to secure the removal or reduction of such assistance to international terrorists through international cooperation and agreement before imposing export controls." There are requirements for consultation, reports, and findings as well as special limits on prior contracts and foreign availability.

Antiterrorism export controls imposed under the Export Administration Act are aimed at restricting the export of goods or technology that would contribute significantly to the military potential or enhance the terrorist-support capabilities of such countries. These controls cover large aircraft; militarized vehicles; specially designed equipment with which to produce military items; crime control and detection equipment; and all goods and technology subject to national security controls if destined for military use and valued at $7 million or more. These controls were recently expanded to restrict the export of light helicopters (helicopters over 10,000 pounds were already controlled). For Iran, all aircraft, parts and avionics, and large marine outboard engines are embargoed; national security-controlled goods and technologies with military applications also are controlled. Libya and Cuba are subject to comprehensive trade and financial embargoes[1].

Imports. Section 505 of the International Security and Development Cooperation Act of 1985 authorizes the President to "ban the importation into the United States of any good or service from any country which supports terrorism or terrorist organizations or harbors terrorists or terrorist organizations." Prior consultation with Congress is required "in every possible instance," and a report must be sent to Congress when the authority is exercised. Until this new authority was enacted, imports could be controlled only under the International Emergency Economic Powers Act pursuant to a declaration of national emergency or under the UN Participation Act pursuant to mandatory Security Council sanctions.

Libya. Section 505 was invoked most recently to cut off trade with Libya. In addition to the more general authorities to control imports and exports discussed above, Section 504 of the International Security and Development Cooperation Act of 1985 authorizes the President to prohibit imports of any article grown, produced, extracted, or manufactured in Libya. It also authorizes the President to prohibit exports to Libya of any goods or technology subject to U.S. jurisdiction or exported by any person subject to U.S. jurisdiction.

Foreign Assistance. The executive branch may terminate or decline to provide assistance for any foreign policy reason to any recipient of U.S. assistance under the Foreign Assistance Act, the Arms Export Control Act, the Agricultural Trade Development and Assistance Act, and the Peace Corps Act.

Arms Sales. The executive branch may decline to make military sales to any country for any appropriate foreign policy reason (including antiterrorism considerations), and Section 2(b) of the Arms Export Control Act gives the Secretary of State responsibility for authorizing sales to any particular country and in what amounts. The Department of State also has the authority, pursuant to section 38 of the act and the Department's International Traffic in Arms Regulations, to deny or cancel licenses for private arms exports for any foreign policy reason (including the recipient's support of terrorism). Under this authority, the Administration prohibits the export of items on the U.S. Munitions List to countries supporting terrorism.

Eximbank Programs. Section 2(b)(1)(B) of the Export-Import Bank Act explicitly mentions U.S. policy with respect to international terrorism as one of a limited category of nonfinancial considerations that can justify Eximbank denial of applications for credit, if the President determines that such action "would be in the national interest" and would "clearly and importantly advance" U.S. antiterrorism policy.

Aviation Sanctions. The Federal Aviation Act grants sweeping authority to the executive branch to impose aviation sanctions in response to terrorism as well as inadequate aviation security.

- Section 1114(a) authorizes the President to suspend air transportation between the United States and any country that he determines is violating The Hague convention or is aiding any terrorist organization that supports the seizure of aircraft as an instrument of policy.
- Section 1114(a) further authorizes the President to suspend air transportation between the United States and any foreign state that maintains air service with a third country guilty of violating The Hague convention or aiding a terrorist organization.
- Section 1115 authorizes the Secretary of Transportation, with the approval of the Secretary of State and after 90 days' notice to the foreign country, to withhold, revoke, or impose conditions on the operating authority of any U.S. or foreign air carrier to operate between the United States and a foreign airport characterized by inadequate security. Immediate suspension is mandated when "a condition exists that threatens the safety or security of passengers, aircraft, or crew [and] the public interest [so] requires." In addition, the President is authorized to prohibit U.S. and foreign air carriers from providing service between the United States and any foreign airport that is directly or indirectly served by aircraft flying to or from an inadequately secured airport.
- The Federal Aviation Act also contains sufficient authority for the Department of Transportation to prohibit the sale in the United States of airline tickets to countries against which aviation sanctions have been imposed.

APPENDIX B

Sanctions Required by U.S. Law

In addition to the statutory authorities described above, a number of other provisions of U.S. law require the imposi-

tion of sanctions on countries that facilitate international terrorism.

Commercial Exports. Section 6(j) of the Export Administration Act requires that certain congressional committees be notified at least 30 days before any license is approved for exports valued at more than $7 million concerning which the Secretary of State has made the following determinations:

- The target country has repeatedly provided support for acts of international terrorism; and
- Such exports would contribute significantly to the military potential of the country, including its military logistics capability, or would enhance its ability to support acts of international terrorism.

Technically, there is no requirement that licenses for the exports actually be denied if the necessary advance notice is given. As amended this year, this section requires that once a determination is made regarding a particular country, it may not be rescinded unless the President certifies and reports to Congress that:

- The country concerned has not provided support for international terrorism, including support or sanctuary for any major terrorist or terrorist group in its territory, during the preceding 6-month period; and
- The country concerned has provided assurances that it will not support acts of international terrorism in the future.

Foreign Assistance. Section 620A of the Foreign Assistance Act (FAA), as amended this year, prohibits assistance under the FAA, the Agricultural Trade Development and Assistance Act, the Peace Corps Act, the Export-Import Bank Act of 1945, or the Arms Export Control Act to any country that the President determines:

- Grants sanctuary from prosecution to any individual or group that has committed an act of international terrorism; or
- Otherwise supports international terrorism.

The President may waive this prohibition if he determines and notifies Congress "that national security or humanitarian reasons justify such waiver." If sanctions are imposed, the section states that the President should call on other countries to take similar action. Moreover, Section 512 of the Foreign Assistance and Related Appropriations Act of 1986 prohibits use of any appropriated funds for assistance to, *inter alia*, Libya, Syria, South Yemen, and Cuba.

Foreign Military Sales. Section 3(f) of the Arms Export Control Act requires the President to terminate all sales under the act to any government "which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism." Once this provision is invoked, sales may not be made for a 1-year period (to be extended for an additional year for any subsequent grant of sanctuary). The President may refrain from invoking the provision if he finds and reports to Congress "that the national security requires otherwise."

Trade Preferences. Section 502(b)(7) of the Trade Act of 1974 requires that the President not designate a country as a "beneficiary developing country" for purposes of the generalized system of preferences if such country "aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism." The President may, nonetheless, make such a designation if he determines and reports to Congress "that such designation will be in the national economic interest of the United States."

Aviation Sanctions. Section 1115 of the Federal Aviation Act, as amended by the International Security and Development Cooperation Act of 1985, requires the Secretary of Transportation to assess security conditions at international airports abroad. If deficiencies are found and not corrected within 90 days, the U.S. public will be notified through public postings at airports, a notice in the *Federal Register*, ticket supplements, and a travel advisory.

Section 552 of the International Security and Development Cooperation Act of 1985 provides for the President to suspend foreign assistance to a country that has an airport against which sanctions have been imposed "if the Secretary of State determines that such country is a high terrorist threat country." Suspension may be waived if national security interests or a humanitarian emergency require.

[1]Our embargo on Cuba predates the antiterrorism export controls and was imposed in 1963 under the Trading With the Enemy Act. ■

Trade Policy: Where Will America Lead?

by Douglas W. McMinn

Address before the Council on Foreign Affairs in Baltimore, Maryland, on July 2, 1986. Mr. McMinn is Assistant Secretary for Economic and Business Affairs.

The question I want to put before you tonight is: where will America lead? Will America lead to more open trade among nations? Will America lead to greater economic and political freedom around the world? When put to the test, what course will we steer for ourselves and the world?

Economic and Political Freedom

As we approach the Fourth of July, it is appropriate to remind ourselves of the fundamental principles on which our nation is built. The Founding Fathers understood that political and economic freedom were inseparable and believed that human freedom and private initiative would bring America progress and prosperity. We have grown from a weak colony to a prosperous nation by remaining true to the vision of the Founding Fathers.

Two hundred and ten years have passed since the signing of the Declaration of Independence. In their wildest dreams the Founding Fathers could never have imagined how successful America's experiment with freedom would be.

Our political and economic freedom serves as an inspiring example to the rest of the world. Countries in Asia, Africa, Latin America, and even Europe are embracing democracy. In a quieter but equally important revolution, nations all over the world are rejecting state-controlled, interventionist economic

systems and adopting market-oriented economic regimes.

One of the fundamental principles of economic freedom is free and open trade. History has taught us that the freer the flow of trade, the greater world economic progress and the greater the incentive for peaceful relations among nations.

Trade

At the moment, one of the top issues in Washington is trade policy. Recently, the House of Representatives passed an omnibus trade bill. The Senate has now taken up trade legislation.

It is within the context of economic and political freedom that we need to examine today's trade policy debate. When the trade bills are debated on Capitol Hill, the vision of the upcoming November elections is clear and present. The voices of the special interests are persistent and pervasive. The national interest is less clearly heard.

H.R. 4800, the House trade bill which passed overwhelmingly on May 22, is a blueprint for closing markets. Frankly, it is a bill based on election-year politics. It would halt and reverse the progress in international trade built up over the past 40 years. It is sure to increase political and economic tensions around the world. H.R. 4800 offers trade restriction as the solution without understanding the true nature of the trade problem.

Douglas W. McMinn was born in Salt Lake City, Utah, on July 18, 1947. He received his B.A. from Gustavus Adolphus College, St. Peter, Minnesota, in 1969 and his M.L.A. from Johns Hopkins University in 1972. In 1975, Mr. McMinn received his M.A. in international affairs from the Johns Hopkins University School of Advanced International Studies (SAIS), specializing in international economics. While at SAIS, he was named a Mellon Fellow.

In 1975, Mr. McMinn joined the Department of the Treasury as an economist responsible for East-West economic policy in the Office of the Assistant Secretary for International Affairs. From 1977 to 1979 he was Special Assistant to the Deputy Special Trade Representative, Office of the President's Special Trade Representative. From 1979 to 1981, Mr. McMinn was Deputy Chief of Mission, Office of the U.S. Trade Representative, in Geneva, and Deputy U.S. Representative to the General Agreement on Tariffs and Trade. From 1981 to 1982, he was Acting Director, Office of International Trade Policy at the Department of Commerce. In 1982, he became principal adviser to the President's national security affairs adviser for trade policy and North-South economic relations. He was a member of the U.S. Sherpa team during policy preparations for the 1984 London economic summit and the 1985 Bonn economic summit.

Mr. McMinn was sworn in as Assistant Secretary for Economic and Business Affairs on July 19, 1985.

What Is the Trade Problem?

I won't stand here and tell you that there is no trade problem. There *is* a problem. We are experiencing the largest trade deficits in our history. During the past 2 years, the deficit set a record virtually every month. That pattern may not yet be broken. These massive trade deficits, and the even larger Federal budget deficits, are serious and must not be ignored. Among other factors, these deficits have eroded the important coalition we have had in this country for freer, more open trade. Deficits of this magnitude are almost certainly not sustainable.

We must take action to deal with our deficits and the concerns they generate. We must rebuild that coalition of farmers, consumers, businessmen, politicians, academics, and—yes—even Washington bureaucrats that has shaped our open trading policies. And, at the same time, we must guard against false solutions that will make matters worse.

The American economy has performed well over the last 4 years. Certain industries and certain areas of the country are in difficulty, but their problems are set in a powerful pattern of progress. Overall, we are better off than we were 6 years ago. Prospects are that we will be still better off this year and the next. Deregulation, market freedom, private sector incentives, and less intrusive government have produced this progress. We have rising incomes, new jobs, low inflation, productive investment, affordable housing, lower taxes, dynamic capital markets, and an efficient farm sector.

Why, I wonder, are some now tempted to take trade policy in the opposite direction? Why intervene in international markets when our domestic successes spring from less intervention? Why close markets when our postwar heritage of opening them has stimulated the greatest expansion of economic well-being in the history of the world? Why add friction and increase the risk of conflict between nations?

Is market closing the best way to deal with our trade imbalance? Are the proponents of H.R. 4800 correct? More to the point, would it even work?

Let's look at the five issues most often raised in today's trade debate.

- Why do we have a trade deficit?
- How can trade policy reduce the deficit?
- Do imports cost jobs?
- What is fair trade?
- Do we have a trade policy?

Cause of the Trade Deficit

First, why do we have a trade deficit?

The fundamental cause is that during the last 3 years domestic investment has substantially exceeded domestic saving. The difference—that portion of our total investment financed by foreign savings—is equal to the deficit in our trade in goods and services. Only when we bring domestic investment and domestic saving back into balance will we bring our trade account back into balance.

To understand how the present situation arose, we have to look again at our record of economic performance. The U.S. economy has created 10 million new jobs since 1981; investment was necessary to create those jobs. In the recovery of the 1980s, investment contributed more to growth than in any previous postwar recovery. Real business investment as a share of real GNP [gross national product] reached a postwar high. The American people, collectively, with renewed confidence in the economic future, invested their savings at home rather than lending abroad. American consumers also fueled economic growth through their spending.

For its part, the Federal Government embarked on a monumental effort to rebuild our nation's defenses—a public investment in our future security. However, while private savings have exceeded total private investment, the Federal Government has been spending much more than its income. This draws off savings from the private sector.

How is it possible for the economy as a whole to spend more than it earns? It's simple: others somewhere in the world spend less than they earn and invest the difference the America. We are able to support our ambitious investment program, public and private,

with an inflow of savings from abroad. That inflow of savings must be accompanied by a parallel influx of goods.

To reduce the trade deficit, we must restore a better balance between the demand for capital—our public and private investment—and the domestic supply of capital—the savings generated by households, businesses, and government. We can invest less or save more. The choice is ours.

A Trade Policy Remedy?

What role can trade policy play in all of this?

Trade policy does not significantly affect the trade balance. Let me repeat that: trade policy does not significantly affect the trade balance.

To be sure, some trade policy actions may cause minor shifts in previous saving and investment patterns. But trade restrictions do not affect the fundamental cause of the trade deficit: the inability of domestic savings to finance domestic investment. Trade restrictions can only divert resources to protected sectors of the economy and away from dynamic sectors that are typically left unprotected. When we restrict imports, we act not so much against foreign producers as against our own domestic consumers, our industries that rely on imported materials, and our farmers and industries who need foreign markets.

Trade and Jobs

Well, what about jobs? Don't imports cost Americans their jobs? Don't exports create jobs? These are tough questions, not because the answers are complex or remote but because wrong answers are so prevalent, appealing, and convenient.

There is no doubt that fewer Americans are engaged in producing VCRs, or color televisions, or cameras, or even automobiles and steel because we import these items. There is also no doubt that more Americans are engaged in producing aircraft, computers, advanced electronics, and agricultural products because we export them. But it is a fundamental truth that trade policy affects only the composition of employment, not its total level. You can safely dismiss any analysis that states that a particular trade restriction will "save" a certain number of American jobs. Such restrictions do not save jobs in the overall but shift employment from our most dynamic industries to less productive sectors.

Fairness and Market Access

But what about fairness? What about the "level playing field" our exporters have a right to expect? Americans value fairness—it is one of our finest national attributes. If we are not being treated fairly, we will react, whether our trade is in surplus or in deficit.

Without doubt, there are unfair trade practices in the world. Although we do not necessarily agree, even some of our own practices are perceived as unfair by others. Developing countries complain that we have cut our sugar import quotas from 2.2 million tons in 1985 to 1.7 million tons this year; our textile imports are subject to tight controls; the new farm bill expands subsidies for agricultural exports; we recently restricted imports of certain wood products; and we restrict steel imports from 17 countries and Europe. The list goes on. As someone said, purity and virtue are hard to find in the world of trade.

There is another aspect of fairness that deserves attention. Too often, the unspoken definition of fairness is "our industry always wins." Loss of market share abroad translates into an unfair practice by a competitor. The trade deficit is seen as proof that American business is facing unfair competition. Fairness does not mean that every U.S. industry always prospers. Fairness means we all play by the same rules. Americans don't want guaranteed success; but they do insist on the opportunity to succeed.

But where unfairness exists, how should we deal with it? Retaliation—restricting access to the U.S. market—comes quickly to mind. There are two problems with retaliation.

First, it hurts our own economy.

Second, it invites an escalating and dangerous spiral of counterrestrictions.

Nevertheless, despite the risks, retaliation may be necessary in some cases. When it is, we will act and have done so.

What we shouldn't do, though, is base our policy on the concept of retaliation. The most effective approach to foreign unfair trade practices is to confront them directly: to demonstrate the unfairness and secure change through negotiation. This course serves our broader economic interests and those of the world trading community by creating new possibilities for growth and enhanced competition. Unlike retaliation, it is true to the principles of economic freedom that have served us so well in the past. Success has not been and will not be instantaneous, since the political forces of protectionism are at least as strong abroad as they are in this country. But we have made progress, real progress.

American exporters deserve the full effort of their government to assure them of as open and efficient a market as possible when they set out to compete. The President has pledged that effort. But we must not bind ourselves with a web of trade restrictions. As in the domestic economy, our efforts must be devoted to greater freedom, not greater government.

The Administration's Trade Policy: Aims and Actions

What is our trade policy? In the tradition of every American President since F.D.R., President Reagan stands for free trade and open markets. That is our policy framework. Our objectives are clear: to pry open foreign markets, to tear down trade barriers, and to eliminate unfair trade practices.

- The United States has taken the lead in pushing for a new round of international negotiations that will be launched this fall. Our objective is to strengthen existing trade rules and extend them to areas such as agriculture, services, intellectual property, and investment which have, until now, escaped meaningful—or any—international discipline. Multilateral negotiations in the GATT [General Agreement on Tariffs and Trade] are our best hope for establishing a broader, level playing field free of the holes we have all dug for ourselves in the past.
- Responding to a Canadian initiative, we have just embarked on an important and historic initiative with Canada, our largest trading partner. We are engaging in comprehensive talks to establish free trade between our two countries. The objective of these talks is to reduce or eliminate barriers in a broad array of trade and investment areas. An agreement of this type will be an engine of growth for the economies of both countries.
- In a series of talks with the Japanese Government, we have agreed on the removal of barriers to sales in Japan of telecommunications gear, wood

and paper products, pharmaceuticals and medical equipment, and electronic components. In the near future, we will discuss ways to enhance market access in a new sector which includes automobile parts.

• We are pressing the European Community to offer us adequate and fair compensation for damage to our agricultural exports caused by the recent expansion of the Community to include Spain and Portugal.

• We are negotiating with Korea to improve opportunities for our insurance companies to sell in Korea and to obtain better patent and copyright protection there. Similarly, we are pressing Brazil to administer its laws regarding computers and related equipment so as not to disadvantage unfairly U.S. investors and exporters.

This is only a partial list, but it illustrates that positive, market-opening actions have been taken and are underway to eliminate unfair trade practices and expand market access for competitive U.S. exports of both goods and services. The record shows that negotiation can open markets.

We have also made important strides on domestic and multilateral measures that will help attack the fundamental cause of the trade deficit.

• On the domestic front, Congress has tackled its responsibility to discipline spending by the Federal Government by passing the Gramm-Rudman-Hollings amendment. By 1990, the Federal Government's voracious appetite for American savings will be curbed.

• Also, the Senate has passed a tax reform bill that will enhance the incentives to work, to save, and to invest in productive activities.

These two measures alone will significantly enhance the competitive position of the United States and release resources to the private sector. They will also contribute to a better balance in our external accounts—a lower trade deficit—by reducing the internal imbalance between saving and investment. They represent major achievements in the making.

Abroad, we are working with our trading partners on monetary matters. Exchange rates have shifted to reflect better fundamental economic conditions. The dollar has moved to a level that reflects our commitment to put our economic house in order and restores the competitiveness of American industry and agriculture. Agreements reached last September at the Plaza Hotel and in May at the Tokyo summit promote greater stability in exchange rates.

American Leadership

The trade policy debate in Washington is serious and disturbing. The trend in the Congress—at least in the House of Representatives—runs counter to the policy direction that has revived the American economy in the 1980s and to the course of American trade policy over nine administrations, Democratic and Republican. It contradicts the principles of economic and political freedom that have been the basis of the strength and prosperity of this country.

The United States has been in the forefront of the battle for economic freedom, just as we have been at the front lines in the struggle for political freedom. Will the United States maintain its leadership role in the global economy and continue to lead in the pursuit of freer trade and more open markets?

The importance of American leadership to the progress of freedom was emphasized by the Prime Minister of Singapore, Mr. Lee Kuan Yew, before a joint session of our Congress last fall. Let me conclude by quoting from his speech:

> If, because of domestic problems, the United States loses the will to maintain open and fair trade, protectionism and retaliation will shrink trade and so reduce jobs. Is America willing to write off the peaceful and constructive developments of the last 40 years that she has made possible? A replay of the depression of the 1930s, which led to World War II, would be ruinous for all. All major powers in the West share the responsibility for not repeating this mistake. But America has the primary responsibility, for she is the anchor economy of the free market economies of the world. In your hands, therefore, lies the future of the world.

Our friends are calling on us to lead—to remain true to the economic and political values that form the bedrock of our way of life. We need the vision, statesmanship, and—yes—courage that inspired the Founding Fathers 210 years ago. If we are true to our principles, we can lead the world to a future of progress and prosperity. ■

Strategic Petroleum Reserve

WHITE HOUSE STATEMENT, AUG. 6, 1986[1]

Yesterday the President reaffirmed strong administration support of a 750 million barrel strategic petroleum reserve. The strategic petroleum reserve was created to maintain adequate strategic and economic protection against oil supply disruptions. It moderates the economic impacts of oil price increases and supply shortages, reduces the pressures for allocation and price controls in the event of a supply disruption, reduces the likelihood of panic buying, and provides more time for diplomacy to work in special situations.

Since 1981 we have increased the reserve over fivefold, and it now contains 503 million barrels. The President committed the Administration to continue filling the reserve throughout fiscal year 1987. He gave Secretary of Energy John Herrington the discretion to exceed the current congressionally approved rate, should oil prices make this an economically attractive choice.

Reaffirmation of our goal of a 750 million barrel strategic petroleum reserve demonstrates the President's continued leardership and commitment to our allies that holding strategic stocks is the best defense against the effects of rapid price escalation or supply interruptions. The President, in reaching his decision, also called upon other oil consuming nations to take similar actions, stressing that strategic stockpiles are the best defense against world oil supply disruption.

[1]Text from Weekly Compilation of Presidential Documents of Aug. 11, 1986. ■

25th Anniversary of Berlin Wall

PRESIDENT'S STATEMENT, AUG. 13, 1986[1]

Twenty-five years ago, one of the world's great cities was torn in two, its people divided and a unity that had lasted for more than 700 years brutally destroyed. Overnight a wall was thrown up around the Western sectors of Berlin by East Germany in collusion with the Soviet Union. As thousands of persons desperately sought to flee, fences of barbed wire and armed men blocked the exits and turned them back. Often the soldiers themselves threw down their weapons and vaulted over the first crude barriers, choosing freedom in the West at the risk of their lives.

After 25 years, the Berlin Wall remains as terrible as ever—watched night and day by armed guards in towers, the ground between barriers floodlit and patrolled by dogs. Those seeking freedom still attempt to cross the death strip in a burst for liberty.

The Berlin Wall is tragic testimony to the failure of totalitarian governments. It is the most visible sign of the unnatural division of Germany and of Europe—a division which cruelly separates East and West, family from family, and friend from friend.

The horror of the wall can easily overwhelm us. But this anniversary reminds us too of the Berliners who, in resisting tyranny, proved and still prove their courage and their passion for freedom. They have made Berlin a thriving metropolis, a showcase of liberty which will invite the world to join in its 750th anniversary next year. The United States is proud to fulfill, with its British and French allies, its solemn commitment to the Berliners and to their great city. Western strength and cohesion protected Berlin in the past; they are the only basis on which future improvements are possible.

Those who built and maintain the Berlin Wall pretend it is permanent. It cannot be. One day it—and all those like it—will come down. As long as the wall stands, it can never be porous enough for free men and women in the West—and freedom-loving men and women in the East—to tolerate it.

Freedom, not repression, is the way of the future. Dividing Europe, defying the will of its people, has brought tension, not tranquility. True security for all requires that Europeans be able to choose their own destiny freely and to share their common heritage.

Berlin's division, like Europe's, cannot be permanent. But our conviction must be more than a distant hope. It must be a goal toward which we actively work. Let us rededicate ourselves to new efforts to lower the barriers dividing Berlin. Before another anniversary has passed, I hope that this problem can be the subject of renewed thought and serious discussion between East and West.

[1]Text from Weekly Compilation of Presidential Documents of Aug. 18, 1986. ■

27th Report on Cyprus

MESSAGE TO THE CONGRESS, JULY 1, 1986[1]

In accordance with Public Law 95-384, I am submitting to you a bimonthly report on progress toward a negotiated settlement of the Cyprus question.

In my last report, I noted that on March 29 the United Nations Secretary General gave Greek and Turkish Cypriot representatives a draft framework agreement. That draft agreement contained an outline for an overall settlement and a specified process with summit meetings and working groups for reaching that desirable goal. Acceptance of the agreement would have led to immediate negotiations on all the outstanding issues, including such key questions as troop withdrawal, guarantees, and the "three freedoms" (freedom of settlement, freedom of movement, and the right to property).

During the period since my last report, American officials have continued their active efforts in support of the Secretary General's approach. It remains our view that his initiative presents the leaders of the two Cypriot communities with an historic opportunity to begin a process toward peace and reconciliation. We have continued to express our hope that they would embark on this path. We also stated our view that the Secretary General's "integrated-whole" concept, under which "nothing is final until everything is final," would protect the interests of the parties throughout the negotiating process envisioned in the recent framework agreement.

The Turkish Cypriots have accepted the March 29 draft framework agreement. The Greek Cypriots have not accepted the document and instead have proposed the convening of an international conference or a high-level meeting between the leaders of the two Cypriot communities. The Secretary General summarized his view of the current situation in a June 11 report to the Security Council, which I have attached. He stated that since one side is not yet in a position to accept the March 29 draft framework agreement, the way is not yet open to proceed with the negotiations he has proposed for an overall solution. He added that, under the circumstances, the way forward will require careful reflection by all concerned.

We continue to believe that the Secretary General's effort offers the best prospect for achieving progress toward a just and lasting Cyprus settlement. The Secretary General will have our full confidence and support as he proceeds with his good offices mission. We urge the parties to work constructively with him in order to move forward toward a negotiated solution.

Sincerely,

RONALD REAGAN

[1]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Richard G. Lugar, chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of July 7, 1986). ■

11th Anniversary of the Helsinki Final Act

PRESIDENT'S STATEMENT, AUG. 1, 1986[1]

Eleven years ago today the United States, Canada, and 33 European countries signed in Helsinki the Final Act of the Conference on Security and Cooperation in Europe (CSCE). The signatories undertook to observe important standards of international conduct and to pursue practical steps to reduce the barriers dividing Europe between East and West. Of special importance to the West, the Final Act affirmed basic human rights and fundamental freedoms.

The Final Act is an eloquent statement of hopes and goals to which the United States fully subscribed, because its principles were rooted in our own philosophy and traditions. The United States remains firmly committed to the full implementation of the Final Act in all its provisions and to the indivisibility of its human, security, and economic dimensions.

Unfortunately the Soviet Union and its East European allies have repeatedly failed to carry out many of their Helsinki pledges. There has been limited progress since the signing of the Final Act. But the reality of Europe's division remains, and the most important promises of a decade ago have not been kept. That was our assessment on the 10th anniversary last year. It remains our assessment today. Eastern governments continue to impede the free flow of people, information, and ideas. They continue to repress those who seek to exercise freedoms of religion, thought, conscience, and belief. They continue to disregard Final Act provisions as they choose.

As we commemorate this 11th anniversary, we should recall the hopes for greater peace and freedom in Europe expressed a decade ago. The Final Act recognized the interrelationship between these goals, that the interests of individual human beings are a fundamental part of progress toward peace in Europe, that a more stable peace among nations depends on greater freedom for the people of Europe. The ambitious goals of the Helsinki process can be achieved only through balanced progress on all fronts.

The next followup meeting of the Conference on Security and Cooperation in Europe will open in Vienna this November. An important task of that meeting will be to take stock of the promises made and the promises kept, and to weigh the balance among the various dimensions of the Helsinki process. Governments must be made to account at Vienna for their commitments. The meeting must also address the challenge of achieving balanced progress if the Final Act is to have meaning in the daily lives of all citizens whose governments have undertaken its obligations.

The United States takes its commitments under the Final Act seriously and will continue to strive for the full realization of its goals for all the peoples of Europe. We call upon others to do likewise. We will work to ensure that the upcoming meeting in Vienna will mark a step toward making the promises of Helsinki's first decade a reality in its second.

[1]Text from Weekly Compilation of Presidential Documents of Aug. 4, 1986. ■

Captive Nations Week, 1986

PROCLAMATION 5512, JULY 21, 1986[1]

America, built on a firm belief in the dignity and rights of all the members of the human race, continues to hold up that message to the world. Included in that message is unwavering opposition to all forms of oppression and despotism. Freedom is not divisible. To maintain it for ourselves, we must pursue it for others. As President Roosevelt declared in 1941, "we look forward to a world founded upon four essential freedoms. The first is freedom of speech and expression—everywhere in the world. The second is the freedom of every person to worship in his own way—everywhere in the world. The third is freedom from want . . . everywhere in the world. The fourth is freedom from fear . . . anywhere in the world."

This vision of the future has been a beacon of hope and guidance both for those individuals who seek refuge here and for those nations whose aspirations for self-determination have been crushed by the Soviet empire. Deprived of basic human rights, their peoples are the victims of ruthless regimes run according to totalitarian ideologies. These are the nations held captive by forces hostile to freedom, independence, and national self-determination. These captive nations include those of Eastern Europe that have known foreign occupation and communist tyranny for decades; those struggling to throw off communist domination in Latin America; and the people of Afghanistan, Southeast Asia, and Africa struggling against foreign invasion, military occupation, and communist oppression.

Each year we renew our resolve to support the struggle for freedom throughout the world by observing Captive Nations Week. It is a week in which all Americans are asked to remember that the liberties and freedoms that they enjoy are denied to many peoples. With this observance, we hope to inspire those who struggle against military occupation, political oppression, communist expansion, and totalitarian brutality. We hope to inspire, but we also seek inspiration. Because the history of liberty is a history of resistance, we learn from those who live where the struggle is most urgent. Purified by resistance, they show us the path to a renewed commitment to preserve our own liberties and to give our support and encouragement to those who struggle for freedom.

To pursue that struggle, and to honor those who are with us in that battle, the Congress, by joint resolution approved July 17, 1959 (73 Stat. 212), has authorized and requested the President to issue a proclamation designating the third week in July of each year as "Captive Nations Week."

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week beginning July 20, 1986, as Captive Nations Week. I invite the people of the United States to observe this week with appropriate ceremonies and activities to reaffirm their dedication to the international principles of justice, freedom, and national self-determination.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-first day of July, in the year of our Lord nineteen hundred and eighty-six, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of July 28, 1986. ■

Binary Chemical Munitions Program

WHITE HOUSE STATEMENT, JULY 29, 1986[1]

The President today certified to Congress that certain conditions required by Congress for the release of fiscal year 1986 funds for the binary chemical weapons modernization program have been met.

This certification to Congress will allow the United States to proceed with the modernization of the chemical weapons deterrent stockpile so critical to our nation's security. U.S. policy on chemical warfare remains unchanged. The United States renounces the first use of lethal and incapacitating chemical weapons. A comprehensive, effectively verifiable global ban on all chemical weapons remains our foremost priority. However, until such a ban is attained, we will pursue deterrence through a strong defensive posture and a credible retaliatory capability. The chemical weapons threat to U.S. forces is a worldwide threat, not limited to NATO. The small, readily deployable stockpile of binary munitions which we seek will provide the flexibility to meet and deter this threat.

Specifically, the legislation requires that the President certify to Congress that:

- The North Atlantic Treaty Organization (NATO) has adopted a binary chemical munitions force goal addressed to the United States;
- The United States has developed, in coordination with the Supreme Allied Commander, Europe (SACEUR), a plan for the deployment of binary chemical munitions under appropriate contingencies; and
- The United States has consulted with NATO member nations on that plan.

On May 15 NATO's Defense Planning Committee in permanent session, composed of the permanent representatives to NATO of the 15 nations participating in the alliance's military structure, adopted the NATO force goals for 1987–92, including the binary chemical munitions force goal addressed to the United States. Defense Ministers, meeting as the Defense Planning Committee in ministerial session on May 22, according to normal NATO procedures "noted" the permanent representatives' action. The Defense Ministers' action completes the established NATO procedure for adopting force goals for alliance.

The United States had developed, in coordination with SACEUR, a plan for the deployment of binary chemical munitions under appropriate contingency plans.

The United States has conducted extensive consultations with allied governments on chemical weapons issues, including consultations on the plan for deployment of chemical weapons under appropriate contingencies. On June 19, consultations with allies on this military contingency plan were completed in the appropriate NATO forum: NATO's Military Committee, which is composed of senior military representatives from nations to NATO. The U.S. Military Representative to the Military Committee briefed the Military Committee on the U.S. plan for contingency deployment of chemical weapons. Recognizing the conclusions reached in the Defense Planning Committee, and within the context of those conclusions and of national statements and reservations expressed in the Defense Planning Committee, the Military Committee took note of the briefing of the U.S. plan for the contingency deployment of chemical weapons.

[1]Text from Weekly Compilation of Presidential Documents of Aug. 4, 1986. ■

U.S. International Narcotic Control Programs and Policies

by John C. Whitehead

Statement before the Subcommittee on Foreign Operations of the Senate Appropriations Committee on August 14, 1986, and a report on the status of efforts to control narcotics production prepared by the Bureau of International Narcotic Matters. Mr. Whitehead is Deputy Secretary of State.[1]

I welcome the opportunity to discuss the Administration's international narcotic control programs and policies. I am accompanied today by Mr. Peter McPherson, the AID [Agency for International Development] Administrator; Miss Ann Wrobleski, Assistant Secretary Designate for International Narcotic Matters (INM); and Mr. Frank McNeil, Deputy Assistant Secretary, Bureau of Intelligence and Research. We have a fairly detailed report which, with your permission, I would like to include for the record. It was prepared in response to the interest of the committee expressed during the course of a number of recent hearings.

I would, however, like to offer some brief introductory remarks.

As the President's recent statements make clear, let there be no mistake that this Administration is fully committed to stopping the flow of illicit narcotics into our country. The danger of narcotics to our youth and to the very fabric of our society cannot be a subject of partisan debate. We are grateful to the support this committee has provided for the Administration's efforts in the past, and I am confident we can count on your continued support in the future.

International narcotics control is central to the pursuit of our foreign policy objectives. We have and will continue to use every opportunity to convey the message to our friends in the international community on the need for greater effort in controlling narcotics traffic. The President made this an agenda item at the Tokyo economic summit. We have raised it at the United Nations. It is a priority issue in the bilateral talks with President De la Madrid of Mexico this week as it was with Prime Minister Junejo of Pakistan last month.

The most effective tool we have in this effort is the growing realization among foreign governments that narcotics trafficking is not just an American problem, but a universal threat. The efforts of the First Lady and our high-level attention to this problem are already paying dividends. Countries in which narcotics are produced or which are part of the international trafficking pattern now recognize the unacceptably high risk that narcotics pose to their own societies. These risks range from increases in violent crime to national security threats by narcoterrorist groups. The international community is finally recognizing the challenge we all face. That is the first and most important step in winning the battle.

Nevertheless, there remains a large and unacceptable gap between perception and effective action. We expect more concrete measures from our friends and are prepared to encourage and support them. The situation remains serious.

From the foreign policy perspective, our highest priority is to reduce production. We are moving closer to our objective of having effective eradication programs in all key producing countries. In 1981 only two governments were engaged in eradication programs. By 1985 the list had grown to 14. As a result, marijuana production is today declining in Colombia, Jamaica, and other countries in Latin America and the Caribbean. We expect that trend to continue.

Current Colombian experiments to identify environmentally safe herbicides, which can be reproduced on a large scale, could provide a new tool for eradicating coca plants. The recent dramatic demonstration of the renewed commitment of the Bolivian Government to narcotics control has resulted in the price of the coca leaf falling to an all-time low. I met with President Paz Estenssoro and his senior officials in La Paz this spring and know directly of their concerns and their need for support.

In the meetings this week involving Presidents Reagan and De la Madrid, Secretary of State Shultz and Foreign Secretary Sepulveda, and Attorneys General Meese and Garcia, the United States and Mexico have reiterated their unrestricted cooperation and assistance in rejuvenating a control program. We have emphasized the high priority we attach to reducing the flow of heroin and marijuana from Mexico, and the high priority we attach to effective action against those traffickers responsible for the death of DEA [Drug Enforcement Administration] Agent Camarena.

In September, the United States and Mexico will collaborate in an intensive spraying program of opium poppy in the infamous tri-State area. Mexico has agreed to let us bring in six turbo Thrush aircraft, and combine them with three of their high-spraying capacity Bell 212 helicopters, in an effort to eliminate 70% or more of the fall poppy crop before it is harvested. We have assisted the Mexicans in improving this program in 1986, including refinements in the spraying process. Together with the verification program, in which DEA agents ride with Mexican officials to confirm fields destroyed, these improvements bode well for restoring the effectiveness of this once heralded program. However, we have other problems: the level of effectiveness in seizures, arrests, and prosecutions has never been as good as in the eradication program. We seek a strong across-the-board effort at improving enforcement.

U.S. Encouragement and Support

The tools and resources provided by Congress are critical assets supporting our diplomatic efforts. The Administration's FY 1987 budget request for $65.4 million for international narcotics control programs includes a substantial increase in funds for eradication. We also have requested more funds for enforcement efforts, supporting crop reduction activities. Seventy-three percent of available funding is dedicated to these very efforts. We urge the committee to appropriate the full amount.

We have also used economic assistance funds administered by AID in direct and indirect support of our narcotic control objectives. In Peru, Bolivia, and Pakistan, for example, the disbursement of development assistance funds are tied to achieving specific narcotic control objectives in target areas. In Thailand, AID and INM are funding a project in which entire villages must agree to keep farming areas free of poppy. This program is going well with the support of the Thai Army's aggressive new eradication program.

We still have a long way to go. I would not minimize the obstacles, but I am heartened by what I believe are clearly positive trends. I believe that our friends recognize the need to eliminate this scourge. They know that we mean business. Continued and increased pressure has to be applied at all points of the chain—through crop control; through increased seizures of both drug products and financial assets; through intensified investigation and prosecution of traffickers; and through effective treatment and prevention of drug abuse.

The Administration is committed to work with you and other Members of the Congress in support of this effort.

Report on Status of Efforts to Control Narcotics Production

The Link Between Assistance and Narcotics Control

Of the 18 countries that are the primary sources of illicit narcotics entering the United States, 15 receive some form of U.S. economic, military, or narcotics control assistance. Fourteen of the fifteen conducted eradication programs in 1985; the other, Morocco, relies on interdiction to control hashish production. The remaining three—Iran, Afghanistan, and Laos—are politically inaccessible to us.

Security assistance levels are significant in 11 of the 14 cases. However, narcotics assistance constituted all of the assistance ($700,000) to Brazil and 98% of the $10.3 million given to Mexico, while Venezuela's total assistance was $100,000 in military training funds.

Beyond these source countries, there are other nations which are important transit points for illicit narcotics shipments to the United States, such as India, Malaysia, the Bahamas, Lebanon, and Turkey. Of these, all but the Bahamas receive some economic or military assistance.

There are both direct and indirect links between U.S. assistance and narcotics control.

The countries in which narcotics control and development assistance objectives have been most closely linked are Peru, Bolivia, and Pakistan. In each country, AID and INM have agreed on target areas, and development assistance is conditioned on achieving specific narcotics control objectives. For example, much of the development assistance intended for the Chapare region of Bolivia, the primary growing region for coca destined to become cocaine, has not been spent since 1983 because its release is contingent upon Bolivia complying with conditions of its 1983 agreement with the United States.

There are various types of indirect links between control and development assistance, such as the poppy clauses used in Pakistan and Thailand. These clauses commit a government to keeping specific development areas free of narcotics, especially areas which have not been traditional narcotics growing areas. In the one instance when new opium poppy was discovered in an area of Pakistan which was under such an agreement, the government destroyed the crop.

AID and INM emphasize development assistance, rather than crop substitution, to control narcotics. That change in policy reflects the discovery that, under substitution programs, farmers grew new crops but didn't abandon opium poppy.

Despite the disappointment in the spring 1986 opium crop, which expanded largely in response to greatly increased demand and higher prices within the region, it still appears that the model

developed by INM in Pakistan works there and will work elsewhere. Specific kinds of development assistance in selected areas are conditioned on assurances—backed up by demonstrable enforcement—that the areas will be rid of illicit narcotics crops. For example, Thailand has a program in which development assistance is conditioned upon entire villages agreeing to keep their farming areas free of poppy. Since 1984, that program has steadily progressed—boosted in 1985 and 1986 by the Thai Army's aggressive new eradication program.

So far, assistance that is directly or indirectly linked to narcotics control through one or more types of agreements have been discussed. Other types of assistance are not tied to control, such as most military assistance, and economic assistance to nongrowing areas. However, the government of every source and transit nation is fully aware of the conditions imposed in Public Law 98-164. Without exception, these governments know they could lose all U.S. assistance if they fail to take adequate steps to cooperate with the U.S. Government on narcotics control. This message was solidly reinforced by President Reagan last week.

The Narcotics Problem: Review of Progress

The highest U.S. Government priority is reducing production. In 1981, only two countries were eradicating illicit narcotic crops. In 1985, there were eradication programs in 14 countries. We are moving closer to our objective of having effective eradication campaigns operating simultaneously in all key growing sectors. The 1987 INM budget includes a substantial increase in funds for eradication. Increased funding for enforcement is also projected where such activities support crop reduction or reduce the supply of illicit narcotics or precursor chemicals.

Many 1985 objectives were not only met, but exceeded. Even more will be done this year and next. The gains are real, and the prospects for continued advancement in 1986 and 1987 are quite good. But the situation remains severe. Drug abuse has spread to many drug producing and trafficking countries, keeping production at high levels, and narcotics trafficking organizations in some countries are so powerful that they pose a security threat to the legitimate government. Narcotics-related violence is on the increase. However, significant change has occurred, and many of our hopes ride on that change. Other nations now realize that narcotics trafficking is a clear and present universal danger, and that they too stand in harm's way. With that realization, we are finally beginning to work together as an international community progressing toward common goals.

The 1986-87 Agenda

The Administration has requested $65.4 million for the international narcotics program for FY 1987, a level that is essential to support the needed expansion of eradication and enforcement programs. The Department urges the committee to provide the full amount requested.

The precedent-setting Colombian program has capped efforts in Latin America and the Caribbean to destroy marijuana crops, and it is estimated that marijuana production totals for 1986 will continue the decline of recent years. Aerial surveys confirm that the 1985 crop in the traditional northern growing areas of Colombia was 85% smaller than the 1983 crop. In 1986, the eradication effort is being expanded into other areas of Colombia to counter traffickers' efforts to develop new sources of supply.

Several countries are working hard to contain the problem. Ecuador, which collaborated with Colombia on a joint coca eradication effort along their common border, is intensifying both its eradication and interdiction efforts for 1986. Brazil, with U.S. assistance, initiated operations to destroy both coca and marijuana, as well as important seizure campaigns, while also expanding its efforts to interdict shipments of precursor chemicals used in cocaine refining.

Like Colombia, Panama and Belize conducted aerial eradication programs, using herbicides, in 1985 and 1986. Following the spraying this spring, Panamanian production of marijuana dropped sharply enough that authorities think aerial spraying is no longer needed. Jamaica initiated a long-needed manual eradication campaign to destroy both spring and fall marijuana crops in 1985, resulting in gains that have been confirmed by aerial surveys. Brazil, Costa Rica, Guatemala, and other governments have also destroyed marijuana plantations.

The marginal gains of the manual eradication campaigns against the coca bush could be a thing of the past. In 1985, Colombia succeeded in identifying chemicals which appear to meet the criteria of being environmentally safe while effectively destroying the hardy coca bush. Expanded testing is proceeding with both backpack and aerial applications. It should lead to a method that affords large-scale elimination of illicit coca cultivation. If it succeeds in Colombia, it could work in other coca cultivation areas, too.

Colombia remains the major refining source for cocaine, while Bolivia and Peru remain the major sources of coca leaf. Cocaine refining sites are shifting somewhat because of Colombia's campaign against cocaine labs and improved ways of controlling the flow of refining chemicals.

The bottom line on cocaine is that the ***supply of coca leaf must be reduced.*** New leaders in Bolivia and Peru began their administrations in 1985 by declaring their intentions of attacking the drug production problem. Perhaps the most dramatic demonstration of the new Bolivian intent is the ongoing campaign to suppress cocaine refining and trafficking. As Ambassador Rowell told Congress last week, these have come to a halt in the Beni area. Moreover, thanks to this campaign, called "Operation Blast Furnace," the price of leaf has fallen to an all-time low, and the Embassy reports that more farmers are requesting assistance in cultivating alternative crops. This may be the first trickle in what could be a flood-like movement away from the economic dependence of farmers and others on the coca trade—a change that is essential if eradication is to succeed. Traffickers have learned they can no longer count on Bolivia as a safehaven. Moreover, the raids are achieving the primary goal of stopping the spread of cocaine refining.

Bolivia must complete the planning for both the voluntary and involuntary phases of its eradication campaign, and bring a substantial portion of its illicit coca acreage under control, enforced by eradication where necessary, enhanced by alternative development opportunities where appropriate. The government recognizes that continued assistance is dependent in part on achieving the eradication targets in the new agreement now being negotiated with the United States.

The killings and lawlessness in Peru's Upper Huallaga Valley continue, proving again that narcotics control and the battle against terrorism must both share a high priority with the Government of Peru. Economic and military assistance to Peru in 1987 are dependent in part on the development and implementation of a comprehensive strategy

for coca control. The strategic task in 1986 and 1987 is to extend the coca eradication campaign into additional growing areas of the Upper Huallaga Valley. Coca eradication in the valley doubled in 1985, but the new areas are quite inaccessible and the pace of manual eradication may be difficult to sustain.

Increased production of heroin and marijuana in Mexico, which were on a downward trend for several years thanks to effective aerial eradication, were key disappointments in 1985 when other countries, despite great burdens, met or even exceeded our expectations. In meetings this week involving Presidents Reagan and De la Madrid, Secretary of State Shultz and Foreign Secretary Sepulveda, and Attorneys General Meese and Garcia, the United States and Mexico have reiterated their unrestricted cooperation and assistance in rejuvenating a control program. The United States is emphasizing the high priority it attaches to reducing the flow of heroin and marijuana from Mexico, and the high priority it attaches to effective action against those traffickers responsible for the death of DEA Agent Camarena.

In September, the United States and Mexico will collaborate in an intensive spraying program of opium poppy in the infamous tri-State area. Mexico has agreed to let the U.S. Government bring in six turbo Thrush aircraft, and combine them with three of their high-spraying capacity Bell 212 helicopters, in an effort to eliminate 70% or more of the fall poppy crop before it is harvested. The U.S. Government has assisted the Mexicans in improving this program in 1986, including refinements in the spraying process. Together with the verification program, in which DEA agents ride with Mexican officials to confirm fields destroyed, these improvements bode well for restoring the effectiveness of this once heralded program. However, there are other problems: the level of effectiveness in seizures, arrests, and prosecutions has never been as good as in the eradication program. The U.S. Government seeks a strong across-the-board effort at improving enforcement.

In 1986 INM has purchased additional aircraft and is launching the special Latin American regional enforcement program for which the Appropriations Committee provided $5 million. The regional air wing, based in Colombia, will upgrade strike force capability throughout the Andean coca growing region. Future Blast Furnace-type operations may be conducted through use of this regional air wing, funded by INM, or with the assistance of DEA aircraft, or further use of U.S. military aircraft, or a combination thereof. The U.S. Government is not limited to the military option.

This air wing is but one aspect of the trend toward regional approaches to narcotics control. The cross-border operations involving Colombia with Peru, Ecuador, and now Bolivia find their counterpart at the policy level in the expressions of solidarity at the OAS [Organization of American States] conference this year.

The U.S. Government is also helping to curb the overseas demand, which keeps production at high levels. AID, USIA [U.S. Information Agency], and INM have worked successfully on public awareness and prevention campaigns.

In Southeast Asia, Burma now has the opportunity, with production down in 1985 and a major eradication program having been successfully undertaken in the first quarter of 1986, to reduce the world's largest production of illicit opium. In Thailand the new eradication program is being expanded. These governments must enhance their efforts to seize control of the border from traffickers, to destroy heroin laboratories, and to interdict shipments of both precursor chemicals and finished opium products.

It is estimated that opium production in Pakistan this spring rose to a new range of 100–150 metric tons—more than double what it was 1 year ago. This expansion was driven largely by higher prices, resulting from increased regional opium and heroin demand, and by a reduction in the Pakistani Government's enforcement program in the key Gadoon area coupled with an expansion of opium cultivation into remote tribal areas such as Bajaur and Mohmand.

The United States and Pakistan agreed at a special meeting of the bilateral narcotics working group in June that the ban on opium cultivation would be effectively enforced in the Gadoon, where AID has a major development project, and in the Dir, where the Special Development and Enforcement Project managed by the United Nations is being developed. The Pakistanis also agreed to enforce the ban in those portions of the Bajaur and Mohmand tribal areas where development assistance has been scheduled.

India is increasingly important as a conduit for opium products from both Southwest and Southeast Asia, as well as for the shipment of precursor chemicals into the Golden Triangle.

Turkey continues to sustain one of the most successful efforts at preventing production of illicit opium poppy. Long a natural attraction for smugglers of every stripe because it serves as the landbridge between Asia and Europe, Turkey continues to be a principal trafficking route for heroin from Southwest Asia, some of it refined in Turkish labs.

Pakistan and neighboring nations must also find ways of curbing the flow of opium products out of Afghanistan and suppressing the numerous heroin labs which operate along the Afghan-Pakistan border. Viable approaches have not been found to Iran or to Laos, and reports of increased opium production in the latter are of renewed concern, particularly given success elsewhere in the Golden Triangle.

Conclusion

The general task remains the same as in earlier years: the grower-to-user narcotics chain which stretches across five continents must be broken through a comprehensive program of international control. Pressure must be applied at all points in the chain—through crop control; through increased seizures of both drug products and financial assets; through intensified investigation and prosecution of traffickers; and through effective treatment and prevention of drug abuse.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Who Will Protect Freedom of the Seas?

by John D. Negroponte

Address before the Law of the Sea Institute in Miami on July 21, 1986. Ambassador Negroponte is Assistant Secretary for Oceans and International Environmental and Scientific Affairs.

Today, I would like to consider the question: "Who will protect the freedom of the seas?" I intend to put aside the fine points and phrases of the law of the sea and, instead, speak as a layman to this question.

The world's oceans are vital to mankind in diverse ways. We are just beginning to understand their environmental significance. We have always used their fishery resources. We have begun to learn how to exploit some of their other resources. And through the centuries the world's oceans have been essential as waterways, and now airways, necessary to preserve the peace and to move world trade and commerce.

The freedom of use of the world's marine waters is what we mean by the freedom of the seas. It is perhaps our oldest customary international law doctrine.

The freedom of the seas was not given to mankind. It was won—won through scholarly and legal debate and in naval engagements. Over the years, the freedom of the seas has undergone some changes and refinements. Its exercise has become geographically compressed; its composition has been broken into fragments, and some of those have been lost. So, today, when we speak of the freedom of the seas, we mean, primarily, the freedom of movement on the world's seas and oceans by navies and maritime commerce: the freedom to navigate and to fly from one continent to another over broad expanses; the freedom to navigate and to fly from one sea to another through even the narrowest of straits.

Without the freedom of the seas, the world would be a different place. Maritime commerce as we know it would not exist. The global balance of power would be unalterably shifted.

Threats to Freedom of the Seas

The freedom of the seas has come under attack, traditionally, because of two considerations: coastal security and resource requirements of coastal communities. Security considerations have played a role in promoting new coastal state jurisdictions. Both the legal regimes of the territorial sea and the continental shelf were justified on security grounds. And coastal state resource considerations have justified virtually all forms of maritime jurisdiction.

Thus, in spite of its traditions and benefits, the freedom of the seas is confronted by something called the coastal state. The coastal state regards the sea as a resource—its resource. Some coastal states go beyond that, seeing in the sea a means of providing a security buffer for their territory. The upshot is that the coastal state seeks to bring within its grasp as much of the offshore area and resources as it can justify.

The coastal state is assisted in its efforts by some of our finer professions: scientists, engineers, lawyers, and politicians. Marine science's search for knowledge is resulting in many new discoveries of the ocean's potential. Engineers find in the ocean the opportunity to invent and to apply new technologies to capitalize on that potential. Lawyers find ample opportunities to create "new" law, quietly whispering how to justify exploiting that potential without, as they say, "adversely affecting" the freedom of the seas. And, then comes the politician, weighing the issue, and, as he or she does so, we must ask: "Does he hear an advocate for the freedom of the seas?"

The technique which coastal states have used for many years to assert control over area and resources, while ostensibly not "adversely affecting" the freedom of the seas, is to draw a distinction between the interest of the coastal state and that of the international community. The normal pattern is that the coastal state acknowledges that the international community has a certain right to navigate off its coast, if the resource- or security-related jurisdictional claim by the coastal state is accepted by the international community.

In concept the distinction between resources use and navigation is a reasonable approach which provides a basis for balancing the interests of all states. And the balance which exists between coastal state security concerns and the rights of the international community also has justification. In fact, however, over the years the international community has had a hard time protecting its navigation rights. The fine points of the law, the subtle distinctions which are often the key to concluding negotiations, often are lost sight of in practice. The result is ironic. Instead of coastal state jurisdiction being an exception—a limited encroachment on the freedom of the seas—we find the opposite to be true, at least in terms of political emotions: the freedom of the seas becomes an exception or encroachment upon the rules of coastal state jurisdiction.

This trend, which has been going on for some time, further endangers the freedom of the seas. It does so by creating a new way of thinking about the oceans in the minds of scientists, engineers, lawyers, politicians, and others. We begin to think in proprietary terms about the sea off our coast, and, in doing so, the freedom of the seas takes second place to coastal state jurisdiction.

Examples of this process are evident in the law of the sea. Once the freedom of the sea applied to all marine waters. Then the concept of the narrow territorial sea developed—in which there is the right, or some would call it an exception, of innocent passage. Later the concept of straight baselines found its way into state practice and a right (or exception) of innocent passage was recognized where it had previously existed. Later came the resource claims—first the continental shelf, then the narrow and later the broader fishing zones, all ostensibly not "adversely affecting" the freedom of the seas. More recently, we have seen the development of broader 12-mile territorial sea claims together with a straits navigation regime called transit passage that is not supposed to "adversely affect" the freedom of the seas. The list goes on to include the archipelagic states principles, together with the regime of archipelagic sealanes passage. And, finally, there is the exclusive economic zone, and if you find the appropriate cross-referenced passage in the 1982 convention, you will find that the exercise of jurisdiction in that zone, also, is not supposed to "adversely affect" the freedom of the seas.

The freedom of the seas seems to be lost in a welter of coastal state jurisdictions. I remember a cartoon from the *New Yorker* magazine about the time the Third UN Law of the Sea Conference was beginning. It showed a group of diplomats around a conference table. Standing in the doorway at the back of the room was Neptune. One diplomat

was speaking, and the caption said something like: "Before we begin our conference on dividing up the sea, there is a gentleman here who wishes to be heard."

Well, would you say that from Neptune's perspective the third conference was a success or failure? A lot of ocean and resources got divided up by the coastal states at that conference. The conference's attempt to deal with the resources beyond coastal state jurisdiction failed to achieve the agreement of all states. And the promotion and protection of the freedom of the seas, under the convention the conference developed, may only be found by proper legal interpretation of subtle points and phrases.

Why is this so? Why could not the maintenance and preservation of the freedom of the seas be expressed in categorical terms throughout the convention text? Why were so many points disguised?

Perhaps the reason is that there is no one group of states for which the freedom of the seas is that group's exclusive interest in the law of the sea. There are no exclusively maritime states. All the maritime states are coastal states, as well. They must balance their interests. One aspect of their national interest must be balanced against the other. Yet, it is this group of states that is the principal user of the sea—for coastal resource exploitation and for international navigation. From the practice of this group of states, the customary law of the sea emerges. Thus, the freedom of the seas—the freedom that presumably Neptune would have us preserve—has no advocate that does not have other interests and responsibilities.

Avoiding Further Setbacks

The Third Law of the Sea Conference was called, in part, because of the interest of the United States and the Soviet Union in stopping further erosion in the meaning of the freedom of the seas. The conference didn't halt it—look at what happened during the conference—but it may be said to have stabilized matters for a period. But for how long? If the freedom of the seas is not to suffer further setbacks in the wake of the third conference, the maritime states must do two things and do them well.

The first of these is not to be afraid to assert the freedom of the seas in their activities around the globe. The rights and freedoms of the sea will be lost over time if they are not used. There may, from time to time, be political costs in exercising such rights; but these costs cannot be avoided if the right is to be preserved. Deference to coastal states in the exercise of rights will only make it more difficult to exercise the right in the future, since the political cost of using the right will increase in the absence of usage.

In this regard, it is particularly important that the maritime states utilize the rights set forth and identified in the 1982 convention. Many of the rights making up the freedom of the seas are somewhat obscured by the coastal states' orientation of the convention text. If the maritime states do not remind others from time to time of the existence or meaning of the significant commas, phrases, and words found in the text, the freedoms they represent will be lost to sight.

The second thing that must be done by the maritime states is that they must keep their own houses in order. If they let their coastal state personality get the better of them, the freedom of the seas will founder. The danger I see is that there is a tendency for each state to see the waters and circumstances off its coast as in some way unique. In this way the coastal state justifies assertions of new or broader forms of jurisdiction to satisfy its coastal appetite.

This tendency, which has been dubbed "creeping uniqueness," is the latest threat to the freedom of the seas. A maritime state will not do good service to the freedom of the seas if it gives in to calls to consider its coastal waters as unique, justifying a new and creative legal approach. And it is worse still if that creative legal approach goes beyond or severely strains the principles laid out in the 1982 convention, thus destabilizing the balance between the freedom of the seas and the interests of the coastal state that are reflected therein.

The U.S. Role

How does the United States stack up in all of this? The United States does, after all, have a split personality when it comes to the law of the sea.

On the first point, the United States has been at the forefront in exercising the freedom of the seas in spite of occasional political costs. In particular, the Navy's routine assertion-of-rights program has received quite a lot of notoriety in recent weeks, given the events in the Gulf of Sidra. It is important to note that the program was developed in the late 1970s, during the Carter Administration. Thus, it has a bipartisan character. Also, it is important to point out that the program was developed in anticipation of the successful conclusion of the Third Law of the Sea Conference. It was believed that, even with a widely ratified Law of the Sea Treaty to which the United States was party, it still would be necessary to exercise the rights set forth in the convention in order not to lose them.

It goes without saying that it is even more important that we exercise our rights today. The 1983 presidential ocean policy statement commits the United States to this course. The exercise of rights—the freedom to navigate on the world's oceans—is not meant to be a provocative act. Rather, in the framework of customary international law, it is a legitimate, peaceful assertion of a legal position and nothing more. If the United States and other maritime states do not assert international rights in the face of claims by others that do not conform with the present status of the law, they will be said to acquiesce in those claims to their disadvantage. What is particularly difficult in this situation is to understand that the more aggressive and unreasonable and provocative and threatening a claim may be, the more important it is to exercise one's rights in the face of the claim. The world community can't allow itself to be coerced—coerced into lethargy in the protection of the freedom of the seas.

On the second point, as well, the United States gets good marks—but perhaps not straight As. In general, the United States has taken a conservative approach to its coastal state claims. In making its claims, it has made clear that there is no intention to "adversely affect" the navigation rights of other states in the waters off the coast of the United States. Both the 1945 Proclamation on the Continental Shelf and the 1983 Proclamation of the Exclusive Economic Zone make clear in specific language in the proclamations themselves that the resource claim is not intended to affect the international rights and freedoms of other states.

The United States has maintained its narrow territorial sea at 3-miles breadth. It has chosen not to draw straight baselines. It conservatively exercises its right under Article 7 of the 1958 Convention on the Territorial Seas and Contiguous Zone to claim juridical bays less than 24-miles wide at the mouth. It has only very few small spots of historic waters, which are of no consequence to the international community and which could have been incorporated in a straight baseline system had

it chosen to do so. Contrary to what some foreign press reports have said, the United States has not drawn baselines between the islands of the Aleutians or of Hawaii. Foreign vessels of all states—commercial or military—navigate off the U.S. coast routinely, consistent with their rights under international law.

The United States has taken a conservative approach to its maritime claims for several reasons, one of which is the desire to lead by example. By its action it hopes to encourage similar conservative approaches by others.

But the United States has been known to put its coastal state hat on from time to time. For the most part, though, it has resisted the creation of rules to meet its unique concerns. As the United States moves into the implementation of its exclusive economic zone, it must bear this in mind. We must recognize that one cannot slice the pie too thin. We must stand for principles—recognizable principles that are not riddled with self-serving exceptions.

The present challenge before the freedom of the seas is that its traditional defenders have begun to think of the oceans as a resource rather than as the world's highway. Science and technology have opened to us the ocean's resources. We must not expect that mankind will be denied the opportunity to exploit them. As mankind does so, satisfying its needs and using its capabilities, the freedom of the seas will continue to come up against coastal state demands. If the freedom of the seas is to survive—not to be subject to further inroads—we must be energetic in its promotion and protection. As we face the challenges that science and technology bring us, we must meet them bearing in mind the question: "Who is protecting freedom of the seas?" ■

U.S. and Australia Hold Ministerial Talks

Secretary Shultz and Secretary of Defense Caspar W. Weinberger and Australian Minister for Foreign Affairs Bill Hayden and Minister for Defense Kim Beazley met in ministerial session in San Francisco August 10–11, 1986.

Following are the texts of Secretary Shultz's statement at the first plenary session, the joint news conference, and the joint statement issued at the conclusion of their meeting.

SECRETARY SHULTZ'S STATEMENT, AUG. 11, 1986[1]

On behalf of Secretary Weinberger and myself and the American delegation and Americans everywhere, I want to welcome you formally to the opening of the U.S.-Australian bilateral ministerial talks. Our location on the Pacific coast reflects the importance which the United States attaches to this most dynamic region of the world and particularly to Australia—a fellow democracy, a strong ally, and a major contributor to global and regional stability.

The United States and Australia, along with New Zealand, came together in this same location 35 years ago to form the ANZUS [Australia, New Zealand, United States security pact] alliance. Our countries had witnessed the destruction of the peace by distant aggressors and had learned that broad oceans and geographic isolation did not guarantee security. We had come to understand that the survival of individual freedom depends on strong defense, both alone and in concert with allies.

When he signed the ANZUS treaty at the Presidio in 1951, a distinguished New Zealand diplomat, Ambassador Sir Carl Berendsen, said, "By creating an area of stability in the Pacific, this ANZUS treaty may be expected to reduce world tensions and thus to prove a reinforcement of, and a contribution to, the general system of international security. . . . By providing directly a strong measure of defense against attack in the Pacific, it does at the same time . . . make it possible for its parties to play their part elsewhere because the problem that the free world is facing today is a global problem. . . ."

Ever since, Australia and the United States have worked together in ways that benefit not only our own countries, but the security of others whose fate is linked to our own. We cooperate, for example, in joint facilities that enhance deterrence of nuclear war through providing for strategic early warning. These same facilities allow us to verify arms control agreements, thus making arms control itself possible.

We also work together in military exercises, improving the capability of our forces to operate separately or jointly in the event of a threat to peace. Americans particularly value our ship and air access in Australia. Our four to five dozen ship visits per year allow us to play a stabilizing role in the Western Pacific and the Indian Ocean, areas of vital importance to both countries though nearer to Australian shores than to our own.

Our fruitful cooperation conveys a strong message to potential adversaries; it shows Americans and Australians the value of alliance. Our cooperation provides a bulwark against any temptation to disengage from world problems and look after only parochial interests, and it deepens the bonds and special relationship between our countries.

The United States and Australia have strong economic ties. Our bilateral trade exceeds $8 billion annually. We are Australia's second largest market and supplier. Australia is one of our major trading partners and is also the location of the largest U.S. investments stake in East Asia, totaling more than $9 billion by 1984. And our economic ties are reciprocal; in 1985 Australian investment in the United States grew by more than $450 million.

I would note also Australia's leading role in regional growth and stability. Official Australian development assistance should exceed $365 million in 1986, primarily to Papua New Guinea and other developing countries of the South Pacific and Southeast Asia. Australia continues to be a welcome and major contributor to multilateral aid organizations active in the region.

We also confront common difficult problems as in the field of agriculture. As was stated in the Tokyo summit economic declaration, "a situation of global structural surplus now exists for some important agricultural products, arising partly from technological improvements, partly from changes in the world market situation, and partly from long-standing policies of domestic subsidy and protection of agriculture in all our countries," said these seven countries. "This harms the economies of certain developing countries and is likely to aggravate the risk of wider protectionist pressures. This is a problem which we all share and can be dealt with only in cooperation with each other. . . action is needed to redirect policies and adjust structures of agricultural production in

the light of world demand." I guess from what I've heard, Bill, you might say, "Amen, and let's get going on that project."

We come together today without New Zealand. We regret this absence deeply. New Zealand has been a major contributor to regional and global stability, fighting bravely with its allies in four wars during this century. This distinguished record is testimony to New Zealand's place in the community of free nations.

Access for allied ships and aircraft, however, is essential to the effectiveness of the ANZUS alliance. If New Zealand continues to say "no" to ships operating under our universal policy of neither confirming nor denying the presence or absence of nuclear weapons, then we cannot send navy vessels to New Zealand's ports. The New Zealand Government's current policies of blocking traditional ship and air access thus vitiate the principal contribution that New Zealand makes to ANZUS.

Because of New Zealand's decision to renege on an essential element of its ANZUS participation, it has become impossible for the United States to sustain its security obligations to New Zealand. We sincerely hope that New Zealand will soon undertake adequate corrective measures which will restore port and air access and permit a return to alliance cooperation.

New Zealand's actions can only encourage those who hope to tear at the fabric of Western cooperation. The United States and Australia choose to provide a different vision—a reaffirmation of the willingness of democratic peoples to make common cause in defense of our principles and way of life.

I am deeply pleased to open this bilateral ministerial—the symbol of our continued alliance relationship. Our talks today will range over issues of bilateral security, economics, Asia and the Pacific, and global security. In addition, we hope to reach conclusions on the nature of our relationship in the absence of New Zealand, as well as to establish a structure to preserve our ties until the trilateral activities of the alliance can be resumed.

JOINT NEWS CONFERENCE, AUG. 11, 1986[2]

Secretary Shultz. This meeting has borne out once again the value—from the standpoint of the United States, and I hope from that of Australia—of the ANZUS alliance and the discussions that take place under it. We've had a broad review of the security situation in the South Pacific, the Australian area, and for that matter, all through the world.

We've also had a good and, at times, a vigorous discussion of economic problems, including those involved in agriculture. While we have some differences of view, it's good to state them and talk them through, and see where we may go from here.

So from our standpoint, the joint statement expresses very well our sentiments, and we have welcomed very much this opportunity to meet once again with Foreign Minister Hayden and Defense Minister Beazley and their colleagues. It's been a very good and productive day.

Foreign Minister Hayden. The Australian delegation, Defense Minister Beazley and myself, have appreciated the opportunity once again to explore a wide range of mutual concerns of the bilateral relationship which exists between Australia and the United States; and furthermore, to reinforce that bilateral security association between our two countries.

It is, as I mentioned this morning, a matter of marked regret for us that New Zealand is unable to participate on a trilateral basis with Australia and the United States under the ANZUS treaty. As we've said before, the reasons which have caused this are reasons with which we disagree. We have an entirely different approach to policy on such matters to that adopted by New Zealand.

I also repeat, as Mr. George Shultz said, there was a wide canvas explored, including not only regional issues and bilateral ones but broader global ones. In particular, as I mentioned this morning, we discussed the issue of increasing protectionism and the damage that it's doing to countries in the world, allies of other countries which are practicing protectionism.

And in our case, it is clearly evident to us that protectionism is impairing and will continue to impair our ability to fulfill a number of security roles which we would wish to fulfill in the region. We wish to see steps taken to roll back that protectionism, and I have here, but more particularly elsewhere, explored with counterparts that need, and action which might be taken.

Defense Minister Beazley and I appreciate the warmth with which we've been greeted on this occasion and helpful dialogue which has taken place.

Q. One of the things that was discussed on the issue of protectionism is, where do we go from here? The communique that you've issued is bland in the extreme on the subject. What is the answer? Where do we go from here?

Secretary Shultz. I think the answer is, first of all, to recognize that the pattern of subsidies and the setting of higher than market prices that encourages production, an attribute of policies throughout major countries without exception, has brought us to a position where there is a huge amount of supply of major commodities in excess of the demand. And so this subsidy structure needs to be examined and something done about it.

That is precisely what was called for at the Tokyo economic summit. I might say that before the President went there, he heard very vigorously from Prime Minister Bob Hawke about it in a visit to Washington, and that was very much the message that he got.

So I think this is a principal concern, and we hope that it can be done in the GATT [General Agreement on Tariffs and Trade] round which we hope will get started in Punta del Este in the meeting that takes place there in the middle of September. I think that's the principal thing that has to be done.

And in the meantime, all countries need to examine their own policies and do everything possible to roll back and contain the protectionist pressures that we see everywhere.

Q. There's been a lot of references today to air problems, or to air access. I wonder if this is a new element that's been interjected, and do you foresee a time when the Antarctic base facility at Christchurch might be shifted to Australia because of potential air problems?

Secretary Shultz. We don't foresee any such shift. That facility has operated successfully there for a long time. It's a research facility and is not connected with this set of problems.

However, access to airfields and ports from the standpoint of our military relationship operate under a similar kind of policy. And basically what's happened here is that the ANZUS treaty remains in effect—Australia and the U.S. relationship under it remains unchanged, strong and vigorous. And New Zealand has, in effect, withdrawn from that security relationship by withdrawing from one of its most important contributions to the relationship.

Foreign Minister Hayden: The matter hasn't been put to the Australian Government. Should it be put, it would be considered then and a determination

made. At this point, however, there's no such proposal before us.

Secretary Weinberger. Tasmania is an entirely separate activity, but as Secretary Shultz says, New Zealand has taken action which, in effect, frustrated the execution of the treaty, taken themselves out of it, and left themselves then without the security and the protection of the treaty. The treaty remains in effect between Australia and the United States, and if New Zealand ever changes its policy, we hope they can come back in again.

Q. If the United States is prepared to treat Australia with indifference as to trade, what faith should we place in this treaty negotiated today?

Secretary Shultz. The United States doesn't treat Australia with indifference about anything, including in the field of economics.

In the field of economics and trade, we struggle as others do with these huge surplusses that have been generated. The President's decision was simply one to bring about the fulfillment of an obligation undertaken by the Soviet Union in signing a long-term grain agreement with us, which was, that their minimum purchase would be 9 million metric tons, at least 4 million of which would be wheat. That's something that's been on the books for a long time.

In terms of thinking about Australia's interests, as we think about ours, it's very much in our minds, and we feel that there was a great contribution to our thinking when Prime Minister Hawke was in the United States before the Tokyo summit. We work together on trade matters regularly, and I might say that Foreign Minister Hayden has banged on me a little bit. So we understand the importance of these matters to Australia. And we appreciate that.

Q. I'd like to ask Mr. Hayden what is meant by the statement in paragraph 14 of the communique, where it's stated that Australia notes that protectionist policies, particularly toward agriculture, would impair Australia's ability to work effectively in cooperation with its allies and friends. What does this mean?

Foreign Minister Hayden. Prime Minister Hawke of Australia has stated quite categorically that there will be no linkage between security matters, such as the joint facilities in Australia, and commercial matters. He stated that quite categorically, on a number of occasions recently, and publicly. So there's no reference, no illusion to such matters implied in that comment.

That comment refers to one simple fact, and that is, as a result of the loss of markets or the loss of income, I should say, that will arise because of certain pricing subsidization policies, Australia's national income will be affected; export income will be affected; our ability to make purchases of a certain level of defense equipment will be impaired; perhaps our role to provide aid with a political consideration behind it could be impaired. And accordingly, our role to fulfill as much as we would have wished to have fulfilled will be less than it would otherwise have been.

Q. It was recently reported to the Australian Minister of Defense—the Dibb report on the future of Australian defenses finds that Australia does enough as an ally by hosting the joint facilities and providing access to naval ships.

And suggesting there's no need for Australian defense forces to continue to be equipped and trained for joint operations with U.S. forces, it proposes an independent draw of Australian forces and an end to the traditional participation of Australia in joint allied forces in wartime. I wonder if you have any thoughts on the implications of these proposals for the U.S.-Australia alliance.

Secretary Weinberger. We don't read the Dibb report as reaching those conclusions. We think that it is very desirable for Australia to strengthen its military forces to act in the various regions set out in the Dibb report to widening circles that encompass a great deal of territory.

We think that if the Australian forces are strengthened, as he suggests, that that will benefit all of us, and it will also enable Australia to play a role anywhere that its government—present or later government—may decide is appropriate. And we think that that's an encouraging and a useful suggestion of the Dibb report.

We don't get any suggestion that Australia would be withdrawing from or giving up any of the basic obligations that all of us who are interested in freedom have to undertake.

Secretary Shultz. I might say that the description of the Dibb report given up by Defense Minister Beazley this morning didn't bear much resemblance to the description that you just gave.

Defense Minister Beazley. That's absolutely correct, and I endorse the views put forth by Secretary Weinberger on his conclusions as to what it means.

I think the point that is important to establish in regard to the Dibb report is that it is a force-structure document. It clearly relates the types of armed forces that Australia needs to the most likely categories of conflict into which we would enter. It contains, nevertheless, within it a capacity to operate effectively unilaterally across something like 10% of the Earth's surface and, with allies and friends, across something like 25% of it.

Obviously forces so structured, with that sort of capability, are capable of deployments over substantial distances. And any change in the force structure that is related to that still leaves options available to governments, if they wish to exercise them at different points of time to go further afield.

I've been making that point imminently clear, both in the tabling statement that I made to the Dibb report and in subsequent public debate on it.

And, of course, the talks today have provided an opportunity to make that point further. There's nothing essentially new in it.

Q. You say in the statement that New Zealand's current policies detract from individual and collective capacity to resist armed attack. My question to you is whether or not there was any discussion about measures to bring New Zealand into line? Was it discussed and discarded, not discussed? And if not, why just the rhetoric and no positive action to bring New Zealand back into the alliance?

Secretary Shultz. First, there has been a tremendous amount of effort to find a way to maintain New Zealand's posture in the alliance.

I can remember a very windy, rainy, cold day in Wellington a couple of years ago, when Prime Minister-elect Lange came, and we had a meeting and started a process of trying to work this out. But it proved to be impossible, in that, at least for the present, New Zealand has consistently taken the position that it won't receive vessels of our navy, under our policy of no confirm or deny the presence of nuclear weapons. It also has its reservations about nuclear powered ships, which represent, I think, something like 40% of the navy.

So what you're saying is that you won't allow into your port ships from our navy. And if the navy can't call there and use those bases, then how can we operate effectively as an alliance?

We tried very hard to see if there isn't some way that this could be worked through, but there are certain hard realities you have to face. I think in the end, New Zealand chose, as it has a right to do, basically to withdraw itself from the alliance by denying port access.

We're sorry about that. I miss New Zealand, and as I said after my meeting with Prime Minister Lange in Manila only a few weeks ago, we part as friends, but we part on security matters.

Q. Is ANZUS dead? Are we entering a new alliance era here?

Secretary Shultz. No. The ANZUS treaty remains in effect, and the relationship between the United States and Australia is as strong and vigorous as ever, if not more so. It's very much a strong and working system.

It's unfortunate that it doesn't include New Zealand anymore, but as has been pointed out here, it is left there exactly as it has been, and if there can at some point be some shift that makes it possible for New Zealand to rejoin us, we will be delighted. But there will have to be some shift.

Q. In regard to the question of New Zealand being left out, or having left itself out of the ANZUS alliance, there are, as you know, discussions going on in Scandinavia still about the nuclear-weapons-free zone—in an upcoming meeting of the arm of the Socialist Democratic Parties concerning that question. Should, for instance, the Labor Party government of Norway now decide to go in for a nuclear-weapons-free zone, which would, in effect, mean that American missiles can no longer come into Norwegian ports without such guarantees, as the New Zealanders asked for, would that mean that Norway, too, will be considered left out of NATO?

Secretary Shultz. I would call your attention to the fact, without the United States having made any decision about the South Pacific nuclear-free zone, that the way in which that treaty is postured in no way forecloses—in fact it explicitly is consistent with the movement of nuclear powered ships through that zone and the calling on ports of countries in that zone under the no confirm or deny policy.

So it's not a question of some generalization; it's a question of exactly what operating policies are followed, and so far, our capacity to operate with all our NATO allies has gone along very well.

Q. In the talks today, and the talks leading up to it, did the United States ask Australia to in any way restrict its ties or its relationship with New Zealand?

Foreign Minister Hayden. No. [Laughter]

Q. You discussed regional arms control in the Pacific, and you mentioned that you had concerns in that region. What are those concerns as they relate to small Pacific island nations, and what effect do you think New Zealand's action will have on the policies of those nations?

Secretary Weinberger. The basic concern that we would have, first of all, is that New Zealand has made itself far less defensible by its action thus far. If there is any suggestion that other nations should follow that course, we would obviously be worried that they themselves are following a course which would make it very difficult to defend them. And if it's difficult to defend them, then their vulnerability to Soviet aggression increases. And that, of course, we feel, would be bad for all of us.

Q. While the Australian Government has not raised the joint facilities as leverage in the present negotiations, the issue has been raised by sitting members of the ruling Labor Party and members of other political parties in Australia. Has the United States told Australia that recent developments in communications technology will make those facilities redundant, and not necessary for American—

Secretary Weinberger. No. We most certainly have not.

Q. If the United States continues to sell subsidized wheat to some of your current customers, do you think there's a risk that sentiment will grow for Australia not to renew the leases on the bases at Nurrangar, Pine Gap, and Cape North West?

Foreign Minister Hayden. The Prime Minister of Australia, as I mentioned to you earlier, said as recently as this last week—and it was the severalth time he had said it—there would be no linkage between security matters and commercial matters, and that specifically that ruled out any linkage between the joint facilities and our commercial problems.

Q. Since Australia is maintaining its bilateral defense relationships with New Zealand, and the United States with Australia, in effect, don't we have a kind of domino problem here, in the event that New Zealand was attacked?

Foreign Minister Hayden. We support the American attitude that the policy of the New Zealand Government violates its longstanding principle and practice of neither confirming nor denying in respect of the armament capability of its naval vessels. It's not a policy we accept; we've had the opportunity of adopting that policy, and we rejected it overwhelmingly as a party.

The relationship between Australia and the United States—the security relationship is an important one; it's important for that to be confirmed by the exchange of letters which has taken place today.

We have important strategic interests which we share with New Zealand, for instance, in the South Pacific, and accordingly, we exchange information [inaudible] is Australian-sourced, and we're engaged in military exercises with them as a part of that common, shared [inaudible] concern for that region. That relationship will continue.

Q. Following the withdrawal of U.S. security commitment to New Zealand, does this in any way affect New Zealand's access to purchasing U.S. military equipment?

Secretary Weinberger. We have not had any indications of any interest in that, but I think all of these factors would go into any equation, on any question with respect to sales or anything of that kind.

We would want to examine very carefully what the request was that came in and see if the request was in any way consistent with the change, the unfortunately changed relationship that we now have with New Zealand.

Q. You pointed out a moment ago that America does not treat Australia with indifference on trade issues. You also noted that the only sale of subsidized wheat so far has been an outstanding amount under a trade agreement with Russia—

Secretary Shultz. No. That may have been the implication of what I said, but that's not correct.

There is an effort, particularly with respect to the subsidized sales by Europeans, which we feel have disrupted international markets, to give them the message, through competition from the United States, that this pattern of subsidization is leading to very undesirable results.

So there have been some sales, but they have been directed at markets which we have felt, through subsidies, the Europeans took from the United States.

And we've tried very hard to administer the program in a way that is sensitive to the interests of Australia, which in the field of wheat is a comparative, advantaged, nonsubsidizing producer.

Q. My question was going to be, have you been able today to tell the Australians that that will be the only sale of subsidized wheat, and their market might be further affected?

And to Mr. Hayden, have you been able to extract anything from Secretary Shultz today that this will be the only subsidized sale?

Secretary Shultz. The President's decision is a specific, concrete decision, and there is that decision, and there isn't anything further.

I wish I could tell you exactly what our Congress will do, but I'm not able to predict that. I do know that the President's view is that protectionism in any form is bad. Subsidies are a form of protectionism, and he has been waging a very strong battle against it. And not only a strong battle, but a winning battle. And so we see that in his veto of the textile bill; his veto was sustained last week in a very hard-fought vote.

We also see that part of the battle on protection, from our standpoint, is to go to other countries that have closed their markets to our goods and to tell them that our case for maintaining our markets open is heavily dependent on them opening their markets, so that there is, in the parlance of this field, a level playing field for everybody. That's what we see. And I think that's what Australia sees.

Foreign Minister Hayden. I raised the question with Mr. Shultz today, and the answer you've just received is pretty much the answer that I received.

I [inaudible] strongly our concern about this advantage that we're experiencing, and will experience at a greater level, as a result of this decision; it will affect price, and, therefore, it will affect income for Australian wheat sales, and that will have a deleterious effect on our economy.

I [inaudible] strongly that we would be greatly concerned if there were to be any expansion of this, particularly into other markets or in greater volume into the Soviet market.

We are pleased that, to this point, action in the Congress, in particular Senator Dole's proposal, has not been carried. I think it's going to be a challenge for Australia to be even more vigorous in representing its view, not just to the Administration, which we have been doing quite directly—and we have been doing it to the Congress—but more so to the U.S. Congress in the hope that we can head off any further developments in this direction.

Q. Are you more confident than the delegation was in Washington a couple of weeks or so ago?

Foreign Minister Hayden. I don't know how confident they were, but I sincerely hope that with repeated representation and lobbying, we'll be successful. But if we're not, then as a good friend and ally, we'll be taking a lot of punishment. And we think that inappropriate for a good friend and ally.

The estimate of our Wheat Board is that the cost of these measures collectively could go as high as $1,000 million, and that's a lot for a country like Australia to be affected by.

We're the second biggest—Australia has the second biggest trade deficit with the United States, just behind Saudi Arabia, and that's in excess of $3,000 million, according to the last count I saw.

The United States has a problem with its balance of trade and current account; therefore our contribution, as one of the few countries which is contributing a substantial trade, bilateral trade surplus, is a very important one. We don't wish to be disadvantaged in other markets.

Australia's also a fairly important market for the United States. We're its eighth largest market in the world, which, given our size, is a significant level of market opportunities.

So we're looking for some consideration of all of these factors, but in particular the fact that, as a friend and ally, our capacity to function as effectively as we would wish as a friend and ally is impaired. To the degree to which we are disadvantaged by these measures, they have the capability of substantially disadvantaging us; therefore, the degree to which we can fulfill our functions as a friend and ally will be substantially impaired.

Q. The U.S. Commander of the Pacific fleet said at an interview with the *Los Angeles Times* yesterday that the absence of New Zealand causes or creates a gap, a security gap.

Is it then wise to lose a friend, at times when Mr. Gorbachev publicly is raising more attention to the Pacific and obviously wants to obtain Soviet influence in this area? Specifically, is Australia trying to fill that gap? Does it not cause damage to your relationship with New Zealand, your fragmented relationship, if you only share limited intelligence with New Zealand?

Secretary Weinberger. The gap that's been opened was a gap that was opened by New Zealand, in making themselves far more vulnerable to attack, far less easy for themselves to defend or for anyone else to defend them.

And they have, in effect, prevented us from filling the gap by carrying out our treaty obligations. They frustrated the object and the purpose of the treaty. We hope that they will change their policy, and that we will be able to resume normal relationships with them.

Defense Minister Beazley. There is a substantial increase in Australian activity in the Southwest Pacific altogether going on at the moment. We have a variety of defense cooperation programs in place. Part of that program is an increase in surveillance activities which the Southwest Pacific countries regard as very important to an important area of their national sovereignty, and that is their capacity to protect their fishing zones.

We have a patrol boat program underway, by which we give to the Pacific states a patrol boat, and something like 14 of those have now been ordered by the South Pacific states. We anticipate a substantially greater activity by Australia in that area in the future.

In the question of Australia cooperation with new Zealand, it remains in place. We have a substantial historical defense relationship with New Zealand; that continues. It continues in the form of joint exercises, joint training, and the like.

It is Australia's view that the contemporary situation is not ideal, that it would be obviously better to have a fully functional trilateral relationship. In the absence of it, we believe that we have an obligation to maintain strong and improving relationships with the United States in a bilateral sense and also to maintain those links with New Zealand.

Q. Will the United States help out Australia in its purchase of the F-18, and is the United States going to accept Nomads in exchange for a reduction on the F-18s?

Defense Minister Beazley. You'll have to buy a lot of Nomads to get the offset—[laughter]

Secretary Weinberger. We are working with Australia very closely in the Nomad program and in the acquisition of Nomads by various units of the U.S. Government.

And we are also doing the best we can to help out with respect to the purchase of the F-18s. The F-18 is a very capable plane and one whose capability is demonstrated daily. Australia has recognized this, and we're trying to do the best we can to assist in that pur-

chase, because it will strengthen both countries very much.

Defense Minister Beazley. Secretary Weinberger did point out to me in my private discussions with him yesterday that they were picking up on the Nomad. And that, from Australia's point of view, is a very welcome decision. I might say, to offset the F–18s would require the purchase of something like 1,500 Nomads—[laughter]—and I'm not about to impose that obligation on Secretary Weinberger.

I think, though, it was an opportunity today to make a point which is being well-accepted by our American colleagues, that we are a substantial arms purchaser from the United States.

We have a situation, as a result of the Dibb report and decisions of this government, where we're purchasing over the next decade something like $20–30 billion worth of new arms.

Currently we spend about $2 billion a year on arms overseas—sorry, altogether. About $1.5 billion overseas, of which something like 75% of that is spent in the United States. And our capacity to sustain that type of program, which we see as critical not only to our security but the security of our region, is very much dependent upon the economic growth of Australia. And I think that point has been well accepted by our colleagues in discussions today.

Secretary Shultz. Thank you very much. We have had a good discussion here today. We look forward to periodic discussions in the course of the year. And the Australians have invited us to come to Australia for the next installment sometime next year, and we look forward to that. We'll see you in Australia.

JOINT STATEMENT, AUG. 11, 1986

1. The U.S. Secretary of State, Mr. George Shultz, and Secretary of Defense, Mr. Caspar Weinberger, and the Australian Minister for Foreign Affairs, Mr. Bill Hayden, and Minister for Defense, Mr. Kim Beazley, met August 10–11, 1986, in San Francisco to discuss regional and global issues and the further development of bilateral relations.

Security Issues

2. Both sides welcomed the continuation of the pattern of close contact between their governments at the ministerial level. As a reflection of their shared interests and continuing obligations as allies, the two sides agreed to maintain the practice of annual bilateral ministerial meetings. In addition, the two governments confirmed that they would continue to hold their regular defense meetings, annual political-military discussions, and annual arms control talks in order to maintain traditionally close consultations between Australia and the United States. Additional contacts to maintain and enhance military-to-military links, including combined exercises, will ensure a continued strong and dynamic security relationship.

3. Both sides stressed the importance of the ANZUS treaty and of continued cooperation on defense and other matters under the alliance.

4. Both governments regretted that the continuation of New Zealand's port and air access policies has caused the disruption of the alliance relationship between the United States and New Zealand. They agreed that access for allied ships and aircraft is essential to the effectiveness of the ANZUS alliance and that New Zealand's current policies detract from individual and collective capacity to resist armed attack.

5. The United States said that it could not be expected under these circumstances to carry out its security obligations to New Zealand. Accordingly, the U.S. side stated that it is suspending its security obligations to New Zealand unde the ANZUS treaty pending adequate corrective measures.

6. The Australian Government regretted that no resolution had proved possible of the situation which had developed. The Australian Government repeated the view it had expressed consistently over the last 2 years that it disagreed completely with New Zealand policy on port and air access and expressed its understanding of the action which the United States had taken.

7. Both sides noted that, in the present circumstances, although the ANZUS treaty remains in place, virtually all trilateral activities under it have been suspended for nearly 2 years. Both sides agreed that the relationship between Australia and the United States under the ANZUS treaty and the rights and obligations assumed by Australia and the United States toward each other under the treaty would remain constant and undiminished.

8. Both the Australian and U.S. Governments appealed to New Zealand to restore normal port and air access in order to permit a return to trilateral alliance cooperation under ANZUS. In this context, Australia retains its traditional bilateral security relationship with New Zealand.

Regional/Arms Control

9. Among other matters discussed were recent developments in U.S.-Soviet relations and issues of common concern in Asia, the Pacific, southern Africa, and Central America.

10. The two sides also exchanged detailed views on arms control and disarmament. They confirmed their commitment to negotiation of substantial, balanced, and verifiable reductions in nuclear and conventional weapons as a means of reducing tension and strengthening international security. Both sides, while recognizing that there were some positive elements in recent Soviet proposals, expressed the hope that the Soviet Union would give substance to the agreement reached between President Reagan and General Secretary Gorbachev in Geneva, which would open the way to early progress on a new agreement on offensive nuclear arms reductions, in particular in areas where there is common ground, including the principle of 50% reductions in the strategic nuclear arms of both countries, appropriately applied, as well as an interim global INF [intermediate-range nuclear forces] agreement. Both sides reaffirmed that strict compliance with all arms control agreements was essential to real arms control. Both sides discussed in detail their positions on the SALT II Treaty. Other issues discussed were nuclear testing and the need for a global ban on chemical weapons. The two sides noted recent developments with respect to the South Pacific Nuclear-Free Zone Treaty, protocols to which would be open to the nuclear weapons states and states with territories within the region.

11. The two sides exchanged views on, and expressed their determination to see an end to, international terrorism. Both condemned unequivocally states involved in directing, exporting, and supporting such activities. Both sides expressed understanding of the need for concerned nations to combat international terrorism.

12. The two sides reviewed once again issues affecting states and territories in the Pacific Ocean. They noted Australia's special interest in the island members of the South Pacific Forum, as well as the U.S. proposals for termination of the Micronesian trusteeship, its cooperation with successor entities, and its efforts to reach a regional fisheries agreement. Both emphasized the desirability of continued encouragement of

the social and economic development of the island nations. They also reaffirmed their intention to continue to work with island countries in promoting security and stability in the area. Both sides noted the increasing support being given by Australia to the development of national security capabilities of island countries and its commitment of defense resources to support the security of this region.

13. Both sides also reviewed developments in Southeast Asia. They noted their common commitment to regional stability was supported by Australia's active military cooperation and bilateral exercising with the nations of the region.

Economic and Trade Issues

14. Both countries reaffirmed their commitment to holding and reversing protectionism and to reducing and dismantling trade restrictions. Australia noted, however, that protectionist policies, especially toward agriculture, are seriously damaging its vital interests. They would also impair Australia's ability to work effectively in cooperation with its allies and friends. The Australian Government's concerns extended to the economies of other friends and allies in Australia's region, with potential substantial effects on regional stability. This stability is important not only to the vital interests of Australia but also to those of the United States.

15. Both countries agreed that the trade practices of allies and friends, and their ability to achieve economic growth, are vital for their stability in pursuit of common interests. The Australian Government expressed its deep conviction of the need for major agricultural producing countries that are subsidizing exports to pull back from pursuing policies which could cause fundamental damage to the international political and economic system.

16. Both sides agreed that recent international economic developments added importance to the need to obtain substantive commitments to address agricultural trade problems in the launching of the new round of multilateral trade negotiations.

17. The Australian Government pointed out, however, that while the MTN [multilateral trade negotiations] process on trade issues was important, any results that might be in prospect as a result were several years in the future. The two sides noted that they have held frequent ministerial and technical consultations on various aspects of U.S. farm programs, including the export enhancement program, and agreed that these consultations would continue with the aim of finding solutions to the problems created.

18. Mr. Shultz and Mr. Hayden exchanged letters affirming continuation of the commitments between Australia and the United States under the ANZUS treaty.

19. The Australian-U.S. ministerial discussions underlined the wide range of interests shared by the partners and their continuing and steady determination to work together for peace and security.

[1]Press release 160 of Aug. 15, 1986.
[2]Press release 162 of Aug. 15. ■

U.S. Refugee Policies and Programs at Midyear 1986

by James N. Purcell, Jr.

Statement before the Senate Judiciary Committee on June 20, 1986. Mr. Purcell is Director of the Bureau for Refugee Programs.[1]

This midyear consultation provides a welcome opportunity to review developments in U.S. refugee policies and programs that have occurred since the annual consultation at which the Secretary of State testified last September. By their nature, refugee programs reflect and respond to rapidly changing situations in many regions throughout the world. The established structures of an annual refugee consultation and an unpredictable budget process often come into conflict with the changing requirements of the real world. Periodic consultations such as this enable us to report on steps needed to adjust our programs to the changing realities.

Your letter inviting us to this consultation expresses particular interest in the current situation of the "border Khmer," the "Khmer review process" at Khao I Dang, and other subjects addressed in your comprehensive report on the "U.S. Refugee Program in Southeast Asia: 1985." In addressing these and related subjects, I also want to draw on the report of the independent Indochinese Refugee Panel, headed by the former Governor of Iowa, Robert D. Ray, which was submitted to the Secretary of State on April 18. With the assistance of the Immigration and Naturalization Service (INS), we are now conducting our own analysis of the report.

I will also discuss the implications for our programs of the funding cuts mandated by the Gramm-Rudman-Hollings legislation and other budgetary restrictions for this fiscal year (FY 1986) and the related shifts in program and funding priorities we will follow as a result of these budget reductions. I will also express the Administration's concerns about the sizable reductions which will occur in refugee and many other international affairs programs as a result of House and Senate action to reduce funding for these programs in their deliberations on the 1987 budget resolution. Finally, as you have suggested, I will provide an update on the African refugee situation, with particular reference to Ethiopia and Sudan and in light of the report recently completed by the subcommittee's staff.

Reports on Southeast Asian Refugee Programs

Before discussing these issues, however, I would like to discuss briefly the context in which we are addressing several recent studies which have suggested new policy directions in our Southeast Asia program. We have had available your review, as well as that of the Ray panel and a number of other policy or operational critiques. All point to a crossroads, a need to move from almost exclusive reliance on refugee resettlement in the program to a more balanced use of refugee and normal immigration mechanisms. The Administration agrees with this redirection.

For example, the Ray report provides, we believe, an excellent analysis of the problem and offers viable suggestions for addressing it. Implementation, however, if it is to be enduring and problem solving, must be done in an international context with renewed leadership and direction from the UN High Commissioner for Refugees (UNHCR) and his staff. Only in this way can we achieve broad-based burden-sharing through the active participation of other resettlement countries.

Furthermore, we must have a mechanism capable of actively pursuing

comprehensive, durable solution planning if we are to avoid almost exclusive reliance on third country resettlement. Commissioner [of the Immigration and Naturalization Service Alan C.] Nelson and I had the opportunity to continue the dialogue on such a process in Geneva last week (June 12) with a number of our partners: Australia, Canada, and Japan. We found the UN High Commissioner and leaders of several other major resettlement governments receptive to the need to review our joint approaches to the Southeast Asian refugee program and willing to discuss such approaches further. Coordinated action at the international level is essential for future planning and operations, and we are optimistic that our other partners share this view and are eager to pursue it further over the coming months.

Also, we must realistically acknowledge that reductions in the U.S. budget for international affairs programs—which, at this point, seem very likely to occur—argue strongly for pursuing refugee assistance programs with a renewed emphasis on viable burdensharing. The United States must never back away from its humanitarian traditions and obligations, but we must realistically determine the proper U.S. role in such undertakings. We are confident that the good will and capacity still exist in the international community for aggressively pursuing solutions to the Indochinese refugee problem, as well as those of other regions, but care and patience must be taken to develop the framework which will permit an equitable burdensharing response to such problems.

Thai-Cambodian Border

Your report and that of the Ray panel deal with many of the same issues, including those highlighted in your letter calling this consultation. Of those issues, none is more significant and sensitive for the future of the Southeast Asian region, and for the future direction of our programs, than the situation of the 250,000 Khmer and other populations along the Thai-Cambodian border.

The recent dry season in that region came and went without significant attacks on civilian encampments by Vietnamese military forces, unlike earlier years when Vietnamese ground forces and artillery fire forced repeated evacuations of the border populations. This may well be due, in part, to the Thai Government's decision to move the border encampments a short distance into Thailand, thus removing the opportunity to attack camps immediately on the border. To further lessen the pretext for attacks, combatants were separated from civilians.

In its discussion with senior Vietnamese officials in Hanoi, the Ray panel urged the Vietnamese not to attack the civilian camps as had happened in earlier years. The subsequent January visit to Hanoi by Assistant Secretary of Defense Armitage and then Assistant Secretary of State [for East Asian and Pacific Affairs Paul] Wolfowitz was made conditional on the absence of such attacks. The United States and its allies used the diplomatic tools at their disposal to assure that the Vietnamese knew that attacks on innocent civilians would be met by worldwide condemnation.

Now that the 1985–86 dry season is over, we have seen that Vietnamese military efforts this year concentrated on further sealing the border region and on measures to extend Vietnamese control of the Cambodian countryside. The Khmer now residing in the camps in the vicinity of the border will continue to require special attention from the international community to assure their security and welfare. With the International Committee of the Red Cross [ICRC] acting as the focal point for protection and the UN Border Relief Operation for welfare and maintenance, we believe the international mechanisms now in place can adequately attend to these vulnerable populations as the search for political solutions to their situation continues.

Need for Improved Education Programs

To the extent that the situation has stabilized, it becomes all the more desirable to provide improved education, health, and feeding programs for the displaced Khmer who remain in the vicinity of the border. I was pleased to see that the Ray panel emphasized the need for such programs in terms similar to those set forth in your report a year earlier.

We in the Administration have also urged that such programs be established and expanded, and from information we have received recently, I believe that the responsible authorities in Thailand are giving serious consideration to allowing such programs to go forward if the necessary international funding can be assured. For a population of this size, expansion of educational programs now in place will require substantial additional resources.

Our government recognizes a responsibility to assist financially, but it is also important that other governments, as well as private organizations in a position to contribute, help to underwrite these programs. The Khmer on the border have been forced to flee their homelands in what the Thai and we continue to regard as a temporary displacement caused by the presence of Vietnamese forces in Cambodia. Although eventual return to their home regions clearly seems the right solution for the great majority of these people, it is a tragic waste of human potential that so many of them have been growing up for years without access to even minimum schooling.

Border Processing

Such programs are even more important in view of the Ray panel's finding—similar to yours—that refugee admissions processing for resettlement in third countries is not the appropriate solution for the Khmer on the border. The Ray panel endorsed our current policy of immigrant visa processing for family reunification cases in this group, recommending generous use of humanitarian parole for hardship cases. I believe this is also consistent with the recommendations in this subcommittee's report.

Another group on the border—the 4,500 so-called land Vietnamese refugees who survived the hazardous trip across Cambodia from Vietnam—have been of particular concern to many Members of Congress. Because of their special vulnerability, surrounded by hostile Vietnamese communist military forces and unfriendly Cambodian groups, we and other countries are processing the land Vietnamese for resettlement on an urgent basis. The Thai authorities requested assurances that this entire group would be processed, and we understand that they are seriously considering moving the group away from the border to a nearby inland site for greater safety and more efficient interviewing. We hope they will make a favorable decision shortly. For this group, the United States is considering cases in all our processing priorities. We believe this policy is justified by the special vulnerability of the land Vietnamese and the absence of any prospect for them to return to their homeland.

You will also be interested to know that the United States has completed processing of a small group of Montagnard refugees which was also located at Site 2. We received many expressions

of concern about this vulnerable population from Members of Congress and the public. We processed the entire group, accepting all 213 considered. They are now undergoing ESL/CO [English as a Second Language/Cultural Orientation] training prior to resettlement in the United States.

Khao I Dang

The refugee camp at Khao I Dang has served as the main site for Cambodian refugees within Thailand since their arrival in the wake of the Vietnamese invasion in 1978–79. Of the approximately 165,000 pre-1980 arrivals, over 90% have been resettled abroad, in the United States and other receiving countries. The United States has approved over 90% of the cases in this population that were presented to the INS. The remaining 14,500 of this group have been rejected for admission to the United States and, in some cases, other countries and have been the subject of continuing case reviews carried out by the Immigration and Naturalization Service and the State Department, with the assistance of experts from private voluntary agencies.

The initial review of the Khmer caseload at Khao I Dang was completed in June 1985. Between February and August of 1985, there was a further review of 154 previously denied cases in the field, for whom the earlier denials were upheld in 84 cases and reversed in 44, with some cases held for further review. A subsequent formal review of an additional 631 previously denied cases was instituted in November 1985, and of this number, slightly under 10% (59 out of 631 cases) were reversed. Since each case averages several people in a family, we estimate that about 20% of this population of 14,500 has benefited from such reviews.

The Ray panel stated that it was impressed by the major efforts undertaken to review the cases of the "denied Khmer" and recognized the difficulty of carrying out this process but concluded that additional cases should also be reviewed. The panel noted that among the denied Khmer are some with family ties in the United States for whom it would be especially desirable to assure that there has been a full review.

It has been the INS's judgment, in which we have concurred, that the review of the 631 cases effectively completed the special review process. The cases were selected with an eye to those that appeared most likely to benefit from review, including those with family ties in the United States.

Family Card Holders

Another group at Khao I Dang—the 4,300 so-called family card holders who entered the camp between 1980 and 1984—has just become available for resettlement processing, and the United States will soon commence processing in priorities one through five. We are not planning to process those who entered the camp illegally after August 1984—the so-called ration card holders who are regarded by the Thai and the international community as essentially in the same status as the Khmer on the border.

At a June 13 meeting in Bangkok, the Thai authorities stated their ultimate intention to close Khao I Dang and to move those remaining there to a location of their choice along the border. We have reminded the Thai of our interest in the family card holders, as well as those who will benefit from immigrant visa processing. The planned relocation of these groups is, of course, the responsibility of the Thai, but we have requested that they keep the camp open until all governments have had an opportunity to complete their processing and the UNHCR has had an opportunity to determine whether other forms of durable solutions should be considered. The UN High Commissioner will visit Southeast Asia in September, and this is one of the subjects he will address. Thai officials agreed at the June 13 meeting to meet again later in the year to review the status of Khao I Dang with UNHCR and the major resettlement governments.

Lao in Thailand

Both this committee's report and that of the Ray panel deal extensively with the situation of Lao refugees in Thailand, particularly the screening program that has been instituted by the Thai authorities with the participation of the UNHCR to determine which of the newly arriving Lao qualify for refugee status and which should be returned to Laos as illegal immigrants.

Essential to this program has been the Lao Government's agreement to accept back those screened out. Despite an earlier agreement in principle between the Lao and Thai Governments, thus far, none of the approximately 1,000 persons have been permitted by Laos to return home. We are supporting the UNHCR's efforts to work with the Lao authorities to assure their safe and orderly return.

On the positive side, the screening program has acted to reduce the number of new Lao arrivals in Thailand. Since it started in July 1985, 3,900 Lao have arrived in Thailand, as opposed to 16,000 during the comparable period in the preceding year. Almost half of the arrivals since July 1985 have been granted temporary asylum by Thailand and are currently in UNHCR camps.

• • • • •

U.S. Admissions Policy

On the general subject of Indochinese refugee admissions to the United States, the Ray panel's recommendations point in the same direction as your report a year earlier. The panel concludes that the Indochinese program should have two components:

- A continuing refugee program for those who meet the legal definition of refugees; and
- An effective immigration program for those seeking admission to the United States on the basis of family ties.

Such a shift toward immigration processing was endorsed in Secretary Shultz's statement to this committee last September, and it is now under careful review by the interagency study group to which I referred earlier. The Ray panel suggested a number of steps to be considered in a transition period. There appears to be wide recognition that the time is at hand for such a shift of emphasis in our admissions programs.

Essential to this recommendation is the recognition that many of the 800,000 Indochinese now in the United States are or will soon be eligible, if they proceed with adjusting their status, to petition on behalf of relatives for admission as immigrants. The panel endorsed the suggestion, which also finds favor in your report, that the private voluntary agencies should continue to play a key role in aiding these groups, regardless of their method of admission to the United States.

Budget Situation and FY 1986 Admissions

In recent months, all parts of the executive branch have been undertaking program reductions necessary to conform to the requirements of the Gramm-Rudman-Hollings legislation. In our case, in addition to applying the across-the-board reductions, we have had to consider additional shifts in our limited funds to meet critical refugee assistance needs overseas.

Life-sustaining care and maintenance requirements are expanding for refugees in Africa, the Aghans in Pakistan, the Cambodians on the Thai-Cambodian border, and for other groups in Southeast Asia and elsewhere. These accelerating needs cannot be met out of the funds originally budgeted for this purpose, even before the Gramm-Rudman-Hollings reductions. In order to meet these highest priority needs, therefore, we have no alternative but to apply even greater cuts in proposed funding for FY 1986 admissions—and, thus, in the numbers to be admitted—beyond those mandated by the Balanced Budget and Emergency Deficit Control Act of 1985.

Revised FY 1986 Admissions

For FY 1986, we can foresee that we will be unable to utilize fully the 67,000 admissions ceilings announced by the President. Instead, we expect refugee admissions at about the 61,000 level.

The following chart shows the regional ceilings established for this year and the projected number of admissions that we expect to be able to fund out of our budget after the shifts and reductions described above.

FY 1986 Regional Admissions Ceilings

	FY 1986 Ceiling	Revised Admission Levels
East Asia—First Asylum	37,000	35,000
East Asia—ODP	8,500	8,500
Eastern Europe and U.S.S.R.	9,500	9,500
Near East and South Asia	6,000	6,000
Latin America	3,000	250
Africa	3,000	1,750
TOTAL	67,000	61,000

We have substantially reduced the projected Latin American numbers because the Government of Cuba has not resumed implementation of the Migration Agreement with the United States signed in December 1984. The lower African admissions result from a moratorium on refugee movements instituted by the Government of Sudan. We have been forced to reduce expected admissions from East Asia/First Asylum by 2,000 in order to free additional resources for basic refugee assistance requirements, particularly in Africa.

The post-Gramm-Rudman-Hollings budget of $324 million for the State Department's 1986 refugee program has, as we expected, proven inadequate to meet the serious refugee needs the international community is addressing throughout the world. The impact of these reductions is magnified when one considers that up to a quarter of our budget is protected from reductions through statutory earmarking imposed by authorizations and appropriations actions.

Therefore, because of the unavoidable and critical need to meet serious care and maintenance requirements of refugees in Africa and Southeast Asia, which exceed current budget availabilities, we have proposed to reprogram $9.2 million from the U.S. admissions program. This will result in the ability to fund only 61,000 new admissions. We regret this action but believe we have no alternative, given the urgent needs overseas and our reduced ability to meet them. Highest priority will have to be given to life-preserving programs.

Funding for FY 1987 programs could become even more limited, especially if the major reductions proposed in either the House or Senate overall budget resolutions are enacted into law. As you will recall, the Administration's 1987 budget request of $22.6 billion for the international affairs budget function has been reduced to $17.9 billion and $17 billion by the Senate and House respectively. What these actions will mean specifically for the refugee program request of $347 million is, at this time, uncertain, but it is likely to be substantial. Given that these funds aid almost 10 million refugees throughout the world, cutbacks of the magnitude now being discussed would have serious implications for the well-being of these vulnerable people. We urge the support of this committee in assuring that adequate funds are provided for these vitally important humanitarian programs.

First Half FY 1986 Admissions

For the committee's information, I am also providing the status of actual admissions to the United States as of April 30, 1986:

East Asia—First Asylum	21,050
East Asia—ODP	4,970
Eastern Europe and U.S.S.R.	5,260
Near East and South Asia	3,830
Latin America	21
Africa	450
TOTAL	35,581

Drawing on refugees already in the refugee processing centers, projected Indochinese admissions for the remainder of the fiscal year are expected to be close to the proposed reduced level of 35,000. Admissions under the Orderly Departure Program (ODP) are likely to reach the 8,500 ceiling.

Although admissions of refugees from the Soviet Union (primarily Soviet Jews) continue to run disturbingly low (511 as of the end of April), admissions of other categories of refugees from Eastern Europe should bring us close to the 9,500 ceiling.

In the Near East region, refugees are drawn primarily from Afghans (1,629 as of April 30) and Iranians (1,973 for the same period), and total admissions for the year are expected to come close to the 6,000 ceiling.

From Latin America, as noted above, we have been disappointed in our hope that the Cubans would terminate the suspension of the December 1984 Migration Agreement. Admissions now total 21 Cubans from other parts of Central America, and admissions for the year may well stay below 100 persons.

The shortfall from Africa, as I have mentioned, is caused largely by suspension of processing in Sudan. The suspension resulted initially from the government's moratorium on refugee movements but has continued because of the current security situation and the withdrawal of American personnel. If we are able to move the 950 already approved by INS in Sudan, we could still come close to the projected admissions of 1,750.

Actual Admissions in FY 1985

For comparison, actual refugee admissions in FY 1985 totaled 68,045 out of a ceiling of 70,000 [see chart].

FY 1985 Refugee Admissions

	Actual Admissions	Regional Ceilings
East Asia—First Asylum	41,972	42,000
East Asia—ODP	7,998	8,000
Eastern Europe and U.S.S.R.	9,990	10,000
Near East and South Asia	5,994	6,000
Latin America	138	1,000
Africa	1,953	3,000
TOTAL	68,045	70,000

Refugees in Africa

The budget shifts I have described have been driven, to a large extent, by the increased requirements for refugee assistance in Africa. The African refugee situation is complex and dynamic. Many countries are concurrently generators of and receivers of refugees; refugees may be returing home to some countries at the same time as their compatriots are fleeing into refuge.

You will remember that, during late 1984 and 1985, the number of refugees in Africa in need of international assistance grew from some 2 million to some 2.8 million. The dramatic increase was principally caused by the coincidence of drought and civil strife. The relatively abundant rains this year may signal an end to the natural disaster of drought but do not necessarily lead to a solution to Africa's refugee problems. For example, Chadians who fled into Sudan may have been seeking food relief aid as much as they were fleeing the ravages of assorted bandits and tribal enemies. Although rains have returned, renewed fighting in Chad's internal war and the geopolitical interests of Libya, Sudan, and Chad—among others—conspire to keep many of those Chadians in Sudan and of concern to UNHCR. Elsewhere in Africa, the numbers of refugees able to return to their homes have been offset by new refugee flows. Therefore, the overall number of refugees in Africa remains fairly constant, though the composition of the total is changing.

Horn of Africa

With respect to the Horn of Africa, we continue to monitor closely the conditions which generate refugees. Two policies of the Government of Ethiopia—internal resettlement and villagization—appear to have caused significant flows of refugees into Sudan and Somalia. Resettlement is currently suspended, although the Ethiopian Government has announced that it will resume later in 1986. We hope that any resumption will not be accompanied by the gross violations of human rights previously associated with the program.

Villagization, which is purported to improve services by organizing communities into more easily assisted units, is an ongoing effort to relocate up to 33 million rural peasants. As many as 70,000 people have arrived in northwest Somalia during the past 6 months, claiming that they are fleeing the effects of villagization.

There have been a number of problems with the assistance effort in northwest Somalia since the Government of Somalia has decided not to move these new refugees away from the border to a more suitable site. However, the office of the UN High Commissioner for Refugees is organizing relief operations, and conditions seem to be stabilizing.

Of course, civil strife in northern Ethiopia is an ongoing cause of major refugee flows into Sudan. And the Oromo Liberation Front is engaged in activities in western and southern Ethiopia that contribute to flows to Somalia.

Uganda

Another refugee emergency "hot spot" which we are watching closely is southern Sudan and northern Uganda. War in southern Sudan has led to the collapse of traditional civil authorities. As a result, in early May, armed attacks were made on Ugandan refugee settlements. To date, some 60,000 Ugandan refugees have fled home to Uganda. Uganda is currently enjoying a period of relative stability and, so far, has been able to reintegrate these returning refugees with remarkable ease, despite rather widespread destruction in northern Uganda. Additional precipitous returns, however, could result in more serious problems for Uganda, since there are as many as 200,000 Ugandan refugees still in southern Sudan.

Southern Africa

There have not been the outflows from the Republic of South Africa that one might have expected, given the current violence there. Rather, South African Government pressures on countries of first asylum—including the recent raids in Botswana, Zambia, and Zimbabwe—have caused UNHCR to relocate refugees to safer places of asylum. Our government has strongly condemned those raids, and the Refugee Bureau has earmarked funds to help repair the refugee reception center in Zambia that was attacked.

We are, of course, quite concerned about the potential for new refugees, including some who may simply be fleeing the widening violence rather than being associated with any of the banned organizations. We are continuing to work with our refugee officers in the neighboring countries to ensure that contingency planning is done by the relevant international organization whose mandates require it.

If the number of South African refugees has not been growing dramatically, the number of Mozambican and Angolan refugees has. As many as 180,000 Mozambican refugees have fled to South Africa, Zambia, Zimbabwe, Malawi, and Swaziland since 1984. Over 100,000 new Angolan refugees have entered Zaire and Zambia last year and this year.

Refugee Aid and Development

African host nations are developing countries with limited resources to provide for their own citizens. We try to do our fair share of providing for the care and maintenance of African refugees through international organizations such as the UNHCR, ICRC, and WFP [World Food Program]. However, there is also a need to pursue more lasting solutions through integration of refugee and development aid. These medium- and long-term needs must not be forgotten in the process of responding to urgent lifesaving demands.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Pakistan's Prime Minister

Prime Minister Mohammad Khan Junejo of the Islamic Republic of Pakistan made an official visit to the United States July 15–22, 1986. While in Washington, D.C., July 15–18, he met with President Reagan and other government officials.

Following is the text of the joint statement issued on July 18.

At the invitation of the President of the United States of America, Ronald Reagan, the Prime Minister of the Islamic Republic of Pakistan, Mohammad Khan Junejo, paid an official visit to the United States from July 15–22, 1986.

The Prime Minister held intensive and wide-ranging discussions with the President, with senior representatives of his Administration, and with Members of Congress on matters of mutual concern relating to the promotion of international peace and security, political cooperation, and economic development.

The President and the Prime Minister reviewed bilateral relations and found them warm, friendly, and mutually beneficial. They expressed satisfaction with existing cooperation and the hope that further progress would be made through the U.S.-Pakistan Joint Commission and the U.S.-Pakistan Consultative Group. Both sides welcomed the conclusion of the memorandum of understanding to facilitate transfer of technology to Pakistan and to ensure its protection. They noted with approval the discussions underway to revise the Convention on the Avoidance of Double Taxation. They agreed that private-sector investment missions should be encouraged, and in the field of education, they agreed on the despatch of an American team later this year to discuss cooperation aimed at improving the teaching of English in Pakistan.

The President lauded the return of representative democracy to Pakistan, praising Prime Minister Junejo and President Zia-ul-Haq for the steps taken during the last year to end martial law and to restore to the Pakistan people the full liberties guaranteed by the 1973 Constitution. The President and the Prime Minister agreed that democratic institutions will make an important contribution to Pakistan's continued stability and progress.

(Department of State photo)

Secretary Shultz greets Prime Minister Mohammad Khan Junejo at Andrews Air Force Base on July 15, 1986.

The President underscored his strong personal commitment to arms control and to the prevention of the spread of nuclear weapons. The Prime Minister expressed his understanding and support of U.S. efforts to promote arms control and the nonproliferation of nuclear weapons. The Prime Minister reitereated the peaceful nature of Pakistan's nuclear program. The two leaders agreed, moreover, that it is incumbent on each state in the region to ensure that its use of nuclear energy is strictly peaceful and to take concrete steps to demonstrate a shared commitment to nonproliferation.

The Prime Minister and the President considered in depth the situation in South and Southwest Asia. They noted with serious concern the grave consequences for regional and international peace and stability which flow from the continuing Soviet occupation of and aggression against Afghanistan. They condemned the repeated attacks on Pakistan's territory from Afghanistan. The President reaffirmed the U.S. commitment to nonaligned Pakistan's independence, security, and territorial integrity.

Both leaders agreed on the urgent need for a political settlement of the Afghanistan problem consistent with the principles enunciated in the seven resolutions adopted by overwhelming majorities in the UN General Assembly. The President expressed his strong support for Pakistan's sustained efforts to promote such a peaceful settlement of the brutal conflict imposed upon the Afghan people. They expressed the hope that at the forthcoming round of the Geneva proximity talks under the auspices of the personal representative of the UN Secretary General, the Kabul side will put forward a short timetable for the withdrawal of Soviet troops from Afghanistan.

The President expressed his admiration for Pakistan's courage in standing up to Soviet pressures through Afghanistan and for its selfless provision of humanitarian relief to the nearly 3 million Afghans who have fled to Pakistan in the last 7 years. The two leaders agreed on the importance of increasing the availability of humanitarian assistance for the countless numbers of Afghans affected by the war. The President recalled his recent meeting with the courageous leaders of the Afghan alliance. The two leaders expressed the hope that the alliance will play an increasing role in bolstering international support for the cause of Afghan freedom.

The Prime Minister and the President expressed satisfaction with the successful conclusion of negotiations earlier this year of a follow-on assistance package for Pakistan in the sum of $4.02 billion over a 6-year period beginning next year. The President stressed that this unique multiyear program provides tangible evidence of the durability and continuity of the U.S. commitment to strengthen Pakistan's defensive capabilities in the face of Soviet pressures from Afghanistan. U.S. economic assistance is intended also to supplement Pakistan's own efforts to strengthen its economy.

The Prime Minister briefed the President on discussions between the Governments of Pakistan and India on improving relations between their two countries, a process strongly supported by the United States. The President welcomed the pledge made by the Governments of Pakistan and India not to attack each other's nuclear installations and expressed the hope that these discussions would continue to yield success. The Prime Minister also pointed to recent initiatives supported by his government to expand regional cooperation among the nations of South Asia, highlighting the promising beginning last December of the South Asian Association for Regional Cooperation (SAARC). The President referred to his message to the South Asian leaders welcoming their establishment of SAARC and expressed his government's support for regional efforts, both under SAARC as well as bilaterally, to promote peace and cooperation.

The Prime Minister and the President expressed deep concern at the growing threat posed by international narcotics trafficking to the very fabric of society in every part of the world. They discussed measures to halt the production of opium and other dangerous drugs at their source, to suppress processing facilities wherever they may be found, and to escalate the war against domestic and international traffickers. To this end, the two leaders agreed to strengthen their antinarcotics cooperation and to explore aerial spraying as a poppy eradication measure.

The Prime Minister expressed his sincere gratitude to the President and the people of the United States for the generous assistance provided his country over the past 35 years and for the warm welcome accorded to him and his delegation. He extended a cordial invitation to the President to visit Pakistan. The President expressed his appreciation for the invitation and reiterated his desire to visit Pakistan at a convenient date. ■

Terrorism and Tourism

by Robert B. Oakley

Address before the Conference on the Future of Transatlantic Travel at the Plaza Hotel in New York City on July 23, 1986. Ambassador Oakley is Acting Ambassador at Large for Counter-Terrorism.

It is a pleasure to be here today to discuss a very important issue to us both—terrorism and tourism. The two words unfortunately could be used for a tongue twister—they sound too much alike and get mixed up not only when one is talking too fast but sometimes in the popular perceptions.

We're all probably sick of hearing of the "horror stories" about how the fear of terrorism has sharply hurt tourism in many parts of the world. I'm sure these stories cause a sinking feeling in the stomachs of those who are in the tourism business, especially dealing with travel to Europe. I won't try going into detail on how bad that picture is—you have the figures. We do not. But it might be useful to first sketch out the broad picture of the actual terrorism situation—including the figures we do have—and then discuss what the use is trying to do about it and how we can work together.

Facts and Figures on Terrorism

It seems that almost every day there is some new reminder of terrorism on our televisions or on the front pages of our newspapers. Some of it is good news and bad news. An Italian court recently convicted the hijackers of the *Achille Lauro* but there is a strong feeling that the sentence was not long enough for some of them. There have been several recent major terrorist acts in Europe, but because Americans were not involved they got only fleeting attention from the American media.

Over the past 2 years there has been a major surge in terrorism abroad, both internal (for example: within Lebanon, India, Sri Lanka, Peru, Colombia, and Chile) and international incidents. The latter rose from the 500 per year average for 1979–83 to 600 in 1984 and about 800 in 1985. This upward trend continued during the first several months this year. Preliminary tallies indicate there were about 417 international terrorist incidents for January–June 1986, compared with 352 for the same period of 1985.

The increase since mid-1984 has come from the Middle East and Latin America. For 1984 there were only 81 incidents recorded in Latin America, with 132 for 1985 and 65 for the first half of 1986. There were 109 incidents during 1983 in the Middle East, 206 during 1984, 378 during 1985 (plus about 75 conducted by Middle East terrorists in Europe), and 165 during the first half of this year in the Middle East (plus about ***26*** conducted in Europe). Since April, Qadhafi-directed terrorism has been quiescent in the aftermath of U.S. military raids and the ensuing Libyan disarray and the European crackdown in which more than 100 Libyan so-called

diplomats and businessmen have been expelled; Syria and Iran appear to be in a cautious mode. However, several Palestinian splinter groups have been active and could get even more active in Europe. And during the past 2 weeks, leftwing European groups have once again resumed their operations. Thus it seems probable that terrorist activity in Europe will not diminish during the last half of the year, although it may not be directed so much against Americans.

In Latin America, the most intensive area of recent activity has been Peru, followed by Colombia and Central America. Two American tourists recently were killed during a terrorist attack in Peru, although it received little public attention. Cooperation between narcotics traffickers and terrorists is a growing problem. The United States and the U.S.S.R. rank just behind the Government of Peru as targets there, and resident Americans are choice targets elsewhere in Latin America.

Although for the past decade U.S. citizens and installations abroad have been the number one terrorist target (aside, of course, from Israel), it is a mistake to believe that we are the principal target of foreign terrorists. Despite the impression received from sensationalist, ethnocentric media coverage, the percentage of attacks against Americans has actually decreased over the past 3 years from 40% to 25%. The 2,200 terrorist casualties last year—up from 1,300 in 1984—and the nearly 800 incidents were spread among citizens and facilities of some 90 countries. Of the 877 men, women, and children who were killed last year, 28 were Americans and 28 were Israelis. The impression that the terrorists—especially Middle East terrorists—are waiting in Europe to pounce primarily upon Americans is just not true. Among the various targets of Middle East terrorists operating in Europe—the region in which you are most concerned—Americans have been the targets of fewer incidents than anyone else. The biggest target has been Palestinians and other Arabs. In the past year and a half, from January 1985 through June 1986, there were about 100 terrorist attacks in Europe attributed to Middle Eastern groups. Arabs and Palestinians were the victims of 49% of the attacks, down from 65% for the preceding 5 years. The percentage of attacks against Israeli and Jewish citizens remained virtually the same at 15%. The percentage of attacks against Western Europeans and Americans doubled—26% for the Western Europeans; 10% of the Americans. But for Americans, that worked out to only 10 incidents over the past 18 months. Any death from terrorism is one too many, and terrorism is designed for the maximum shock effect upon public and political opinion—we do not and should not accept them as a part of the modern world the way we do car accidents. However, we should keep the number of incidents in perspective as well as the perpetrators, intent to shock. We must take the proper precautions but not allow ourselves to fall into their trap and react thoughtlessly. The chances of being unexpectedly killed in a car or plane crash or in a criminal attack are much higher than being in the wrong place at the wrong time when a terrorist group manages to make an attack.

Resolving the Decline in Tourism

While it's easy to hit on the fear of terrorism as the culprit in the decline in European tourism, and it is an important factor, we believe a combination of factors are involved: terrorism, the weakening of the U.S. dollar in many countries, attractive travel packages plus falling gasoline prices for those who stay at home, and the competition of other countries and regions of the world. But the ***perception*** among Americans and the Europeans that it was terrorism did have major and unprecedented economic, political, and security consequences in Western Europe and the Mediterranean where hundreds of millions of dollars have been lost by the United Kingdom, Greece, Italy, Israel, Egypt, Tunisia, and other countries.

Other governments, as well as some in the travel and terrorist industry, have blamed the Reagan Administration as somehow being responsible for the problems—as if the President created terrorism, or dictated the type of media coverage, or should not have spoken publicly of a serious threat to this country and its citizens, or should not have taken action to try and stop terrorism and protect our citizens. This totally unfair criticism misses the entire point of the Administration's policies and programs for countering terrorism.

We have been working with other governments for several years—and more intensively as terrorism has increased—to try and deal with what is obviously a common problem. We urged them to place tighter controls upon the movements of suspected terrorists, to improve security at their ports and airports, and increase intelligence exchanges on terrorist threats. We offered them assistance for these purposes. Indeed, we have a very useful antiterrorism training assistance program which helps train security officials from friendly countries. We also urged them to join us in applying pressure to states who support terrorism. Unfortunately, our warnings, our advice, and our offers of help generally fell upon deaf ears or were resented as an intrusion, as improper pressure. This attitude prevailed for most governments until the terrorists struck so close to home and the problem for the country or countries concerned became too great to ignore.

For example, over the years there had been lengthy discussions with the Greek authorities about the security problem at Athens airport. ICAO [International Civil Aviation Organization] and FAA [Federal Aviation Administration] teams repeatedly had visited the airport to discuss the need and ways to strengthen security procedures. In February 1985, the Greek and U.S. experts agreed upon a number of specific measures to be taken at Athens airport. But nothing happened—until after the TWA hijacking in June, the U.S. Government issuance of a travel advisory, and a sharp fall in tourism to Greece. The Greek authorities then took the previously promised actions. After inspecting the improved situation, we then rescinded the travel advisory. Athens airport today has good security. The TWA #847 hijacking, and other terrorist attacks also prompted various governments to tighten up a bit, but there were still lots of loopholes, as dramatically illustrated in the attacks on Rome and Vienna airports in December and the hijacking of an Egyptian airliner. These highly publicized incidents, plus Qadhafi's public threats to attack Americans, caused additional American tourists to cancel plans for visiting Europe, and it began to take on a snowball effect.

Let me say a word here about travel advisories. It should be pointed out that the State Department has ***not*** issued travel advisories against traveling to Western Europe because of terrorism. We have been questioned on this, particularly by Congress, and I think it might be worth sharing the same explanation we have provided to Congress. Travel advisories are issued from time to time by the State Department's Office of Overseas Citizens Services which also handles hundreds of phone calls a day about whether it is safe to visit country X or Z.

The majority of advisories refer to temporary conditions unrelated to

physical safety, such as health-related matters, changes in customs, visa and currency requirements, or warnings about penalities for blackmarket or narcotics activities. Relatively few travel advisories are used for security reasons, such as crime, civil unrest, or warfare.

Security-related advisories usually reflect a trend or pattern of violence not previously experienced in the area. Thus, isolated international terrorist attacks, which can and do occur virtually anywhere, do not trigger travel advisories. The exception would be a country whose government consistently failed to provide reasonable security. Travel advisories are not issued for political reasons, they are issued only after careful coordination with our diplomatic mission in the affected country and various U.S. Government agencies. While travel advisories have the primary purpose of alerting the public to adverse conditions, they may also have the effect of helping move a government to change those conditions.

The advisories can be obtained from regional passport offices or the Citizens Emergency Center in the State Department. The Consular Affairs Bureau also makes a number of pamphlets available for the public on tips to travelers and recently issued one on security tips.

U.S. Approach to Travel and Security

The Department has consistently tried to take a nonalarmist approach to the question of travel safety. We take opportunities such as this one to emphasize that there are no security-related advisories for any of the European countries.

We believe in tourism—it is good for the individuals and for the host countries. We do not like to see the adverse impact of tourism overreaction on our friends overseas. We have been in contact with the U.S. travel industry's group which is trying to deal with the problem. We are pleased to see these steps by the industry, and we are ready to provide information and assistance.

We also have been providing assistance to other U.S. businessmen through the Overseas Security Advisory Council which was established last year to help provide information, guidance, and briefings to American firms operating abroad. And, of course, we have been working with the airline industry, and since the *Achille Lauro* hijacking, the maritime industry, to help improve security. A major effort, in partnership with Congress, has been made to improve airline and cruiseline security. Two major avenues are the International Civil Aviation Organization and the International Maritime Organization which have been developing tightened international standards.

Many of the suggestions for improved security standards predate the rash of spectacular terrorism attacks last year. However only after Qadhafi's attempt to conduct a widespread mass-casualty terrorist campaign against the United States and our actions against Libya in self-defense did many European governments respond to the need for firm, concerted action such as we had been promoting.

International Cooperation

These measures and other collective measures are important because fighting terrorism has to be an international effort. The responsibility for security and protection of the airports used by local citizens and visitors lies with the host country. We cannot patrol every airport and street used by American tourists. We cannot unilaterally decide to send in rescue teams into any airport in the world regardless of the attitudes of the local government. We cannot literally be the policemen of the world.

Thus it is crucial that the nations of the world cooperate in the international terrorism effort. The past months have seen important progress in this direction. For example, the foreign ministers of the 12 European Community (EC) countries on April 21 agreed to reduce the size of the Libyan People's Bureaus and increase cooperation among law enforcement and intelligence agencies. They also agreed to impose tight controls upon the entry and movement of all Libyans, including diplomats and other government officials. On May 5 in Tokyo, the leaders of the seven governments of the economic summit countries agreed to a series of actions to be taken against international terrorism and states that support it, again identifying Libya. In addition to reiterating and strengthening the actions agreed to by the EC, the Tokyo statement called for improved extradition procedures, strengthening the Bonn declaration on civil aviation security, and greater international cooperation generally, including use of the United Nations.

In fighting terrorism effectively, we must keep the momentum going both unilaterally and multilaterally. At the same time, we must not exaggerate the threat nor allow ourselves to be intimidated by it. Nothing encourages terrorists more than seeing that they have succeeded in panicking public or political opinion, which is a paramount objective.

Therefore, it is important for groups such as the travel industry to work together. The work and messages need to be more than public relations and advertising. Yes, it is important to try to put the terrorist situation in perspective and help people understand they should not be frightened from important cultural experiences by exaggerated fears. Of course, I may be preaching to the brave—you who have braved the perils of New York, a city that many Europeans are frightened to visit.

Your activities and message should not only be aimed at Americans, telling them it is OK to "come home" to Europe. It is necessary to also make it clear to European colleagues that advertisements and cosmetics are not enough, and that we shouldn't relax because of what may be a temporary lull in Libyan and particularly state-supported terrorism. Governments and businessmen in Europe need to understand that whatever money they may save or make from buying Libyan oil or selling spare parts to that country is far outweighed by the losses in tourist dollars, security expenses, and hesitant investors.

A complete end to terrorism may be impossible. There are too many different groups and too many grievances to satisfy all of their so-called root causes. But a great deal of terrorism can be contained and limited by strong action. And many potential tourists would be reassured if they were convinced that other governments were taking all the effective actions possible, not cutting corners or trying to make deals with terrorists.

Nor can we let the terrorists feel that they are succeeding in creating tensions within the Western alliance and to believe that they can be successful over time in creating an isolationist mentality in this country which will erode our important economic, strategic, and political interests abroad. Such a feeling would only encourage more attacks upon Americans as well as damage our broader interests.

In summation, we must take a cool, calm, and cooperative as well as determined approach in fighting terrorism. The terrorists must not be allowed to get the best of us. Progress has been made and more will be, but fighting terrorism is a long-term effort for all of us, those in business, those in the U.S. Government, and those in other governments. We have started working together through a variety of informal contacts. I hope we can continue. ■

Antiterrorism Act Signed into Law

PRESIDENT'S STATEMENT, AUG. 27, 1986[1]

I have signed into law H.R. 4151, the "Omnibus Diplomatic Security and Antiterrorism Act of 1986." This marks yet another step forward in our bipartisan effort to eradicate international terrorism. I would like to recognize the valuable contributions to this legislation by the Vice President and his task force on combatting terrorism; Secretary Shultz and Admiral Inman and their panel on diplomatic security; and the work of Senator Richard Lugar and Representatives Dante Fascell, Bill Broomfield, Dan Mica, and Olympia Snowe, as well as many other distinguished Members of the Congress, for bringing the various parts of this act together. This is truly a bipartisan piece of work.

This act once again puts those who would instigate acts of terrorism against U.S. citizens or property on notice that we will not be deterred from carrying out our obligations throughout the world. I am committed to ensuring the safety of our diplomats, servicemen, and citizens wherever they may be. This historic act provides the organization and authorities necessary to implement the recommendations of the Advisory Panel on Overseas Security. It also establishes within the Department of State a new Bureau of Diplomatic Security and a diplomatic security service to increase the professionalism and effectiveness of our security personnel.

Another important piece of this act that I am particularly pleased to have supported is the victims of terrorism assistance program. This, for the first time, will provide for the care and welfare of the victims of terrorism and their families.

At the same time, I continue to urge cooperation with all nations, on both a bilateral and multilateral basis, to seek ways to work together to end the continuing onslaught of international terrorism against civilized society. Seeking international cooperation is vital in the struggle against terrorism, and that effort will remain a top foreign policy priority for me. Within the government, cooperation and coordination among all departments and agencies is also essential in protecting our vital national security interests from the terrorist threat.

We can never legislate an end to terrorism. However, we must remain resolute in our commitment to confront this criminal behavior in every way—diplomatically, economically, legally, and, when necessary, militarily. First-rate intelligence remains the key element in each of these areas. We will continue to improve our ability to predict, prevent, and respond to threats of terrorism with an expanded intelligence-gathering capability. We will continue to work with the Congress to identify legislative gaps in our ability to combat terrorism. This act adds to our capabilities and further demonstrates our resolve. I congratulate those responsible for this historic act.

[1]Text from Weekly Compilation of Presidential Documents of Sept. 1, 1986. ■

Nicaragua's Role in Revolutionary Internationalism

by Vernon A. Walters

Statement before the UN Security Council on July 1, 1986. Ambassador Walters is U.S. Permanent Representative to the United Nations.[1]

Before addressing the specific reasons for this present Security Council meeting, I feel it imperative to point out that this is the 11th time the Sandinista regime has come to this Council to lay out a, by now, standard litany of complaints.

Nicaragua seeks yet again to divert the Council's attention away from Nicaragua's own behavior in the region. It is about time we ceased being fooled by Sandinista propaganda; it is about time we recognized that it is Nicaragua's aggression which is the source of the conflict in Central America.

The members of this Council should, by now, be familiar with the facts concerning Nicaraguan aggression. The United States has provided abundant—overwhelming—evidence of Nicaragua's misdeeds. It is, nonetheless, evident that the Sandinistas remain consummately skilled in obscuring their odious record of subversion, aggression, and armed attack.

Nicaragua has stated in the most solemn terms that "it has never supplied arms or other material assistance to insurgents in El Salvador or sanctioned the use of its territory for such purpose, it has never permitted Salvadoran insurgents to establish a headquarters or operations base or command and control facility in Nicaraguan territory and has never permitted its territory to be used for training of Salvadoran insurgents." Nicaragua has made similar statements not only at the International Court of Justice but in innumerable other fora as well. There can be no pretense that this categorical assertion is a slip of the tongue or an ill-considered, ill-informed, or unauthoritative statement. And yet, it was—and is—entirely false.

An essential element of Nicaragua's foreign policy from the very beginning has been its continuing support of subversion in Latin America. This support has been active, deliberate, substantial, and sustained. At a meeting for party activists barely 2 months after coming to power, the Sandinista leadership committed itself to support for revolutionary struggle beyond its borders. Later that year, as recounted by former commanders of the Salvadoran FMLN [Farabundo Marti National Liberation Front], the Sandinistas established facilities and sites within Nicaragua for use in training guerrillas from other Central American countries.

Sandinista Aggression in El Salvador

The principal target of Sandinista aggression has been El Salvador. Nicaragua has since 1979 provided massive support to the guerrillas seeking to overthrow that country's government. That support has included training; command-and-control headquarters and advice; and weapons, ammunition, and other vital supplies. Nicaragua has served as a rear-area sanctuary for the guerrillas and headquarters for their political arm. The interaction of the Sandinista leadership with that of the FMLN and FDR [Revolutionary Democratic Front] has been constant and intimate. Nicaragua has publicly identified itself with the goals and methods of the Salvadoran guerrillas.

The evidence of this activity is real, varied, and massive. Documents captured in El Salvador establish the key

Nicaraguan role in unifying, supplying, and sustaining the FMLN. That role was crucial in 1980–81, as shown in the documents published by the United States in February 1981. Documents captured from FMLN commander Nidia Diaz in April 1985 made clear that the nature of Nicaragua's support for the rebels had remained substantial. Aerial photography, released by the United States, shows the very airfield from which many of those supplies were flown.

Guerrilla commanders captured or defecting from 1981 to the present day have, one after another, described in compelling detail the dependence of the Salvadoran guerrillas on Nicaraguan-supplied weapons and supplies, on safehaven in that country, on communications and command services from Nicaragua, and on training conducted in or facilitated by Nicaragua. The deaths of two top guerrilla leaders in Managua in 1983—and the attendance of top Sandinista leaders at their funerals—underscored that the FMLN leadership has operated out of Managua with the full collaboration of the Sandinistas.

Weapons captured from, or remaining in, guerrilla hands have been traced through official U.S. shipping and production records from Vietnam through Nicaragua to the rebels. The elaborate smuggling network developed by the Sandinistas is attested to by such irrefutable physical evidence as the large trailer truck crammed with weapons and ammunition captured by Honduran authorities en route from Nicaragua to El Salvador in 1981. This pattern continues. Several months ago a Lada automobile on the same Nicaragua-El Salvador route crashed and was found to contain weapons, ammunition, demolitions and cryptographic equipment, and letters to the Salvadoran guerrilla leadership.

Finally, there are the confessions of the Sandinistas themselves. They have on several occasions stated their capacity to halt the aid being given to the FMLN. At the International Court, one of its ruling *comandantes* has sworn that his government "never" had a policy of sending arms to Salvadoran guerrillas—while presenting an affidavit that it had not done precisely that "in a good long time."

And yet, Nicaragua would have us, and the world, believe that none of this evidence exists. Nicaragua would like us, instead, to pitch all this evidence out the window and take its flat, unsupported word that "in truth, [it] is not engaged, and has not been engaged in, the provision of arms or other supplies" to the guerrillas in El Salvador. Nicaragua would have us disregard the tens of thousands of dead, the hundreds of millions of dollars in economic damage, the immense human misery it has imposed on El Salvador, and take its word that it has not attacked El Salvador.

Other Subversion Targets

But let us not stop our examination with El Salvador. Others as well have suffered from "revolutionary internationalism." Honduras has been the target of attempted subversion. Twice, in 1983 and 1984, the Sandinistas sought to infiltrate groups into Honduras to initiate a guerrilla war against the government of that country. A large number of these guerrillas were captured and attested to Nicaragua's role in their training, direction and infiltration across the border. In 1985, members of the Nicaraguan intelligence services were captured inside Honduras and confessed their involvement in conveying arms to subversive groups in Honduras.

As documented in detail by a Costa Rican legislative commission, the Sandinistas—while conducting their campaign against Somoza, and later when they began to provide material support to the Salvadoran rebels—also established and maintained a clandestine arms supply network in Costa Rica. Sandinista-supported terrorists conducted a series of attacks in Costa Rica between 1981 and 1985, and agents of Nicaragua have attempted or conducted a number of assassinations in that country. Farther afield, Nicaraguan support for the M–19 was revealed by tracing the serial numbers of weapons captured after the bloody attack on the Palace of Justice in Bogota, Colombia.

While its preferred method is through secret support for subversion, since if caught it can hope to brazen its way out by lying, Nicaragua has not hesitated to apply direct, conventional military force. It has conducted literally hundreds of cross-border military incursions into Honduras, beginning 3 days after the July 19, 1979, takeover and culminating in March of this year, when some 1,500 Sandinista soldiers penetrated 25 kilometers into Honduras and remained for a period of several days. In familiar form, officials of the Nicaraguan Government—including its permanent representative—initially denied that Sandinista troops had crossed the border at all. Ambassador Astorga went before the world's cameras and stated that the so-called invasion was a total falsehood, an invention of the Reagan Administration. Only after undeniable evidence had surfaced did President Ortega acknowledge the incursion and some 150 casualties, proving which country had lied. The Sandinista military has attacked into Costa Rica on many occasions, including one occasion last year when it killed two members of the Costa Rican Civil Guard and compelled Costa Rica to take the case to the OAS [Organization of American States].

The Militarization of Nicaragua's Society

Nicaragua has been able to flagrantly violate its neighbors' borders because it has amassed the largest and most powerful military force in the history of Central America. Those who considered the Somoza regime to present an image of unmatched military repression should take pause in realizing that the Sandinista armed forces, like their secret police, are some 10 times larger than those of Somoza at their height. And yet, Nicaragua has recently begun to assert an intention to expand its forces to 200,000 or 300,000 trained personnel. Not only are the Sandinista forces numerically the largest, but they have arms unmatched elsewhere in the region, including 340 tanks and armored vehicles, dozens of combat helicopters, and 70 long-range howitzers. These forces are made all the more effective by the presence of thousands of Cuban and other foreign advisers operating from the highest echelons of ministries to the battalion and even company level, including Cuban pilots flying combat missions.

This massive military buildup has had the most profound impact on Nicaraguan society. And this impact has not been accidental: the militarization of Nicaraguan society has been a key goal from the beginning of Sandinista rule and has, as intended, contributed enormously to the ability of the regime to exercise comprehensive control over the society as a whole. Thus, long before even Nicaragua asserts there was any threat from *contras* or any other source, the Sandinistas planned and executed an accelerating and major expansion of the Nicaraguan Armed Forces. The army, of course, is designated as the "Sandinista Popular Army" and great attention is paid to political indoctrination. These steps parallel those imposed over the past 7 years throughout the society as a whole.

This is not the occasion to rehearse the sad and predictable story of Sandinista repression, or to discuss at length—as so easily could be done—the betrayal of the high hopes of the Nicaraguan people. Sandinista claims to defend human rights have been shown to be as hollow as their claims to be living in peace with their neighbors. Nicaragua, a small country, now has more political prisoners than any country in the hemisphere except Cuba and maintains a system of political tribunals outside the law which ensure that no one escapes "revolutionary justice." In 1982, the Sandinistas imposed a "temporary" state of emergency; 4 years later the Nicaraguan people are still deprived of the rights of free speech, assembly, and movement—to name only a few of the "basic human rights" promised in 1979 and stolen by the Sandinista regime. It may be noted that by closing down *La Prensa*, Nicaragua has now become the single country in mainland Latin America entirely precluding opposition access to the media. Nicaragua today has nothing to do with the Nicaragua its people believed they were fighting for in 1979, nor with the Nicaragua the Sandinistas promised both to the people of that country and to the inter-American community.

The internal situation in Nicaragua, tragic in itself, is relevant to one other crucial element in the Central American picture. The repressive regime of the Sandinistas is directly responsible for the development and growth of the armed democratic resistance in Nicaragua. The Nicaraguan democratic resistance is fighting to restore the original objectives of the Nicaraguan revolution. Its 20,000 participants seek to establish a true democracy in which the people of Nicaragua are free to select their own leaders. They seek full respect for human rights and an economic system providing both for growth and for equitable distribution of wealth.

The leaders of this resistance are the same men and women who fought against Somoza—and with the Sandinistas—7 years ago. Like thousands of other Nicaraguans who believed in the revolution and once were allies of the Sandinistas, they did not take lightly their decision to join the resistance; they joined because they had been left no choice. The Sandinistas closed the avenues of meaningful political participation within Nicaragua and convinced them that change could come only through armed force.

These, then, are the facts. Nicaragua has deliberately, as a matter of state policy and without provocation, conducted armed attacks on its neighbors. In the case of El Salvador, that attack, conducted through proxies, has lasted over 5 years at immense cost in lives and economic damage. The Sandinistas have sought to develop insurgencies in Honduras, and have both covertly and openly attacked both Honduras and Costa Rica. They have sought, through a massive military buildup, to intimidate both their neighbors and their own people. They have created a repressive state, the very nature of which is ominously unprecedented in Central America. And in so doing, they have given rise to a movement involving tens of thousands of men and women fighting to restore Nicaragua to the ideals of the 1979 revolution.

U.S. Objectives and Assistance

Is it surprising, in these circumstances, that the United States should have become involved in the response to the multifaceted threat to peace presented by Sandinista Nicaragua? U.S. policy toward Nicaragua has four broad objectives:

- An end to Nicaraguan aggression, whether through support for guerrilla groups in neighboring countries or through conventional military attack;
- Severance of Nicaraguan military and security ties to Cuba and the Soviet bloc;
- Reduction of Nicaragua's military strength to levels that would restore military equilibrium to the region; and
- Fulfillment of the original promises of democratic pluralism and respect for human and civil rights.

It is our conviction that achievement of these goals would ensure the restoration of peace and a climate conducive to growth, democratic political development, and security in the region. These goals are entirely consistent with those of the other countries of the region and with multilateral diplomatic initiatives strongly endorsed by this body. While Nicaragua focuses on U.S. support, which it considers unjustified, for the democratic resistance, it is important to recall that the United States has pursued these benign and constructive goals through any number of peaceful means. Regrettably, those approaches have proven very largely unsuccessful in achieving changes in the Nicaraguan behavior that so concerns its neighbors and the United States.

The United States initially provided substantial economic assistance to the Sandinista-dominated regime. We were largely instrumental in the OAS action delegitimizing the Somoza regime and laying the groundwork for installation for the new junta. Later, when the Sandinista role in the Salvadoran conflict became clear, we sought through a combination of private diplomatic contacts and suspension of assistance to convince Nicaragua to halt its subversion. Later still, economic measures and further diplomatic efforts were employed to try to effect changes in Sandinista behavior. Still, Nicaragua's posture was one of complete and sustained intransigence.

It is perhaps worth underscoring that this "intransigence" is not quite what Nicaragua would like us to see it as—the plucky refusal of a small but proud nonaligned state to be bullied by a brutish and overweening superpower. Rather, it was an adamant continuation of entirely unprovoked and unwarranted policies of attempting to overthrow the Salvadoran Government, of a rapid military buildup well beyond anything justifiable in internal or regional terms, of an embrace of the Cubans and Soviets, and of internal political repression raising the most profound doubts about the Sandinistas' readiness to observe their commitments of July 1979.

It was long hoped that Nicaragua could be induced to modify one crucial element of its behavior—its penchant for attacking its neighbors—by demonstrating that it could not hope to achieve its goal of replacing their government with one more like its own. My government provided substantial assistance to the countries suffering from Sandinista attentions.

Nicaragua's neighbors have asked for assistance against Nicaraguan aggression, and the United States has responded. Those countries have repeatedly and publicly made clear that they consider themselves to be the victims of aggression from Nicaragua, and that they desire United States assistance in meeting both subversive attacks and the conventional threat posed by the relatively immense Nicaraguan Armed Forces.

The United States has provided over $2 billion in assistance to Central America since 1979. Three-quarters of this sum has come in the form of economic assistance; barely one-fourth has been military assistance despite the enormous costs entailed in meeting the covert attacks and conventional threats posed by Nicaragua. Regrettably, too great a proportion of this assistance must be used, not for the developmental and human needs of those countries, but

to repair economic damage caused by the policy of the Nicaraguan-sponsored FMLN of deliberately destroying the Salvadoran infrastructure. U.S. military and economic assistance have contributed to limiting the scale and impact of the active warfare, especially in Salvador, and to increasing Nicaragua's neighbors' security against the Sandinistas. There was every evidence, however, as there is today, that the Sandinistas could and intended to continue their aggressive policies indefinitely.

Faced with the failure of all peaceful means, and the unacceptability of allowing Nicaraguan subversion and aggression to continue unchecked, the United States began to provide limited support for the democratic resistance forces already in the field. Supporting the resistance is the most effective means of exerting pressure on the Sandinistas to modify those policies presenting a threat to their neighbors and to regional peace.

The United States is hopeful that the combination of failure in Nicaragua's policy of aggression, the increasing costs of maintaining its overblown military establishment, a collapsing economy, deepening popular discontent, and an increasingly effective democratic resistance will finally lead the Sandinistas to realize they have no alternative but to engage in serious negotiations aimed at achieving both regional peace and internal reconciliation.

Let me make clear that U.S. policy does not seek the overthrow of the Nicaraguan Government, nor do we believe that full achievement of our principal policy objectives in Nicaragua would be incompatible with the Government of Nicaragua's own stated positions. Nicaragua has accepted the Contadora Document of Objectives as the basis for negotiation and for a comprehensive and effective peace in the region. The United States, too, has made abundantly clear that full and verifiable implementation of the Document of Objectives would meet all our policy goals in Nicaragua and the region. President Reagan essentially confirmed this position as recently as June 24. Indeed, it is virtually impossible to imagine any other context in which peace could come to the region.

We believe that continued U.S. support for the resistance is essential to induce the Sandinista regime to enter into meaningful negotiations. We regret that this is so, but have too often been faced with Sandinista promises which evaporate when the immediate tactical basis for their issuance has disappeared. It is not enough for Nicaragua to assert a readiness to sign an incomplete regional treaty; they must actually achieve and implement one.

The history of Contadora is replete with occasions on which Nicaragua for tactical reasons took an apparently forthcoming position, only to reverse itself at a later moment. Indeed, their June 21 response to the latest draft agreement underscores their cynical attitude toward Contadora. While claiming to respond favorably to the draft, they in fact simply recycled old proposals which had been rejected by the other parties to the negotiations. Since the Central American democracies had already noted major deficiencies in the new draft, the Sandinistas' response can only be seen as a cost-free gambit aimed at influencing the vote on assistance for the democratic resistance. Still, we remain hopeful that Nicaragua will come to realize that this course of action is bankrupt and self-destructive, and that there are other, constructive roles it could be playing instead.

The U.S. House of Representatives' approval of the request for further assistance for the resistance should give the Sandinistas good reason to negotiate seriously. That vote made clear that the United States is not going to weary of the fight against their aggression—is not going to let Nicaragua conduct its aggressive and repressive policies unchallenged. Nicaragua, as we have seen, plays fast and loose with the facts. This time, perhaps, it succeeded in deluding even itself about just how well it had deceived the Congress about its true nature and policies.

Will Nicaragua Choose Peace?

The United States seeks peace, security, democracy, and economic development throughout Central America. We believe that our actions are in compliance with international law and the highest ideals of the UN Charter. We are helping friends defend themselves against armed attack from Nicaragua and thus striking a blow against aggression. Our support for the Nicaraguan resistance is designed only to encourage Nicaragua to participate seriously and in good faith in the regional negotiations now under way. We remain prepared to resume a high-level bilateral dialogue with Nicaragua at the same time as it opens talks with the opposition.

The question now is whether the Sandinistas truly want peace. Are they willing to negotiate seriously with their neighbors and their own people? Are they willing to halt their efforts to overthrow or intimidate their neighbors? Are they willing to fulfill their promises of July 1979?

The fact remains that these choices, so crucial for peace in Central America, are for the Nicaraguans to make, not for the United States. We have not launched an unprovoked attack on El Salvador. We have not sustained for 5 years a war, bleeding El Salvador's people and economy white. We have not sought to destabilize or intimidate Nicaragua's unoffending neighbors. We have not inserted the East-West dimension by inviting in thousands of Cuban and Soviet-bloc "advisers." We have not conducted since 1979 an unprecedented and unnecessary military buildup. We have not established in Nicaragua an increasingly rigid and ideologically-controlled society wholly at variance with the 1979 promises. And, finally, it is not our policies which have caused tens of thousands of Nicaraguans to fight to restore the democratic values in the name of which the 1979 revolution was fought.

The crucial choices, then, are Nicaragua's. And we will be watching closely to see what choice they make.

[1]USUN press release 76 of July 1, 1986. ■

Report on UN Human Rights Commission Meeting

by Richard Schifter

Statement before the Subcommittee on Human Rights and International Organizations of the House Foreign Affairs Committee on June 25, 1986. Ambassador Schifter is Assistant Secretary for Human Rights and Humanitarian Affairs.[1]

I am grateful to you for giving me this opportunity to report to you on the proceedings at the 1986 session of the UN Human Rights Commission (UNHRC). This was the sixth successive session that I attended and my fourth as head of the U.S. delegation. As the commission is, in its essence, a parliamentary body, you will, in the light of your own political

experience, understand that the sixth session was much easier than the first. There are benefits derived from having learned the unwritten rules and customs and having developed personal friendships with one's colleagues.

UNHRC Operations

Before addressing myself to the events of the 1986 session of the UNHRC, let me offer a few general comments on the commission. There is, on one hand, the risk of approaching the commission with starry-eyed notions about what it can accomplish. These starry-eyed notions will be retained only if one is blind to reality. On the other hand, the hypocrisy so evident among a good number of commission members can easily drive one to give up all hope of doing anything useful at the commission. My recommendation is that we recognize the UN Human Rights Commission for what it is, another forum in which UN politics is played; and that we then, understanding all its limitations, use this forum as best we can to advance the cause of human rights.

These limitations, under which the commission operates, become clear when we review the role of its 43 members. Though the membership changed over the course of the six sessions that I attended and though a number of member countries shifted during this period from dictatorial governments to democracies, at no time during these years was there a majority on the commission that would be rated "free" in the annual evaluation prepared by Freedom House. The challenge to us is to determine how, given the commission composition, we can most effectively function there to advance the very ideals for which this UN body was created.

The delivery of thoughtful and persuasive speeches is undoubtedly the least complicated way of advancing the human rights cause at the commission. It is striking that the hubbub that usually fills the commission room suddenly comes to an end when the United States is ready to deliver a major address. It is a rather heady experience for any one of us whose task it is to speak on behalf of our country. We need to remind ourselves that the silence around us is not a tribute to our eloquence nor to any other personal factor but to the nameplate behind which we speak. The United States is listened to. That is why it is important that when we take the floor, we make sure that we have something worthwhile to say and that we say it convincingly.

Next, there is the matter of how to influence the parliamentary proceedings on proposals advanced by others, both friends and acquaintances, and ultimately how we vote on them. Our performance and our votes are noted. It is important that they are well thought through and ultimately well explained.

Finally, there is the matter of participating in initiatives, either as a partner advancing a proposal in which we join a larger group or as a sole performer, advancing our own ideas. In the latter situation, we must consider with care whether we have a reasonable chance of winning and then organize to win or whether we want to advance our proposal for the record, even though we might lose.

It is against this background that I shall now turn to a discussion of the proceedings of the commission at its 1986 session.

Proceedings of 1986 Session

Rapporteur on Religious Intolerance. The most satisfying event of the session, from our point of view, was the adoption of our resolution to establish the position of a rapporteur on religious intolerance.

The mechanism of appointing rapporteurs is a relatively recent development at the UNHRC. Rapporteurs were initially appointed so as to examine the situation in a particular country in which human rights violations were understood to occur. The task of the rapporteur was to study the problem, write a report on it, and then submit the report to the commission. To these country rapporteurs, there have recently also been added subject matter rapporteurs. These report on occurrences worldwide of a particular category of human rights violations. The first such rapporteur was entrusted with the task of reporting on the problem of summary and arbitrary executions. The second was called upon to report on incidents of torture. To this we added in 1986 a rapporteur whose responsibility it will be to examine the problem of infringements on religious liberty and to act and report thereon.

We decided on this initiative, first, because we thought it dealt with a human rights problem that required attention and, second, because we thought we could get the votes for it. To be sure, some of our friends thought the proposal could not win and, in particular, that it could not win if sponsored by the United States. The final vote was 26 to 5, with 12 abstentions. Voting "no" were the USSR, Byelorussia, East Germany, Bulgaria, and Syria.

Chile. Another major initiative of ours at the 1986 session was our resolution on Chile. I need to emphasize that it did not reflect a fundamental shift on our part in our attitude toward human rights conditions in Chile. Since the fall of 1984, we have expressed in UN fora our deep concern about human rights violations in Chile. The reason for our voting "no" on past UN resolutions on the subject of Chile, we had explained, was our disagreement with the specific wording of these resolutions, rather than with the basic principle of adopting a resolution on this subject. It was a natural outgrowth of our position in this matter that we would ultimately put forward the kind of text on the issue of Chilean human rights that we could, in fact, support. As distinct from its predecessors, it referred to the Government of Chile as a government rather than using the term "the Chilean authorities." Our resolution, as distinct from its predecessors, did not denounce the Chilean Constitution of 1980, nor did it resort to name-calling. It sought, instead, to set forth our specific concerns regarding human rights violations in Chile and appealed to the government to correct the situation.

Negotiating the text of the resolution proved to be an extraordinarily time-consuming task. Until the very last day of the commission session, it was not certain as to whether our resolution would pass or whether the commission would adopt the draft resolution sponsored by Mexico, a text patterned after the resolutions of previous years. On the last day of the session, however, Mexico withdrew its text and let our text be adopted by consensus. Even at that point there was a last-minute hitch as the Soviet Union announced that it would object to consensus. Rather than see the Soviet bloc isolated on this issue, the Soviets ultimately withdrew their objection.

Ethiopia's Resettlement Program. Our third major initiative dealt with the human rights violations which occurred in the context of the resettlement program conducted in 1984 and 1985 by the Government of Ethiopia. We drew the commission's attention to the brutality with which this resettlement program had been conducted, to the thousands of lives that have been lost as a result of such brutality. Our proposal to have the UNHRC deal with the issue of Ethiopia was, however, sidetracked through a motion "to take no decision," the United Nations' equivalent of a motion to table. Voting "no" on this resolution were the

10 members of the Western group, plus Japan and Cost Rica.

Other Issues. Finally, let me mention that we delivered major statements on the Middle East, South Africa, religious intolerance, self-determination (which covered Afghanistan and Cambodia), and the Subcommission on Prevention of Discrimination and Protection of Minorities, as well as a comprehensive statement on human rights conditions throughout the world in which we discussed human rights conditions in El Salvador, Guatemala, Chile, Cuba, Nicaragua, Iran, Ethiopia, Poland, Bulgaria, and the Soviet Union.

Aside from these two major initiatives, we joined with our Western colleagues and many others in voting for resolutions on Afghanistan, Cambodia, and Iran. Resolutions were also adopted which noted human rights progress in El Salvador and Guatemala. Other resolutions, such as the UN perennials on the Middle East and southern Africa, passed over our opposition, in which we were usually joined by many of our Western colleagues.

As I indicated at the beginning, each session of the Human Rights Commission presents us with a renewed challenge of extracting something useful from this rather imperfect mechanism. I believe that as we reflect on the results of the 1986 session, we can say that we met that challenge.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

UN Financial Crisis

by Vernon A. Walters

Statement before the UN General Assembly on April 30, 1986. Ambassador Walters is U.S. Permanent Representative to the United Nations.[1]

In spite of the obvious and profound difficulties which beset the United Nations, our presence here today signals our commitment to address these problems and to revitalize an institution to which we maintain our dedication. There can be no doubt that the United Nations is a troubled organization. But there can also be no doubt that the lofty goals and purposes for which the United Nations was founded are as relevant today as they were four decades ago. The U.S. Government recognizes the vital importance of international cooperation and is committed to its improvement.

The Secretary General has convened this resumed session of the 40th General Assembly because, in his words, "the United Nations faces the most serious financial crisis in its history." The cumulative effects of late payments by a majority of member states, withholdings on questions of principle by a substantial number, and recent legislation in the United States have combined to put the organization in a position where it will not be able to carry out all planned activities in the current year. Resolving this crisis has both short-term and longer term aspects, and while the specific purpose of this session is to deal with the short-term problems of 1986, my government believes we must keep in mind the longer term aspects of the crisis, as well as its underlying causes, as we go about our work.

As important and pressing as the financial issues facing us are, let us not overlook the fact that what we face is, in the words of the Secretary General, "above all a political crisis." The Secretary General is correct in describing this political crisis as arising from lack of agreement among member states on means and purposes for financing the organization. The crisis, however, goes much deeper than that. Why are member states unable to agree on the means and purposes for financing the organization? The reason is that the United Nations is facing a crisis of confidence.

Member states remain committed to the ideals of the United Nations—we saw this clearly in statement after statement at the 40th anniversary session of the General Assembly—but member states no longer have confidence in the United Nations as an institution for effectively serving those ideals. The Secretary General and member states share responsibility for rebuilding a sense of confidence in the organization.

The resumed session of the General Assembly is an important test to see if such confidence can be restored. A serious effort among member states—with active guidance and assistance from the Secretary General—to deal with the short-term financial problems now confronting the organization, will be of great importance in rebuilding confidence in the United Nations. This, in turn, will lay an encouraging foundation for addressing the long-term fundamental reforms which must be agreed upon at the 41st General Assembly. Our failure at this resumed session to deal constructively with the short-term financial issues now before us would seriously jeopardize prospects for success over the long term.

Background

The current cash shortfall has been building up over a long period of time. According to the Secretary General's report, shortfalls in the payment of assessed contributions began at the end of 1956 and reached serious proportions as early as 1960. The General Assembly has taken a number of steps since then to address the problem and has looked at an agenda item called "the financial emergency" every year since 1976. This financial emergency has existed because some member states have declined to pay part of their assessments because of disagreements with certain programs, such as peacekeeping, and because other member states have failed to stay current with their assessments.

The Secretary General's report of April 12 on the current financial crisis indicates that, as of March 31, 1986, 80 countries, a majority of UN members, had all or a portion of their 1985 assessments still unpaid. For 1986, only 14 member states had paid their current assessments in full by the end of March. This situation reflects the pattern of recent years. The organization has managed to continue operations because of its reserves, made up of the working capital fund and the special account, and because the United States, which is assessed 25% of the organization's expenses, has contributed virtually its full assessment to the organization each year.

This year, because of two recently enacted laws, the United States finds itself unable to pay its full assessment. The fact that the arrearages of other member states have totally depleted the organization's reserves suggests that the U.S. shortfall becomes the straw that breaks the back of the camel. The $76 million shortfall described by the Secretary General, in fact, is very close to the projected U.S. arrearage for 1985 and 1986, which we estimate currently at about $80 million. One could say cynically that the United States is being

blamed now because it is late in joining the member states who have not paid their assessments in the past. I might add that such cynicism may not be misplaced in this organization where countries who have for many years deliberately withheld substantial amounts from the UN budget refer to the U.S. withholdings as a policy of "financial diktat and blackmail." More to the point, however, the financial crisis is not the responsibility of one member state, but is the result of years of withholdings and late payments by a majority of countries.

Let me now turn to the two laws which are causing the United States to fall short on its assessed payments. The first is the Kassebaum amendment, which limits U.S. payments to the United Nations and the specialized agencies to 20% of their budgets unless the organizations institute a decisionmaking system for budgetary matters providing voting strength proportional to the size of contributions. The law reflects dissatisfaction in the U.S. Congress over the fact that countries which contribute the great majority of the organizations' money have little say in how it is spent. The Secretary General has pointed out that member states who contribute 70%–80% of the UN regular budget have not been able to vote in favor of any of the last three biennial budgets of the United Nations.

The U.S. delegation made it clear in the 40th General Assembly that a Charter amendment to produce so-called weighted voting was not the only way in which the intent of the Kassebaum amendment could be addressed. We were pleased that the General Assembly approved the establishment of the Group of 18 to examine the administrative and financial functioning of the United Nations, and we note that one element of the group's agenda is to look at the procedures for reaching a broad agreement on the organization's budget. We are hopeful that the group's deliberations will produce recommendations to the 41st General Assembly which, when acted upon, will strengthen the organization and will provide a basis for seeking modification of the Kassebaum amendment.

The other law is the Gramm-Rudman-Hollings Deficit Reduction Act, which requires that the total U.S. federal budget deficit be progressively reduced to zero over the next 5 years. To the extent that targets are not met by directed program cuts, the Gramm-Rudman-Hollings act requires a *pro rata* sequestering, or cutting, of virtually all federal programs. This law has resulted in a sequestering of a portion of the U.S. 1985 UN assessment and could potentially require an additional sequestering of part of the 1986 payment as well. The Gramm-Rudman-Hollings act is not specifically directed at the United Nations or at international organizations, but its effects are being felt by them. The future of Gramm-Rudman-Hollings is unclear, but the need to reduce the federal budget deficit is sure to remain a high priority for the U.S. Government. We hope that the deficit ceilings specified by this law will be met through directed program reductions so that across-the-board cuts will not be needed in future years.

Current Situation

Given the existence of large cumulative arrears and the inability of the United States to make its full payment this year, the United Nations is forced to cut its expenses now. The Secretary General has already undertaken administrative measures which he believes will save $30 million, and he is asking this resumed session to approve an additional $30 million of program deferrals and suspensions. The delegation of the United States has carefully reviewed these measures. We regret the curtailment of some of the activities proposed for deferral, and, more important, we believe that administrative savings and program deferrals should be more directly aimed at improvements in the efficiency and effectiveness of Secretariat operations. Nevertheless, we conclude that it is important to keep the Secretary General's proposals together as a package. We believe, therefore, that the Secretary General's proposals represent a constructive first step to address the financial shortfall, and we support their approval as a package.

The United States is concerned that the Secretary General's savings proposals do not equal the projected shortfall. A gap of some $46 million is to be filled by voluntary contributions or other measures to be decided upon by member states, such as commercial borrowing or further increasing the working capital fund. The U.S. delegation opposes these last two proposals, as we have in the past years.

We are also concerned that the Secretary General's projection of the 1986 shortfall may be somewhat optimistic. For one thing, the projection assumes that, except for the United States, payments to the regular budget will be almost equal to the amount assessed for the current year. Such performance is possible, but would require a substantial departure from past practice. We would hope, therefore, that the Secretary General will monitor the UN's financial situation closely throughout the year and be prepared, if necessary, to propose additional savings measures.

A related concern is that the Secretary General's proposals only cover 1986. We are aware that the Group of 18 is considering a number of proposals for cost reduction and increased efficiency whose effects would be felt in 1987. The beginning of each year, however, has been a time when few payments are received. This situation is likely to be more critical next year, because the Secretary General has proposed that member states advance a portion of their 1987 payments into 1986, and defer 1986 programs into 1987.

Conclusion

The United States has always been the largest financial supporter of the United Nations and fully intends to continue its support. The current financial crisis has resulted in part from substantial arrearages spread among many member states and partly from frustration on the part of the United States and, we believe, other member states that their views on the level and content of the organization's budget are not taken seriously. As we indicated earlier, the United Nations faces a crisis of confidence. This resumed session is not intended to resolve the basic problems that have brought the organization to this point. Those problems can be addressed only by candid discussions among member states over the coming months, assisted by thoughtful and serious recommendations from the Group of 18. The U.S. delegation stands ready to participate in any and all such discussions.

For now, our goal must be to assure the continued functioning of the organization until a broad consensus on the future budget and program of the United Nations is obtained. As I indicated earlier, the U.S. delegation believes that the Secretary General's savings proposals should be accepted, and that he should be asked to monitor the short-term financial situation carefully.

The decisions we take at this session can have a profound effect, positive or negative, on the future of the United

Nations. I urge that the member states work together to ensure that the effect is a positive one, because the future of the organization is of great importance to us all.

In closing let me renew the commitment that Secretary of State [George] Shultz made when he spoke on the occasion of the 40th anniversary of the signing of the Charter of the United Nations in San Francisco on June 26, 1985. He said:

I want to leave you with one clear message: The United States is going to stick with it. We will fight for peace and freedom and for our interests—in the United Nations as we do everywhere else. And we will do our part to make the United Nations work as a force for security, for human rights, and for human betterment.

[1]USUN press release 37. ■

Visit of Mexican President

(White House photo by Bill Fitz-Patrick)

President Miguel de la Madrid Hurtado of the United Mexican States made an official working visit to Washington, D.C., August 12–14, 1986, to meet with President Reagan and other government officials.

Following are remarks made by the two Presidents after their meeting on August 13.[1]

President Reagan

President De la Madrid and I have just completed one of our most constructive and, I think, fruitful meetings. It was the fifth in a series which began in 1982 and demonstrated again that U.S.-Mexican relations are based on respect, understanding, open and frank discussion, and mutually beneficial cooperation.

The decline of oil prices and the burden of a debt incurred in past years have hit Mexico hard. President De la Madrid's Administration and the people of Mexico are making a courageous, determined effort to face up to their nation's fundamental economic problems and turn a difficult situation around.

In our meeting today, I emphasized to President De la Madrid that the people and Government of the United States are ready to lend a hand when and where it can make a difference. The United States, for example, strongly endorses Mexico's recent agreements with the International Monetary Fund and the World Bank. We hope arrangements made with Mexico's private creditors move quickly so that Mexico can reignite economic growth, evolve toward a more efficient market-oriented system, continue to meet its debt obligations, and meet the economic needs of the Mexican people.

As I expressed to President De la Madrid today, the United States is prepared to do its part with commercial and agricultural credits; support for international financial institution programs in Mexico; and by maintaining our markets open to Mexican products—products Mexico must export if it is to prosper and meet its international financial obligations.

Mexico's entry into the General Agreement on Tariffs and Trade is also viewed here as a major step forward. This step comprises part of a strategy of economic restructuring which highlights productivity and the creation of a favorable business climate. Toward this end, President De la Madrid and I agreed to give priority to negotiations of a framework agreement on trade and investment and to have it done within a year.

Symbolic of our strengthening bonds, I am pleased to announce that the United States is lifting today our 6-year-old embargo on the importation of tuna from Mexico. Former Ambassador John Gavin, I should point out, was instrumental in achieving this breakthrough. And we're looking for further progress in our discussions on fisheries issues.

One area of solid agreement was our recognition of the necessity of maintaining our countries' strong campaign against drugs. We pledged to bolster our eradication programs and our efforts to bring to justice vicious drug traffickers, who have been such a corrupting influence in both our countries. We also pledged to do all possible to attack the demand side of this evil by aggressively discouraging the consumption of narcotic drugs.

We can be proud of the broad range of cooperation developing between our countries, including border environmental policy, improved civil aviation arrangements, new bridges and border crossings, and our strong energy relations. We plan to strengthen our binational consultations at the Cabinet level to better meet the challenges and take advantage of opportunities for our two nations in the coming years.

What we have accomplished today builds upon the successes of the past and will benefit both our peoples. It was a pleasure to see my friend, President De la Madrid, again. As a good friend and neighbor, we wish you a safe journey home. *Hasta luego* and *nos vemos*.

President De la Madrid[2]

I wish to express my appreciation to President of the United States, Ronald Reagan, for his cordial invitation to hold this meeting in Washington. It has been a timely and fruitful meeting. It has been a fruitful meeting because it has been positive results in allowing us to deal frankly and in depth with various problems that both Presidents consider to be of prime importance for the proper development of relations between the United States and Mexico.

President Reagan and I agreed to give priority attention to the topics included in the bilateral agenda. We are pleased to acknowledge that this year there have been positive developments and agreements in dealing with various economic matters and in border cooperation. We agreed that it is necessary and just to emphasize such progress.

We have agreed that the governments, beginning today, should make an extraordinary effort to strengthen and improve our relations. This is a necessary element in order to broaden and intensify the cooperation between the two peoples. It is with satisfaction that I have today confirmed the firm determination of President Reagan to give renewed impetus to the development of positive relations between the United States and Mexico.

In this spirit, we have exchanged views on various issues of great interest to the two governments and to both countries in general. Allow me to point out some of them briefly.

Firstly, we took up in detail different aspects of our financial and trade relations. The recent negotiations on the part of the Mexican Government with the international financial institutions, particularly the International Monetary Fund, have successfully opened the way to new and more realistic and flexible formulas for dealing with the problem of the foreign debt.

I recognize that the Government of the United States, in playing a very constructive role, did a very fine thing, and this we greatly appreciate. It is our purpose that Mexico should attain a sufficient and sustained growth as a basis in order to restructure and renew its economy; in order to maintain the social progress that has been the basis for the long stability of our country; and in order to extend its capacity to comply with its international commitments.

The problem of the foreign debt is related with more finances in order to improve the conditions that will make it possible for us to comply with our foreign debt. Mexico seeks to create greater exportations in areas in which it has comparative advantages. Exports that are not oil problems, commercial links that will recognize the varying degrees of developments of both economies and that do not offer decrimination or absolute reciprocity, can be a good basis for the increase of our trade.

Both Presidents have given instructions to their associates in order to undertake a broadened agreement on trade and on other subjects, and we have given definite instructions to our negotiators on both sides.

President Reagan and I also had the opportunity to exchange points of view on the problems of the undocumented workers in the United States. This is a problem that has to do with the structures of both economies. And there is no doubt that as the Mexican economy improves, the migrant flows will tend to decline.

I would also like to refer to a subject that President Reagan and I dealt with as a very important part of our conversations. And I am referring now to the war against drug trafficking. The Government of Mexico maintains that international cooperation is absolutely necessary in order to efficiently face drug trafficking.

We agreed that it's necessary to simultaneously attack all the links of the chain; that is, production, distribution, and consumption. I have said to President Reagan that we believe that the campaign that, under his leadership, has been established in the United States is very important to combat the consumption and the distribution of drugs.

We shall continue to strengthen the cooperation between both governments in order to combat this cancer of modern society. I believe, as has been said by President Reagan, this conversation has been particularly satisfactory. It is an additional proof of the firm and loyal friendship that unites our two peoples.

We have a great deal to benefit from a dignified, cordial relationship of mutually good for both. I thank President Reagan and the members of his party for the very warm hospitality that they have extended to us. And, once again, I would like to state the recognition of the Government and the people of Mexico for the assistance that was given to us by the United States during the earthquakes in the month of September, particularly the very warm friendship of Nancy Reagan who went to be with us during those painful times.

[1]Made at the South Portico of the White House (text from Weekly Compilation of Presidential Documents of Aug. 18, 1986).

[2]President De la Madrid spoke in Spanish, and his remarks were translated by an interpreter. ■

Update on Chile

by Elliott Abrams

Prepared statement before the Subcommittee on International Development Institutions and Finance of the House Banking, Finance and Urban Affairs Committee on July 30, 1986. Mr. Abrams is Assistant Secretary for Inter-American Affairs.[1]

In early December last year, I testified before this subcommittee outlining the Administration's policies and goals toward Chile. At that time, I noted our hopes and concerns for progress in greater respect for human rights and a democratic transition in a land once known for its democratic traditions. I concluded with an explanation of how, on a case-by-case basis, we determine our votes on loans for Chile in the international financial institutions (IFIs).

I welcome this opportunity to review some of the main developments in Chile since December as well as the Administration's policy toward that troubled country. In dealing with Chile we must move with a clear vision, shaping our actions to the reality of the situation and using our limited instruments of influence, such as our IFI loan votes, in a prudent manner. We must not act in haste and anger, but ask how each loan vote fits into our policy of support for a democratic transition and human rights improvements, as well as the economic merits of each proposed loan. And, of course, we must observe the requirements of applicable legislation.

Human Rights: Progress and Continuing Problems

The tragic death of Rodrigo Rojas earlier this month has again focused the attention of Americans on the cycle of violence in Chile and the need to

encourage greater respect for human rights. We have repeatedly made clear that we have a strong commitment, despite limited policy tools, to bring about increased respect for human rights in Chile. Our humanitarian concern over the death of this young man was evident in our aid to his mother in entering Chile, our statements calling for an honest investigation, and in our Ambassador's attendance at Rojas' funeral with the Administration's full concurrence.

I would like to briefly outline what we see as some of the pertinent events bearing on respect for human rights in Chile since I last testified before this subcommittee.

As I testified before last December, we have welcomed the expressed willingness of the Chilean Government to cooperate with the UN Special Rapporteur, Fernando Volio, as providing the opportunity to encourage concrete human rights improvements. Progress in this area, however, has been slow—much slower than we would have liked. In some areas there have been positive developments; although, I should note, some of these are so new that the verdict is not yet in on their effectiveness.

On the positive side, I would note the willingness of the government in June to authorize publication of a daily newspaper—*La Epoca*—associated with Chile's democratic opposition and scheduled to be on the stands early next year. As far as the existing media are concerned, there has been much more freedom of expression allowed since the lifting of the state of siege over a year ago; although the government imposed strict censorship on several radio stations early in July. In addition, there is the government decision last month to create a human rights advisory commission, which is significant if only as official recognition that Chile has human rights problems. We hope that this official human rights commission will work with the respected private human rights groups in Chile and have a positive impact in bringing about rights improvements. Similarly, the announcement that the government intends to reestablish separate labor courts could lead to greater protection of worker rights.

Another positive development, which corresponds to Mr. Volio's recommendations, is an apparent decision by the Chilean Government to refrain from sending its opponents into forced internal exile. This practice was used against hundreds of protestors in 1985, but so far this year the government has not invoked this repressive authority. The authority to do so, however, still exists on paper, deriving from transitory Article 24 of the 1980 constitution, which gives the Chilean president sweeping powers to restrict civil liberties during announced states of exception in Chile, such as are in effect now.

The government's decision to turn to the judicial system to prosecute protestors or other government opponents represents an improvement over past practice, when there was no opportunity for those affected to contest actions against them, but does not eliminate our concerns about how the government responds to peaceful dissent by Chilean citizens. Those charged with violations of state security laws frequently are detained for prolonged periods, sometimes incommunicado, whether or not they have been charged with personal involvement in specific acts of violence. We will watch carefully the trial proceedings now going on for the 13 Civic Assembly leaders who are charged with violations of state security laws in connection with the July 2–3 general strike. Despite the explicit public calls of these leaders for nonviolence during the work stoppage, these Chilean leaders face sentences of 60 days to 3 years in prison. Arrested on July 10, they have not been released on bail, but have received visitors, including a human rights officer of the U.S. Embassy in Santiago.

We hope that the Chilean Government's willingness to continue its exchange with Mr. Volio reflects the intention to take more concrete actions to improve human rights practices. Should there be progress of this kind, we would certainly welcome it, and would urge due recognition by the General Assembly when the Chilean human rights situation is reviewed by the United Nations this fall.

While it is important that we recognize where there has been progress, it is also important that we recognize where problems have continued or become more acute. A review of the the problem areas highlighted in the resolution on Chile drafted by the United States and adopted by consensus at the UN Human Rights Commission meeting in March makes clear that there are many areas in need of improvement. For instance, there is no reasonable explanation for the frequent failure in Chile to identify, prosecute, and punish those responsible for violent crimes. In the case of Rodrigo Rojas, an instance of such violent crime, we have made clear that we look to Chilean authorities for a thorough and impartial investigation. We have seen the decision of the judge to indict one military officer for manslaughter, as well as the July 24 statement issued on this decision by the Vicariate of Solidarity. There are serious questions raised by the differing views of how this incident actually occurred and we are concerned over these discrepancies. We will not consider this matter closed until the discrepancies between what the judge ruled to have occurred, and what eyewitnesses claim, are resolved, and all those responsible for crimes related to Rojas' death and the severe injury of Carmen Quintana are tried and brought to justice.

Another problem I spoke of last December remains unresolved. We have continued to receive credible reports of torture by security forces. After a notable drop-off of reports of this nature to the Vicariate in the period of March–April, reports again have been received. At least 14 cases of torture in Santiago alone have been brought before Chilean courts this year.

The final problem area I would highlight today is the nature of the government response to acts of civil disobedience and to antigovernment violence and terrorism. According to provisional figures available from Chilean human rights groups, there were approximately 3,300 people detained by security forces for participating in politically motivated demonstrations during the first 6 months of this year. By comparison, during the last 6 months of 1985 (the best period of comparison, since the state of siege was in effect for the first half of 1985), a total of 3,920 were detained for similar reasons.

As these figures imply, the heavy-handed government action at Rodrigo Rojas' funeral was not the only instance of overreaction apparent this year. Another notable instance was the deployment of thousands of government troops to cordon off Santiago on May 21 in order to prevent small antigovernment protests from taking place, which was even criticized by some supporters of the Chilean Government. Government sweeps of poor neighborhoods in Santiago and temporary detentions of thousands of people similarly seem unwarranted and excessive, in view of the small number of accused criminals or terrorists actually arrested and the limited quantity of illegal arms reported discovered. Such actions can only contribute to the climate of confrontation and complicate efforts to bring about a transition to democracy.

As the Chilean Conference of Bishops recently noted, the violence in Chile today stems from complex causes. Among those are concerted efforts of the Chilean Communist Party and its far left allies to pursue their undemocratic ends by attempting to provoke ever greater repression through terrorist violence. These groups have pursued a wave of bombing attacks which included in recent months a bomb directed against the residence of the U.S. Ambassador; an attack against Santiago's subway system that left two people dead; killing of policemen; strafing of military housing for women and children; and bombings of some Mormon churches and U.S. businesses. The tombs of President Pinochet's parents were also vandalized. The most recent act of terrorism occurred on July 25, when 39 persons were injured by a bomb explosion at a bus stop in downtown Santiago. No group has claimed responsibility for this bombing, which we strongly condemn.

Support for Democracy and Human Rights

Our encouragement of greater respect for human rights goes hand-in-hand with our efforts to encourage a peaceful democratic transition. History shows that only in truly democratic states are the rights of an individual secure.

In December, I related to you our view that the creation of the National Accord represented an advance in the process of dialogue and reconciliation necessary if Chile is to achieve a peaceful democratic transition. Though the Chilean Government has shown intransigence in dealing with the democratic parties comprising the accord, we continue to believe it provides a base from which peaceful progress on Chile's democratic transition can be made. We hope that all Chileans concerned about the future of democracy in their country will build on the positive elements they see in the accord.

During his July 12–18 visit to Chile, Deputy Assistant Secretary Robert Gelbard also renewed our message on democracy and human rights. He clearly articulated that the United States supports a peaceful transition to full democratic rule in Chile by the most prompt and effective means. How Chile achieves a democratic system must be determined by the Chilean people. But we are committed to using our limited influence and encouragement to helping them bring that about. With the strong, talented, and experienced U.S. Ambassador we have in Santiago, and the public expressions of support for a democratic transition coming from Washington, this Administration has put itself squarely on the side of democracy and human rights in Chile.

President Reagan on a number of occasions has signaled his personal support for democratic change in Chile. In spring 1985 he spoke of "entrenched military rule" in both Chile and Paraguay, where we have another very effective ambassador. During his Human Rights Day speech in December, the President noted that in Chile, as in the Philippines, we had "shown our strong concern when our friends deviate from established democratic traditions." In his public welcome for Uruguayan President Sanguinetti just last month, the President said bluntly, "in this hemisphere, the days of dictatorship, left or right, are numbered," noting that the peaceful return to democracy in Uruguay can serve as a model for others, and concluding "authoritarian regimes should take notice."

If any doubt remained over U.S. policy following these statements, they should have been dispelled by the response of the White House to the recent public attack on Ambassador [Harry] Barnes. The White House issued a statement the following day reaffirming President Reagan's full confidence in Ambassador Barnes. Ambassador Barnes, like our other ambassadors, carries out Administration policy which is made in Washington. This policy is, of course, to encourage a democratic transition.

The vast majority of Chileans support a peaceful transition to democracy and understand the substance of our policy toward their country. The Chilean Communist Party, which is the largest in the hemisphere next to that of Cuba or Nicaragua's Sandinistas, also is aware of our stance. It, however, has adopted the tactic of "armed struggle" to remove the military government since it has no interest in peaceful solutions which would leave the party lacking complete power. By supporting terrorism and violence, the communists hope to provoke greater government repression and produce general polarization. They have tried hard to convince democratic elements of Chilean society that the only means of restoring democracy is through violence.

We reject violence from any side as an attack not only on human and civil rights but against the future of a democratic Chile. Groups such as the Communist Party, who favor violent means to political ends today, cannot be expected to abide by democratic rules tomorrow. Those who accord legitimacy to the communists and other extremists are not contributing to a stable, democratic Chile.

The Challenge for the United States and Chile

The current climate of violence and confrontation in Chile poses a difficult challenge for the United States. The Chilean Government believes that it has a workable plan for returning Chile to democracy relying on the mechanism set out in the 1980 constitution. The government announced this spring a schedule for drafting and approving certain basic laws related to that constitution. The constitution would be fully implemented in 1989, when a presidential candidate chosen by the military junta is to be put before the people in a plebiscite.

We look forward to enactment of these laws as positive steps. But to be truly meaningful, they should be enacted in a context of full civil liberties, such as freedom of assembly, speech, and press, and access to the means of communication. Advances in these crucial areas mean progress in restoring democracy as well as improvements in human rights observance.

The 1980 constitution, however, and its timetable and program for a transition are matters of great controversy in Chile. In the absence of any broad and meaningful dialogue with the democratic opposition, grounds for skepticism exist that the Chilean Government intends to take steps toward developing the sort of broad consensus that would enable a peaceful, orderly transition to democratic government take place. Further delay in taking concrete steps to give the Chilean people confidence that their nation is headed toward democracy and to restore full civil liberties can only benefit enemies of democracy on the extreme left and right. Failure to return to democracy will be accompanied by increasing polarization and violence. The strengthening of the far left in Chile resulting from this could have a negative impact on some still fragile democracies elsewhere in the region and jeopardize U.S. interests.

Given the important stakes involved, the United States needs to have a forward-looking, prudent policy. We have been careful not to endorse any program or timetable for a transition—issues only the Chilean people can decide. We all need to recognize that

although pro- and antigovernment Chileans put great store in what the United States does or does not do with respect to Chile, we have in fact very limited real influence. We have few carrots and few sticks available. We have no security assistance program; no military training relationship; no bilateral economic assistance program to speak of except for a small amount of humanitarian food aid. Because of legislative restrictions imposed on the executive [branch] by the Congress, we have very limited channels of communication to the Chilean Armed Forces, who must play a key role in assuring a peaceful transition to democracy.

In carrying out our policy of encouraging democracy and human rights improvements in Chile, we hope we will have active bipartisan support from the Congress. We need to work together. I am sure you share our desire that we do not contribute—even inadvertently—to accelerating the very process of polarization and violent confrontation which we see developing, and which only benefits the extremes in Chile.

U.S. Votes on Loans to Chile

Legislation related to the IFIs requires the executive [branch] to examine the human rights situation, in addition to the economic rationale, carefully in determining our votes on loans in the multilateral institutions. Pursuant to this case-by-case review, we look at each loan separately and consider the situation in a particular country as it exists just before the loans are scheduled to be reviewed by the executive boards.

As the committee is aware, no loans to Chile are scheduled for review until this fall. The earliest loan expected to come up is a $250 million World Bank structural adjustment loan (SAL), perhaps in early October. We also expect a mining sector loan to come up at the IFC [International Finance Corporation] in October. Three loans at the IDB [Inter-American Development Bank] are likely to be voted on prior to the end of the year. These include a $240 million loan for a hydroelectric power project, a $40 million loan for urban services, and a $13 million loan for regional hospitals.

We also anticipate that there will be a need for Chile to approach the commercial banks for another debt rescheduling next year, which could also include a request to the banks for new money.

Our judgment on Chile's economic policies is that, considered in isolation of human rights concerns, they provide a strong basis for voting in favor of most IFI loans for Chile. The economic management team of the Government of Chile has a solid free market orientation and is considered by international financial institutions to be highly skilled.

The country, however, still confronts acute economic problems. World prices for copper, Chile's principal source of export revenues, remain at low levels. Unemployment is historically high, although it is gradually declining, and the need to service the country's large external debt of about $20 million—a figure which already exceeds GDP [gross domestic product]—represents a restraint on growth. About one-third of this debt is held by U.S. commercial banks. Despite difficulties, the Chileans have the remarkable record of having met all the interest payments on their foreign debt as well as having generally complied with IMF [International Monetary Fund] targets.

In order for Chile to maintain the modest growth rates of 3%–4% forecast for this year and the next, it will need an injection of new foreign funds from the IFIs and commercial banks. Some opposition figures are aware of the importance of such funds to the Chilean economy and have counseled us to consider carefully the impact of our actions on the average Chilean.

Given the sound economic policies being followed in Santiago, it is apparent that our loan vote decisions will largely be driven by how we see the human rights situation in Chile. How we vote will depend a great deal on what happens in Chile between now and then. As the subcommittee is aware, we have used our loan votes in the past to promote human rights improvements and movement toward democracy, and we may do so again. No decisions have yet been made regarding our votes on these upcoming loans. It would not be good policy to remove our flexibility to use the human rights improvements and progress on democratization. An announcement of our position now would leave the Chilean Government no incentive to make positive changes. This would defeat what I understand to be a key purpose of the human rights legislation related to IFI votes, which is to provide the executive [branch] with a mechanism for encouraging improvements. As I've repeatedly stressed, we have only limited policy tools available. Curbing our flexibility by taking a position on loan votes now would in my judgment work against our shared policy goals in Chile.

Prospects

Chile today is in flux. Along with the danger of greater polarization, the situation offers the possibility for constructive change. A vigorous public debate is going on within Chile, covering a wide spectrum of issues, ranging from President Pinochet's rejection of dialogue with the National Accord to the tragic death of Rodrigo Rojas. To a large degree, the government has permitted this debate to be reported in the print media—although, there are still distressing instances of censorship and indirect economic pressure being applied to shape the news. This public debate seems to be matched to a certain extent by internal debate within the government—still very tentative—about Chile's return to democracy. This was apparent in the quick reaction by various junta members to President Pinochet's announcement earlier this month that he intended to extend his government's rule for another 8-year term—virtually until the end of the millenium.

There are certainly real possibilities for a peaceful democratic outcome in Chile. The Administration will continue to provide every encouragement to those Chileans truly committed to democracy and help to strengthen, not weaken, their position with respect to other elements in the society. We will continue to advocate dialogue between the government and democratic opposition. We will continue to support the efforts by Cardinal Juan Francisco Fresno and the Chilean Episcopal Conference to bring about national reconciliation and an end to violence. We share their desire to avoid any actions which could lead to greater suffering by the Chilean people. Efforts such as those of the Cardinal, we hope, will eventually be well-received by the Chilean Government, and lead to an understanding among the various sectors of Chilean society, which remain deeply divided by a lack of communication and mutual distrust. The Pope's visit next spring will provide an important opportunity to strengthen and add even greater moral force to these efforts.

The Administration has a strong human rights policy in place, which we will continue to pursue vigorously. I am sure you will agree it stands the best

chance of succeeding if we have bipartisan support from the Congress. We will, of course, continue to consult with Congress in order to achieve such a consensus. Our foreign policy goals in Chile, shared by the vast majority of Americans, are a peaceful transition to democracy and increased respect for human rights. We believe these also are the goals of the majority of the people of Chile, who ultimately are the only ones who can and will determine their country's destiny.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Obstacles to Investment and Economic Growth in Latin America

by Richard T. McCormack

Address before the second Conference of the Great Cities of the Americas in San Juan, Puerto Rico, on June 20, 1986. Ambassador McCormack is U.S. Permanent Representative to the Organization of American States.

The obstacles to investment and growth in Latin America deserve the great attention they are receiving. Investment is particularly important because without investment no new jobs will be created. Without new jobs, there will be no economic growth. Without economic growth, political stability will gradually erode, and the precious democracies that all of us have worked so hard with Latin America to bring about may lapse into military dictatorships or the further spread of communist tyranny.

During the past years that I've worked as Assistant Secretary of State for Economic and Business Affairs, and more recently as Ambassador to the Organization of American States, it has been my great privilege to visit virtually every country in the Western Hemisphere. So what I'm going to share with you today are my personal observations on concrete obstacles to foreign and domestic investment that I've seen myself in the course of my travels. This will include obstacles to investment in food production. Finally, I will also offer some thoughts about what might be done to overcome these impediments to economic growth.

Investment and Growth Prospects

First, a word about the quality and value of many official statistics on economic growth in Latin America. They can be very misleading.

There is obviously a lot more economic activity taking place in some countries by way of investment and growth than official statistics indicate. Peru, which undeniably has economic problems, is a case in point, where estimates of the size of the underground economy range from between one-quarter to one-half of all economic activity in the country. Even buses, I am told, are assembled in factories without official recognition that they exist.

There is, however, a lot less economic activity than meets the eye in parts of Central America and the Caribbean. Growth statistics here are misleading, due to very high levels of official external economic assistance to individual countries, which cover up the low level of private investment and economic activity. External economic assistance, without a strong underlying base, creates economic hothouse plants kept alive by artificial conditions. But all of us know what happens when the heat in the greenhouse fails to work. So it is very important to achieve self-sustaining economic growth.

There is nothing mysterious about the policies that successful governments have used to encourage private investment and economic growth. They simply provide a stable environment in which investors have reasonable prospects for a competitive return on their capital and the assurance that they can get their money back if and when they want to.

That's it. That's the basis of it all. With these conditions, private investment occurs. Without them, money hides or goes elsewhere, and local economies languish.

There are subordinate complexities, of course, which determine investment and growth prospects. For example:

- Investment capital has to be generated in sufficient quantities, either from internal savings or foreign savings. Without somebody's savings, you have no money to invest.
- Nondiscriminatory, easily understandable regulation of business in the economy is vitally necessary. Nothing strangles business like red tape.
- A degree of physical security is necessary, so that investors and managers and their children are reasonably safe from terror and lawlessness and so the economy can operate in a normal manner.
- Adequate technology must be available.
- Local and foreign markets are required.
- Rational progrowth tax policies are vital.
- Production-oriented national food policies must be established to replace those based on 19th-century relics of class warfare, such as excesses in the name of land reform and shortsighted, arbitrarily imposed food prices.

Attracting Investment Capital

All of these investment-related matters must be addressed if optimum economic growth is to take place. For example, it is imperative that governments adopt tax and economic policies to encourage the creation of savings in individual countries and, equally important, to encourage those savings to remain at home. Capital flight in Latin America—estimates of which range from $100 to $180 billion in the past 5 years—is robbing nations of their vital investment capital. If Latin American capital invested abroad could be recovered, it could largely eliminate the foreign debt problems of Argentina, Mexico, and Venezuela. When you add the economic activity and growth that returning flight capital could generate, it would go far in restoring Latin America's economic health.

Beyond that, unless the capital flight problem is addressed, no amount of foreign aid can rescue local economies. Instead of priming a pump, foreign assistance is merely pouring water into a sieve.

Thus, it is crucial to attack systematically the causes of capital flight. But it must be clearly understood that governments cannot successfully wall in capital with laws prohibiting its export. All negative legislation accomplishes, in the long run, is to create a *de facto* capital export tax as the nervous saver uses various sublegal techniques to get his imperiled savings

out of the country. A better approach is for governments to adopt positive incentives that will encourage people to keep their money at home.

One of the most important positive incentives involves exchange rates that are realistic and sustainable. Not only is this important to make exports competitive, but local people quickly see when their country is attempting to maintain an artificially high exchange rate vis-a-vis the dollar, as has happened periodically in Mexico and elsewhere. They know that their capital is endangered by a devaluation that is merely a question of time. So they get their money out of the local currency and into dollars. And, because many have learned from painful experience that even their internal dollar holdings are not always safe, they often put their dollar savings abroad.

It is also important to keep inflation under control. Citizens will be less inclined to keep their money at home—and here I'm talking about people's retirement savings—if they see their country running the monetary printing press at a rate which is bound to cause their savings to be inflated away. So they shift their money out of the currency, out of the country, into mobile, inflation-proof assets such as gold or diamonds, or move to other defensive investments. These defensive investments, however, are usually not very productive from the point of view of job creation.

People have learned that as individuals they are often powerless to persuade their governments to adopt rational economic policies. So their instinct is to grab the life preservers when they see the ship headed for the rocks; thus, the capital flight. That is why realistic exchange rates, sound monetary policies, and other measures are so critical.

The second source of savings is external capital, otherwise known as foreign investment, which should be welcomed everywhere from an economic point of view and given national treatment. Some governments, however, view foreign-owned companies and investors as some reputedly were in the 1920s: corporate tigers who involved themselves heavily in local politics of individual countries. Years ago, however, governments positioned themselves to get the upper hand. Some overreacted with nationalizations and other extreme measures. In any case, the situation profoundly changed. But what some governments do not seem to realize is that yesterday's so-called corporate tigers are today an extinct species. The private foreign companies now fear governments, not the other way around. Thus, the challenge facing governments is not how to deal with the legendary tigers of yesteryear but, rather, how to make today's corporate rabbits feel secure and happy so that they will reproduce and multiply, creating badly needed jobs and economic growth. This requires a totally different attitude on the part of governments. Efforts to provide more investment security, including those of the new World Bank multilateral investment guarantee agency, should be supported.

Beyond that, some local manufacturers fear the competition from more technologically advanced foreign companies and strive to keep them out. Sadly, to protect the existing jobs of hundreds, the potential new jobs for thousands thus are lost by default. Also, countries thus become trapped with obsolete technology and internationally uncompetitive products.

The challenge facing government policies is to nurture and attract both local and foreign sources of investment capital.

Factors Limiting Economical Growth

The second condition needed for increased investment in Latin America is sheer physical security. Today's terrorism, lawlessness, and kidnapping is a deathblow aimed at the weak link in the economic chain of growth—private investment. Let's take the example of El Salvador. For a time in the 1960s, El Salvador had one of the fastest growing economies in the world. Then came the terrorists and the kidnappers and the saboteurs, targeting the owners and managers of private local and foreign companies and their children. This was a deliberate, conscious strategy for the economic and political destabilization of the victim country. Criminal elements added to the chaos. Uncertain of the future and fearful for their lives and the lives of their children, local investors began to hedge their bets by increasingly salting away their savings and sending their children abroad. Foreign investors also fled. The economy ground to a halt. Unwise government policies then further damaged the economy and gravely weakened the financial and agricultural sectors of the nation.

The body politic, thus weakened, became more vulnerable to the second phase of terrorist operations—large-scale guerrilla warfare.

Recently, I visited Guatemala and talked to businessmen. They told me that violence and uncertainty due to guerrilla activities and terrorism were limiting their own willingness to put their family fortunes into long-term local investment. They told me that until the predatory communist regime in neighboring Nicaragua changed and security prospects for the region improved, they were going to continue to limit their involvement in long-term, immobile investments.

Thus, until our Latin American friends and we successfully come to grips with the mounting violence and terrorism in parts of Latin America, investment and economic growth will continue to be disappointing and democracies vulnerable.

The third factor is the availability of modern technology, but a fundamental misinterpretation exists. The limiting factor on economic growth today is not some secret process of IBM [International Business Machines Corporation] or Silicon Valley but, rather, the decision on where to locate the factories to manufacture high-technology products. If governments make it attractive for capital, technology will follow. It's not the other way around. This is a large measure of the success story of North and Southeast Asia.

Another key factor involves adequate markets for goods. Without access to markets, there will be no investment. This means that all of us must work to keep the trading system open, but there must be a bargain here. American computer workers need access to Brazilian markets as much as Brazilian shoe workers need American markets. And unless both sides work to open these markets, political pressures will work gradually to close and restrict them, a lasting detriment to us all.

All of us must, therefore, work urgently to bring more open markets about. But it takes two to tango, and our trading partners abroad have been quicker to point accusing fingers at lingering remnants of American protectionism than they have been to come to the bargaining table with offers of *quids pro quo*. A country with a $150-billion trade deficit, such as ours, cannot continue to operate this way indefinitely. The golden goose of open U.S. markets may eventually die, either a political or economic death.

So all of us interested in global economic investment and growth would do well to press urgently for action on a new global trade round to eliminate

everyone's barriers to trade. Beyond that, governments need to ensure that their own internal markets are growing on a sustainable basis, and that means following economic policies which have proven their value when they have been successfully tried elsewhere.

Public v. Private Investment

At this point, perhaps a word about the relative merits of public, as opposed to private, investment would be in order.

Because of the failure of some governments to establish and maintain conditions needed to attract and nurture private investment in sufficient quantities, governments sometimes tax their citizens or borrow funds to establish a variety of state-owned manufacturing enterprises to provide employment and growth. The problem comes when these enterprises run into difficulties, as they frequently do, and start losing large amounts of money. This can happen because of bad luck, product obsolescence, mismanagement, or because the enterprise was ill-conceived to begin with. Such enterprises, launched with much fanfare by government leaders, cannot be easily terminated without substantial political cost. To keep them alive, governments are then compelled to provide large subsidies by raising taxes on their citizens and the healthy parts of the economy. This, in turn, robs healthier businesses of money that would otherwise be used for new investment. To make matters worse, governments also frequently compel the managers of state-owned enterprises to hire or retain large numbers of unnecessary workers, further adding to the requirements for state subsidies and increasing the cost of the products manufactured by the inefficient.

A case in point concerns the example of two oil refineries in Latin America of similar age, size, and construction, one still in private hands, the other now a state-owned enterprise. I am told the private refinery employs about 600 workers and the state-owned refinery more than 5,000 employees to generate a similar amount of output.

This pattern of events, in similar but less dramatic cases, is depressingly familiar throughout much of the world. The question is what to do about it. Some thoughts come to mind.

It is important to recognize that public investment in state-owned manufacturing enterprises is a poor substitute for the more difficult but far more important task of creating conditions that will result in more private investment. Governments do best when they invest in basic infrastructure, such as roads, schools, harbors, industrial parks, and other similar undertakings that will create opportunities for more private investment. Experience shows that governments, as a rule, are not good at establishing or managing actual manufacturing or producing operations. This is because politics interferes with rational day-to-day decisionmaking in state-owned enterprises. Hardheaded, practical, specialized businessmen perform this function far more efficiently. Collectively, this results in a much more dynamic national economy.

What I am saying here is not mere theory. It is simply the empirical results of vast past experience about state-owned enterprises around the world. Yes, there are exceptions due to specialized circumstances or unusually gifted individual managers. But vital national growth policies should be based upon the broader patterns, not the exceptions.

Divesting inefficient state-owned enterprises, while broadly recognized as desirable, is a difficult task that can only be done by political leaders who can articulately explain to their peoples the importance of creating a modern national economy based on efficient self-sustaining building blocks instead of on state-owned industrial dinosaurs that consume, through endless subsidies, the investment capital that would otherwise be used to create self-sustaining economic growth and productive jobs elsewhere in the nation.

Land Reform and Food Production

Finally, I want to offer a personal word about a sensitive subject that has a bearing on private investment in agriculture in Latin America. That subject is "land reform."

Several hundred years ago, textiles in England were produced largely through a cottage-type industry. Individuals wove tweeds and clothing of all sorts in their homes for their families and for limited sale to others.

Then came the arrival of the industrial revolution, and suddenly cottage workers were threatened with displacement due to the revolutionary new technology of power looms. The Luddite movement developed and thousands of workers swarmed into the factories in England to destroy the power looms and, they hoped, to save their cottage jobs.

We know that this did not succeed, and England continued for decades to lead the world in technology. Living standards rose dramatically, and everyone benefited.

In my view, some exponents of land reform, in attempting to replace large-scale private agriculture with a new emphasis upon micro-sized subsistence peasant farming, are unwittingly proposing policies very similar in aim to the Luddite movement. Nor have collective farms, by whatever name, proven more acceptable or successful in Latin America than they have been elsewhere in the world in producing food for nations.

We have seen in this century an explosion of population. However, the Malthusian prediction of mass starvation has not occurred because modern technology has developed agricultural techniques, whereby a relatively few and diminishing number of farmers can produce more food on a fixed amount of land to feed the world's billions. We have discovered that economies of scale work in many kinds of privately run food-growing facilities as well as they do in industry.

The practice of land reform in Latin America, by contrast, has usually been accompanied by dramatic reductions in long-term food production on the same acreages, despite frequent state subsidies of various kinds. Peru, for example, once was the world's most efficient producer of sugar. It now must import part of its sugar from Guatemala due to a well-intentioned but utterly disastrous land reform. Peru's land reform also triggered a rush of former farm workers and their families to the cities as the rural economy weakened across the board.

Land reform efforts designed to solve social and economic problems of the 19th century, and farm pricing policies that deny farmers a fair return, have turned nation after nation in parts of Latin America from being food exporters to food importers. Unwise food-pricing policies also rob countries of needed investment in agriculture because no one will voluntarily invest in a money-losing proposition. Moreover, the money now needed to purchase foreign food is not available to invest in jobs at home. Finally, farmers are no different from the rest of us. They will not work hard or pay for expensive fertilizers and machines to produce food that must be sold without profit or reward for their risks and labors.

We must, therefore, urgently transform our thinking about food

policies. The growing needs of the 21st century for food and jobs, rather than the class warfare of the 19th century, must be the driving force behind agricultural policies. And all of us, in Washington and in Latin America, must be honest enough to face the empirical evidence of policy results. Where policies fail, however well-intentioned, let us recognize them for what they are. In this vital area, continuing to spend scarce resources on proven mistakes is feeding sacred cattle at the expense of hungry millions.

An alternative to land reform is to allow the market to determine food prices and to levy fair, but not excessive, taxes upon successful large farms, keeping the productive units intact, the experienced owners and managers on their farms, the workers gainfully employed in the countryside, and the nation fed.

Conclusion

The basic reality of what I have been talking about today is very simple. As I said at the outset of my remarks, without investment there will be no new jobs. Without new jobs, there will be no economic growth. Without economic growth, there will be no political stability. And without political stability, we risk a return to violence and dictatorships.

All of us have a role to play to create the economic, political, and security conditions necessary for investment and growth. And all of us must do our part, because the absence of just one element in the comprehensive package means that sustained economic growth and investment will not take place.

Within countries, political party leaders have a special role to play in educating the electorate about the complex requirements of building a modern dynamic economy. They need to be aware that investor confidence is a very fragile commodity and that more jobs are sometimes lost through irresponsible rhetoric during election campaigns than governments are later able to encourage by years of patient constructive action.

We in the United States have our part to play. It is important that we work vigorously to keep our own markets open. We must also work with other countries far more effectively than we do now to combat the mortal threat of terrorism and lawlessness now sapping economic vitality in Central America, Peru, and elsewhere. This will be a major challenge facing our peoples and our diplomacy in the decade ahead, and solving it won't be cheap or easy.

Other governments, in varying degrees, need to reform their macroeconomic, tax, investment, trade, and food policies. Without these reforms, they will not be able to produce the food and jobs required by their peoples, and without producing these two vital necessities, democracy itself will surely fail.

It must be our highest priority to make sure that this does not happen. ■

Visit of President of Uruguay

(White House photo by Pete Souza)

President Julio Maria Sanguinetti of the Oriental Republic of Uruguay made a state visit to the United States June 16–20, 1986, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and President Sanguinetti at the arrival ceremony on June 17.[1]

President Reagan

It gives me great pleasure to greet President Sanguinetti. As the elected leader of a free and democratic Uruguay, you have our respect, our admiration, and our heartfelt welcome.

Uruguay is a friend and a country that shares with us the heritage, traditions, and values of the Americas. Our countries, as is true of so many in this hemisphere, were born of independence movements seeking to break away from colonial power. Yet those who founded our two countries fought not only to be rid of domination but also for freedom. Our histories run parallel—both are the stories of people struggling to be free; people striving to live up to the ideals expressed at the time of their nation's birth.

Today the people of Uruguay are reaffirming their faith in democracy. And all those who love liberty applaud this giant step forward. President Sanguinetti, we appreciate that your official delegation includes representatives from the judicial and legislative branches, as well as your executive branch of government. Separation of

powers, protection of the rights of all citizens, and a healthy respect for the opinions of others are hallmarks of a truly free society. And that is what you and the current leaders of Uruguay are building.

In recent years, we have witnessed an unprecedented expansion of democracy in the Americas. Just a decade ago, only one-third of the people in this hemisphere lived in democracy. Today 90% of the people live in countries that are democratic or in transition to democracy. We should not be satisfied until all Americans—and that means every living soul from the North Slope of Alaska to the tip of Tierra del Fuego—live in freedom, as is their birthright.

In this hemisphere, the days of dictatorship, left or right, are numbered. The peaceful process used to reestablish democracy in Uruguay can serve as a model for others. Authoritarian regimes should take notice.

Yet while we celebrate the progress that has been made, no one should overlook the decisive battle in the cause of human freedom now taking place in Central America. The outcome will determine, ultimately, whether the people of that region will enjoy a future blessed with peace and development or, instead, be engulfed in tyranny and conflict. We who enjoy the fruits of liberty understand that just and lasting peace is built on freedom.

Our search for peace in Central America must, above all, be an effort to continue the expansion of democratic freedom that has reached four of the five nations of this troubled region. We must continue to press for a negotiated solution. And in this work, we must uphold our democratic values and insist that they be the basis for any agreement that is worthy of our support.

The Western Hemisphere still holds the promise of liberty and opportunity that drew our forefathers and mothers from the Old World. Uruguay, like the United States, is a nation of immigrants. They came to our shores in quest of freedom and looking for the chance, through hard work, to improve their well-being and that of their families.

Uruguay's commitment to economic growth and revitalization is well appreciated here. You have set out to attack not just the symptoms but the underlying causes of your country's economic problems. By protecting Uruguay's good name and credit worthiness, by avoiding simplistic solutions and quick fixes, and by strengthening your private sector, you are building the confidence at home and abroad needed to carry your country into better and more prosperous times.

In a speech to your people on April 7th, you said, "The state sets the direction, but it does not move the boat. The boat is moved by the private sector. . . ." This appreciation of the essential role of profit motive and enterprise bodes well for Uruguay. Already, your country is enjoying its first real economic growth in 4 years. And there's every reason to be optimistic that this upward trend will continue. Let me just add that, as Uruguay's largest trading partner, nothing makes us happier than to see your country prosper.

I'm looking forward to getting to know you and discussing some of the issues that are of importance to both of our countries. These are exciting times, and we're proud to have you here with us and thrilled that Uruguay is again in the family of free peoples.

President Sanguinetti[2]

It is a great honor for any Uruguayan citizen to come to this house. There are strong reasons for this. Our countries were born during the same span of history and were part of the same liberal revolution which inspired them with the same ideals. Our century and a half of independent life since then has demonstrated our faithfulness to those principles. Because of this, we stood together in the two great World Wars of this century; milestones which have defined the political philosophies of the people of the world ever since. If this is true for any Uruguayan citizen, how much more so is it true for someone like me, arriving here as the President of the Republic and representing a people that has, by its vote, entrusted me with the difficult task of peacefully guiding our republic back, after a *de facto* government, to a full and stable institutional life.

You know that during these last 15 months, all of Uruguay has made a great effort and lived a wonderful experience of peaceful change with the full and unrestricted interplay of its institutions and rights with violence toward none. Uruguay is heir to a long democratic tradition and, therefore, suffered all the more from the collapse of its institutions. Today it feels it has returned to its old legacy and has done so in exemplary fashion, one that enhances those traditions.

For this reason, as you, yourself, have pointed out, you have before you today not only the chief of the executive branch but also the President of the Supreme Court of Justice, the President of the House of Representatives, who represents the main opposition party, and my party's leader in the Senate, who happens to be the son of the last Uruguayan President to visit here, 31 years ago. This environment of harmonious cordiality among the different branches of government and democratic parties is the best evidence we can offer the world of what we have achieved in such a short time.

I would not be sincere, however, if I did not mention that our country is still experiencing serious problems that stem from both domestic and international causes. It is not easy to strive for the consolidation of our hard-won democracy and to put our domestic economy in order while external economic and financial conditions subsist that in some cases hamper, and in other cases actually cancel out, the fruits of our own internal efforts.

We must respond to the legitimate and urgent call of our people to recover their past standard of living and, at the same time, confront the heavy debts we have inherited—all within the context of an increasingly closed and protectionist world trading system. These are trends which your government has committed itself to fight, a position we wholeheartedly endorse in order to preserve the mutual advantages of fair and open world trade.

We have come to exchange views with you and your government on many of these problems. We shall speak frankly, as we always do—the more so in a country we have always considered a friend. We may at times disagree, but precisely because of our friendship we feel that it is our duty to speak to each other with loyalty, clearly and constructively.

We know that public opinion is very important in this democratic nation, and will, therefore, understand our positions. We are also confident that your government will take them into consideration when we look together at ways of improving our relationship and overcoming the consequences of these problems.

Either international trade is freed, or we must all resign ourselves to being locked into a new feudalism. The more powerful may survive longer, although condemned to live in an aggressive, unstable, and violent world. The weaker, like us, will be sentenced to a life of mediocrity. But all of us, sooner or later, will be staring poverty in the face.

George Washington foresaw the importance of this over 200 years ago when he said, "Sound policy, humanitarianism, and our own self-interest all suggest a harmonious and liberal exchange with all nations." However, even in our trading policy, we must keep a fair and unbiased position without seeking or granting favors or exclusive preferences, respecting the natural course of events. For this reason, we seek neither charity nor protectors of any kind. We need only cooperative partners, strong in capital and technology, with whom we may work together to build a better world guided by the same ideals of freedom that inspired our forefathers.

In a troubled world, our country is today, as it has been in the past, a land of peace and democracy. We would wish to see this same peace and democracy all over the Americas, achieved by us Latin Americans as the result of our own historical commitments and our sense of responsibility to the future. Uruguay will continue to participate in all political efforts aimed at promoting peace in today's world, especially within our America.

Peace and democracy are inseparable. We cannot have one without the other. Uruguay today reaffirms once again its faith in both principles, which constitute the backbone of its very existence as a free and independent nation.

It is in this spirit that we greet you, your government, and our friends, your people.

[1]Held at the South Portico of the White House where President Sanguinetti was accorded a formal welcome with full military honors (text from Weekly Compilation of Presidential Documents of June 23, 1986).

[2]President Sanguinetti spoke in Spanish, and his remarks were translated by an interpreter. ■

Current Actions

MULTILATERAL

Atomic Energy
Statute of the International Atomic Energy Agency. Done at New York Oct. 26, 1956. Entered into force July 29, 1957. TIAS 3873.
Acceptance deposited: Zimbabwe, Aug. 1, 1986.

Conservation
Convention on the conservation of Antarctic marine living resources, with annex for an arbitral tribunal. Done at Canberra May 20, 1980. Entered into force Apr. 7, 1982. TIAS 10240.
Accession deposited: Korea, Rep. of, Mar. 29, 1985.

Finance—Asian Development Bank
Articles of agreement establishing the Asian Development Bank. Done at Manila Dec. 4, 1965. Entered into force Aug. 22, 1966. TIAS 6103.
Acceptances deposited: China, People's Rep. of, Mar. 10, 1986; Spain, Feb. 14, 1986.

Finance—Inter-American Development Bank
Agreement establishing the Inter-American Development Bank, with annexes. Done at Washington Apr. 8, 1959. Entered into force Dec. 30, 1959. TIAS 4397.
Signature and acceptance deposited: Norway, July 7, 1986.

Fisheries
Protocol to amend the international convention of May 14, 1966, for the conservation of Atlantic tunas (TIAS 6767). Done at Paris July 10, 1984.[1]
Senate advice and consent to ratification: July 24, 1986.

Human Rights
International convenant on civil and political rights. Done at New York Dec. 16, 1966. Entered into force Mar. 23, 1976. 999 UNTS 171.[2]

International convenant on economic, social, and cultural rights. Done at New York Dec. 16, 1966. Entered into force Jan 3, 1976. 999 UNTS 3.[2]
Ratifications deposited: Argentina, Aug. 8, 1986.

Judicial Procedure
Convention on the civil aspects of international child abduction. Done at The Hague Oct. 25, 1980. Entered into force Dec. 1, 1983.[2]
Ratification deposited: U.K., May 20, 1986.[3]

Marine Pollution
International convention relating to intervention on the high seas in cases of oil pollution casualties, with annex. Done at Brussels Nov. 29, 1969. Entered into force May 6, 1975. TIAS 8068.
Accession deposited: South Africa, July 1, 1986.

Maritime Matters
International convention on maritime search and rescue, 1979, with annex. Done at Hamburg Apr. 27, 1979. Entered into force June 22, 1985.
Accession deposited: Venezuela, July 8, 1986.

Pollution
Protocol to the convention on long-range transboundary air pollution of Nov. 13, 1979 (TIAS 10541), concerning monitoring and evaluation of the long-range transmission of air pollutants in Europe (EMEP), with annex. Done at Geneva Sept. 28, 1984.[1]
Approval deposited: EEC, July 17, 1986.

Convention for the protection of the ozone layer, with annexes. Done at Vienna Mar. 22, 1985.[1]
Senate advice and consent to ratification: July 24, 1986.
Ratified by President: Aug. 14, 1986.

Postal
Second additional protocol to the constitution of the Universal Postal Union of July 10, 1964. Done at Lausanne July 5, 1974. TIAS 8231.
Ratification deposited: Turkey, June 25, 1986.

Property—Intellectual
Convention establishing the World Intellectual Property Organization. Done at Stockholm July 14, 1967. Entered into force Apr. 26, 1970; for the U.S. Aug. 25, 1970. TIAS 6932.
Ratification deposited: Iceland, June 13, 1986.

Red Cross
Geneva convention for the amelioration of the condition of the wounded and sick in armed forces in the field. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3362.

Geneva convention for the amelioration of the condition of the wounded, sick, and shipwrecked members of armed forces at sea. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3363.

Geneva convention relative to the treatment of prisoners of war. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3364.

Geneva convention relative to the protection of civilian persons in time of war. Done at Geneva Aug. 12, 1949. Entered into force Oct. 21, 1950; for the U.S. Feb. 2, 1956. TIAS 3365.
Accessions deposited: Equatorial Guinea July 24, 1986.

Protocol additional to the Geneva conventions of Aug. 12, 1949 (TIAS 3362, 3363, 3364, 3365), and relating to the protection of victims of international armed conflicts (Protocol I), with annexes. Done at Geneva June 8, 1977. Entered into force Dec. 7, 1978.[2]

Protocol additional to the Geneva conventions of Aug. 12, 1949 (TIAS 3362, 3363, 3364, 3365), and relating to the protection of victims of noninternational armed conflicts (Protocol II). Done at Geneva June 8, 1977. Entered into force Dec. 7, 1978.[2]
Accessions deposited: Benin, May 28, 1986; Equatorial Guinea, July 24, 1986; Jamaica, July 29, 1986.
Ratifications deposited: Belgium, May 20, 1986.[4]

Telecommunications
International telecommunication convention, with annexes and protocols. Done at Nairobi Nov. 6, 1982. Entered into force Jan. 1, 1984; definitively for the U.S. Jan. 10, 1986.
Accession deposited: United Arab Emirates, May 22, 1986.
Ratifications deposited: Barbados, May 22, 1986; Bulgaria, May 21, 1986;[3] Italy, May 13, 1986;[3] Zambia, May 29, 1986.

Terrorism
International convention against the taking of hostages. Done at New York Dec. 17, 1979. Entered into force June 3, 1983; for the U.S. Jan. 6, 1985.
Accession deposited: Antigua and Barbuda, Aug. 6, 1986.
Ratification deposited: Togo, July 25, 1986.

UNIDO
Constitution of the United Nations Industrial Development Organization, with annexes. Done at Vienna Apr. 8, 1979. Entered into force June 21, 1985.
Accession deposited: Tonga, Aug. 13, 1986.

Wheat
Wheat trade convention, 1986. Done at London Mar. 14, 1986. Entered into force July 1, 1986.[5]
Notifications of provisional application deposited: El Salvador, July 11, 1986; Panama, July 3, 1986.
Ratification deposited: Barbados, July 2, 1986.

Women
Convention on the political rights of women. Done at New York Mar. 31, 1953. Entered into force July 7, 1954; for the U.S. July 7, 1976. TIAS 8289.
Accession deposited: Colombia, Aug. 5, 1986.

Convention on the elimination of all forms of discrimination against women. Done at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.[2]
Accession deposited: Iraq, Aug. 13, 1986.

BILATERAL

Australia
Agreement concerning the furnishing of launch and associated services for Australia's national satellite system. Signed at Washington Mar. 7, 1985. Entered into force Mar. 7, 1985.

Canada
Agreement concerning the exchange of fuel for naval ships and aircraft, with enclosure. Signed at Ottawa and Washington May 5 and June 27, 1986. Entered into force June 27, 1986.

Agreement modifying the agreement of Oct. 19, 1983, relating to limitation of imports of specialty steel from Canada. Effected by exchange of letters at Washington July 15 and 17, 1986. Entered into force July 17, 1986; effective July 20, 1986.

Central African Republic
Agreement regarding the consolidation and rescheduling of certain debts owed to or guaranteed by the U.S. Government through the Export-Import Bank of the United States. Signed at Washington May 23, 1986. Entered into force Aug. 1, 1986.

Dominican Republic
Memorandum of understanding governing cooperation in mapping, charting, and geodesy. Signed at Santo Domingo July 24, 1986. Entered into force July 24, 1986.

El Salvador
Agreement amending the agreement for the sale of agricultural commodities of Dec. 20, 1985. Effected by exchange of notes at San Salvador June 27, 1986. Enters into force upon written notification by the parties that the internal procedures of both countries have been completed.

Ghana
Agreement for sales of agricultural commodities. Signed at Accra July 14, 1986. Entered into force July 14, 1986.

Guatemala
Agreement for sales of agricultural commodities (and amending agreement of June 6, 1985). Signed at Guatemala July 2, 1986. Enters into force following an exchange of notes confirming that the internal procedures of the importing country have been met.

Agreement amending the agreement for sales of agricultural commodities of June 6, 1985. Signed at Guatemala Aug. 9, 1985. Entered into force Aug. 9, 1985.

Haiti
Agreement on procedures for mutual assistance in law enforcement matters. Signed at Port-au-Prince Aug. 15, 1986. Entered into force Aug. 15, 1986.

Honduras
Third amendment to the grant agreement of Mar. 25, 1985, relating to financial stabilization and economic recovery in Honduras. Signed at Tegucigalpa June 19, 1986. Entered into force June 19, 1986.

Hong Kong
Agreement modifying and extending agreement of June 23, 1982 (TIAS 10420), relating to trade in certain textiles and textile products. Effected by exchange of notes at Hong Kong Aug. 4, 1986. Entered into force Aug. 4, 1986; effective Jan. 1, 1986.

Kenya
Agreement for sales of agricultural commodities. Signed at Nairobi July 16, 1986. Entered into force July 16, 1986.

Malaysia
Agreement amending agreement of July 1 and 11, 1985, as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Kuala Lumpur July 24 and 25, 1986. Entered into force July 25, 1986.

Mozambique
Agreement amending the agreement for the sale of agricultural commodities of April 11, 1986. Effected by exchange of letters at Maputo July 9, 1986. Entered into force July 9, 1986.

Pakistan
Agreement concerning the provisions of training related to defense articles under the U.S. international military education and training (IMET) program. Effected by exchange of notes at Islamabad Dec. 10, 1985, and July 30, 1986. Entered into force July 30, 1986.

Panama
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Washington July 2, 1986. Entered into force Aug. 18, 1986.

Senegal
International express mail agreement, with detailed regulations. Signed at Dakar and Washington June 5 and July 3, 1986. Entered into force Sept. 1, 1986.

Sierra Leone
Agreement amending the agreement for sale of agricultural commodities of May 5, 1986. Effected by exchange of notes at Freetown Aug. 1, 1986. Entered into force Aug. 1, 1986.

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*155	8/4	Air fares between Switzerland and U.S. to be partially deregulated; Swissair to offer new service to U.S.
156	8/6	*Foreign Relations of the United States*, 1955–1957, Volume II, China, released.
*157	8/11	Program for the official working visit to Washington, D.C., of President Miguel de la Madrid Hurtado of the United Mexican States, Aug. 12–14.
158	8/11	Shultz: statement and question-and-answer session, Bogota, Aug. 7.
159	8/11	Whitehead: statement and question-and-answer session.
160	8/15	Shultz: opening statement at first plenary session of U.S.-Australian bilateral ministerial, San Francisco, Aug. 11.
*161	8/15	Shultz: dinner remarks aboard *The City of San Francisco*, Aug. 11.
162	8/15	Shultz, Weinberger, Hayden, Beazley: joint news conference, San Francisco, Aug. 11.
*163	8/18	Shultz: remarks at Balaguer House, Santo Domingo, Dominican Republic, Aug. 15.
*164	8/26	Reginald Bartholomew sworn in as U.S. Ambassador to Spain, Aug. 20 (biographic data).
*165	8/26	Regional Foreign Policy Conference, Baltimore, Sept. 19.
*166	8/29	CSCE forum, Miami, Sept. 7.
*167	8/29	U.S., Mexico AM broadcasting agreement signed, Aug. 28.

*Not printed in the BULLETIN. ■

Sudan
Agreement amending the agreement for sales of agricultural commodities of Jan. 26, 1986. Effected by exchange of notes at Khartoum July 16, 1986. Entered into force July 16, 1986.

Thailand
Agreement concerning the provision of training related to defense articles under the U.S. international military education and training (IMET) program. Effected by exchange of notes at Bangkok Apr. 15 and July 28, 1986. Entered into force July 28, 1986.

Agreement amending agreement of July 27 and Aug. 8, 1983, as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Bangkok Apr. 4 and June 5, 1986. Entered into force June 5, 1986.

[1]Not in force.
[2]Not in force for the U.S.
[3]With reservation(s) and declaration(s).
[4]With declaration.
[5]In force provisionally for the U.S. ■

Department of State

Free **single** copies of the following Department of State publications are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan
SDI: Progress and Promise, briefing on the SDI, Aug. 6, 1986 (Current Policy #858).

Africa
Does South Africa Have a Future?, Assistant Secretary Keyes, National Urban League's annual conference, San Francisco, July 21, 1986 (Current Policy #857).
Africa: U.S. Policy (GIST, Aug. 1986).
Meaning of Sanctions and Countersanctions for South Africa's Neighbors (GIST, Aug. 1986).
U.S. Pressures on South Africa (GIST, Aug. 1986).

Arms Control
Arms Control: Turning the Corner?, ACDA Director Adelman, American Bar Assoc., New York City, Aug. 12, 1986 (Current Policy #861).
U.S. Policy Regarding Limitations on Nuclear Testing, Aug. 1986 (Special Report #150).
Interim Restraint Policy: U.S. and Soviet Force Projections, Aug. 1986 (Special Report #151).

Department & Foreign Service
The Foreign Affairs Budget, Deputy Secretary Whitehead, press briefing, Aug. 11, 1986 (Current Policy #860).

East Asia
U.S.-China Science and Technology Exchanges (GIST, Aug. 1986).

Europe
Twentieth Semiannual Report on Implementation of Helsinki Final Act, Oct. 1, 1985–Apr. 1, 1986 (Special Report #146).
Soviet Active Measures: The WPC Copenhagen Peace Congress, Oct. 15–19, 1986, July 1986 (Foreign Affairs Note).

General
Current Policy Digest No. 18, July 1986.
Selected State Department Publications, July 1986.

Narcotics
U.S. International Narcotic Control Programs and Policies, Deputy Secretary Whitehead, Senate Appropriations Committee, Aug. 14, 1986 (Current Policy #863).

Oceans
Who Will Protect Freedom of the Seas?, Assistant Secretary Negroponte, Law of the Sea Institute, Miami, July 21, 1986 (Current Policy #855).

Terrorism
Economic Sanctions to Combat International Terrorism, July 1986 (Special Report #149).

Western Hemisphere
Obstacles to Investment and Economic Growth in Latin America, Ambassador to the OAS McCormack, Conference of the Great Cities of the Americas, San Juan, June 20, 1986 (Current Policy #862). ■

Background Notes

This series provides brief, factual summaries of the people, history, government, economy, and foreign relations of about 170 countries (excluding the United States) and of selected international organizations. Recent revisions are:

Afghanistan (July 1986)
Argentina (July 1986)
Association of South East Asian Nations (ASEAN) (Apr. 1986)
Burma (May 1986)
Chile (Apr. 1986)
Korea, North (May 1986)
Laos (May 1986)
Mali (Apr. 1986)
Morocco (July 1986)
Sierra Leone (July 1986)
Somalia (Apr. 1986)
Syria (June 1986)
Tanzania (July 1986)
Index (June 1986)

A free copy of the **index only** may be obtained from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

For about 60 *Background Notes* a year, a subscription is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for $32.00 (domestic) and $40.00 (foreign). Check or money order, made payable to the Superintendent of Documents, must accompany order. ■

Foreign Relations Volume Released

The Department of State on August 6, 1986, released *Foreign Relations of the United States*, 1955–1957, Volume II, China. This volume documents U.S. policy in the Taiwan Strait crisis of 1955.

In mid-January 1955, Chinese communist attacks on the Dachen Islands, northernmost of the nationalist-held islands off the China coast, posed a dilemma for the United States. The Eisenhower Administration was committed to protect the nationalist regime on Taiwan but hoped to avoid being drawn into an armed conflict with China. The Administration developed a threefold strategy. The United States pressed the nationalists to evacuate the Dachens and assisted in the evacuation. Congress passed the Formosa Resolution, authorizing the President to use U.S. Armed Forces to protect Taiwan, the Pescadores, and related positions. Simultaneously, the United States supported a New Zealand initiative to raise the offshore islands problem before the UN Security Council.

President Eisenhower was deeply disturbed by the ongoing Taiwan Strait crisis. He concluded that nationalist withdrawal from Quemoy and Matsu offered the best solution, and he hoped Chiang Kai-shek would decide on his own initiative to treat them as dispensable outposts. In April 1955, he sent Assistant Secretary of State Walter S. Robertson and Joint Chiefs of Staff Chairman Admiral Arthur Radford to Taiwan in an unsuccessful attempt to persuade Chiang to withdraw from Quemoy and Matsu.

The crisis entered a new phase when Premier Zhou Enlai of the People's Republic of China declared in April at the Bandung Conference of Asian and African nations that China was willing to enter into negotiations with the United States in order to discuss the relaxation of tension. Great Britain, India, and other countries renewed diplomatic efforts to bring about a peaceful resolution of the crisis. In July, these efforts culminated in a U.S.-Chinese agreement to begin talks at the ambassadorial level. The volume concludes with preparations for the U.S.-People's Republic of China ambassadorial talks. The talks, held in Geneva from August 1955 through December 1957, will be documented in Volume III, scheduled for publication later this year.

Foreign Relations, 1955–1957, Volume II, which comprises 688 pages of previously classified foreign affairs records, was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. This authoritative official record is based upon the files of the White House, the Department of State, and other government agencies.

Copies of Volume II (Department of State Publication No. 9450 (GPO Stock No. 044-000-02118-8) may be purchased for $23.00 (domestic postpaid) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. Checks or money orders should be made payable to the Superintendent of Documents.

Press release 156 of August 6, 1986. ■

INDEX

October 1986
Volume 86, No. 2115

Arms Control
Arms Control: Turning the Corner? (Adelman) 7
CDE Opens Final Session (White House statement) 9
Interim Restraint: U.S. and Soviet Force Projections (letter to the Congress, unclassified report) 10
Presidential Response to Soviet Arms Control Proposals (White House statement) 12
President's News Conference of August 12 (excerpts) 2
SCC Meets in Geneva (White House and U.S. statements) 18
SDI: Progress and Promise (Reagan) 1
U.S. Policy Regarding Limitations on Nuclear Testing 14
U.S.-U.S.S.R. Discussions on Nuclear Testing (White House statement) 17
Australia. U.S. and Australia Hold Ministerial Talks (Beazley, Hayden, Shultz, Weinberger, joint statement) 43
Chile. Update on Chile (Abrams) 66
Congress
Interim Restraint: U.S. and Soviet Force Projections (letter to the Congress, unclassified report) 10
Report on UN Human Rights Commission Meeting (Schifter) 61
27th Report on Cyprus (message to the Congress) 35
U.S. International Narcotic Control Programs and Policies (Whitehead) 37
U.S. Refugee Policies and Programs at Midyear 1986 (Purcell) 49
Update on Chile (Abrams) 66
Cyprus. 27th Report on Cyprus (message to the Congress) 35
Department & Foreign Service. The Foreign Affairs Budget (Whitehead) 19
Economics
Economic Sanctions to Combat International Terrorism 27
Obstacles to Investment and Economic Growth in Latin America (McCormack) ..70
Strategic Petroleum Reserve (White House statement) 34
Trade Policy: Where Will America Lead? (McMinn) 31
U.S.-Japan Relations: A Global Partnership for the Future (Armacost) 20
U.S.-Japan Semiconductor Trade Agreement (Reagan) 22
Update on Chile (Abrams) 66
Energy. Strategic Petroleum Reserve (White House statement) 34
Europe
CDE Opens Final Session (White House statement) 9
Terrorism and Tourism (Oakley) 55
Foreign Assistance
The Foreign Affairs Budget (Whitehead) ..19
U.S. Refugee Policies and Programs at Midyear 1986 (Purcell) 49
Germany
President's News Conference of August 12 (excerpts) 2
25th Anniversary of Berlin Wall (Reagan) .35
Human Rights
Captive Nations Week, 1986 (proclamation) 36
11th Anniversary of the Helsinki Final Act (Reagan) 36
Report on UN Human Rights Commission Meeting (Schifter) 61
Update on Chile (Abrams) 66
Japan
Perspective and Proportion for U.S.-Japanese Relations (Sigur) 24
U.S.-Japan Relations: A Global Partnership for the Future (Armacost) 20
U.S.-Japan Semiconductor Trade Agreement (Reagan) 22
Law Of The Sea. Who Will Protect Freedom of the Seas? (Negroponte) 41
Maritime Affairs. Who Will Protect Freedom of the Seas? (Negroponte) 41
Mexico. Visit of Mexican President (De la Madrid, Reagan) 65
Military Affairs
Binary Chemical Munitions Program (White House statement) 37
SDI: Progress and Promise (Reagan) 1
Narcotics. U.S. International Narcotic Control Programs and Policies (Whitehead) ..37
New Zealand. U.S. and Australia Hold Ministerial Talks (Beazley, Hayden, Shultz, Weinberger, joint statement) 43
Nicaragua
Nicaragua's Role in Revolutionary Internationalism (Walters) 58
President's News Conference of August 12 (excerpts) 2
North Atlantic Treaty Organization. Binary Chemical Munitions Program (White House statement) 37
Oceans. Who Will Protect Freedom of the Seas? (Negroponte) 41
Pakistan. Visit of Pakistan's Prime Minister (joint statement) 54
Presidential Documents
Antiterrorism Act Signed into Law 58
Captive Nations Week, 1986 (proclamation) 36
11th Anniversary of the Helsinki Final Act 36
Interim Restraint: U.S. and Soviet Force Projections (letter to the Congress, unclassified report) 10
International Trade 6
President's News Conference of August 12 (excerpts) 2
SDI: Progress and Promise 1
25th Anniversary of Berlin Wall 35
27th Report on Cyprus (message to the Congress) 35
U.S.-Japan Semiconductor Trade Agreement 22
Visit of Mexican President (De la Madrid, Reagan) 65
Visit of President of Uruguay (Reagan, Sanguinetti) 73
Publications
Background Notes 78
Department of State 77
Foreign Relations Volume Released 78
Refugees. U.S. Refugee Policies and Programs at Midyear 1986 (Purcell) 49
South Africa. President's News Conference of August 12 (excerpts) 2
Terrorism
Antiterrorism Act Signed into Law (Reagan) 58
Economic Sanctions to Combat International Terrorism 27
President's News Conference of August 12 (excerpts) 2
Terrorism and Tourism (Oakley) 55
Trade
Economic Sanctions to Combat International Terrorism 27
International Trade (Reagan) 6
Obstacles to Investment and Economic Growth in Latin America (McCormack) ..70
Trade Policy: Where Will America Lead? (McMinn) 31
U.S.-Japan Semiconductor Trade Agreement (Reagan) 22
Travel. Terrorism and Tourism (Oakley) ..55
Treaties. Current Actions 75
U.S.S.R.
Arms Control: Turning the Corner? (Adelman) 7
Interim Restraint: U.S. and Soviet Force Projections (letter to the Congress, unclassified report) 10
Presidential Response to Soviet Arms Control Proposals (White House statement) 12
President's News Conference of August 12 (excerpts) 2
SCC Meets in Geneva (White House and U.S. statements) 18
U.S. Policy Regarding Limitations on Nuclear Testing 14
U.S.-U.S.S.R. Discussions on Nuclear Testing (White House statement) 17
United Nations
Nicaragua's Role in Revolutionary Internationalism (Walters) 58
Report on UN Human Rights Commission Meeting (Schifter) 61
UN Financial Crisis (Walters) 63
Uruguay. Visit of President of Uruguay (Reagan, Sanguinetti) 73
Western Hemisphere
Nicaragua's Role in Revolutionary Internationalism (Walters) 58
Obstacles to Investment and Economic Growth in Latin America (McCormack) ..70

Name Index

Abrams, Elliott 66
Adelman, Kenneth L 7
Armacost, Michael H 20
Beazley, Kim 43
De La Madrid Hurtado, Miguel 65
Hayden, Bill 43
McCormack, Richard T 70
McMinn, Douglas W 31
Negroponte, John D 41
Oakley, Robert B 55
Purcell, James N., Jr 49
Reagan, President .. 1, 2, 6, 10, 22, 35, 36, 58, 65, 73
Sanguinetti, Julio Maria 73
Schifter, Richard 61
Shultz, Secretary 43
Sigur, Gaston J., Jr 24
Walters, Vernon A 58, 63
Weinberger, Caspar W 43
Whitehead, John C 19, 37

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

OFFICIAL BUSINESS
Penalty for Private Use $300

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

READEX FICHE best copy available

6/2116

Department of State bulletin

LD C
U.S. DOCUMENTS
NEWARK PUBLIC LIBRARY

The Official Monthly Record of United States Foreign Policy/Volume 86/Number 2116

November 1986

United Nations/1

CDE Accord/20

GATT/43

Brazil/83

S1.3:

Department of State bulletin

Volume 86/Number 2116/November 1986

THE DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.
The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

GEORGE B. HIGH
Acting Assistant Secretary
for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

SHARON R. LOTZ
Assistant Editor

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

DEPARTMENT OF STATE BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street, NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Most of the contents of this publication are in the public domain and not copyrighted. Those items may be reprinted; citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. Permission to reproduce all copyrighted material (including photographs) must be obtained from the original source. The BULLETIN is indexed in the Readers' Guide to Periodical Literature and in the PAIS (Public Affairs Information Service, Inc.) Bulletin.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

CONTENTS

FEATURE

1 Prospects for World Peace (*President Reagan*)

The President

8 Keeping America Strong

The Vice President

9 Visit to the Middle East

The Secretary

11 Progress, Freedom, and Responsibility

14 Proposed Refugee Admissions for FY 1987

Africa

19 Continuation of South Africa Emergency (*Message to the Congress*)

Arms Control

20 CDE Delegations Reach Accord on Military Activities in Europe (*Robert L. Barry, President Reagan, Document*)

26 Nuclear and Space Arms Negotiations (*White House Statement*)

27 MBFR Talks End 39th Round (*Western Statement*)

28 MBFR Negotiations Reconvene (*White House Statement*)

29 U.S. and Soviet Approaches to Arms Control (*Edward L. Rowny*)

32 Verifying Nuclear Testing Limitations: Possible U.S.-Soviet Cooperation (*Message to the Congress, Text of Study*)

East Asia

39 U.S. and East Asian-Pacific Relations: The Challenge Ahead (*Gaston J. Sigur, Jr.*)

42 U.S.-Japanese Relations

Economics

43 An Agenda for the New GATT Round (*Clayton Yeutter*)

45 GATT Nations Agree to Launch New Round of Trade Negotiations (*Clayton Yeutter, Declaration*)

Europe

49 Under Secretary Armacost's Interview on "Meet the Press"

51 Secretary's News Briefing of September 12

52 Deputy Secretary Whitehead's Interview on "Face the Nation"

54 Secretary's News Briefing of September 20

57 Secretary's News Conference of September 25

60 President's and Secretary's News Conference of September 30

64 Secretary's Interview on "The Today Show"

66 Secretary's News Briefing of October 2

70 Prospects for the Vienna CSCE Follow-Up Meeting (*Warren Zimmerman*)

72 CSCE Follow-Up Preparatory Meeting (*Department Statement*)

73 A Discussion on U.S.-Soviet Relations (*Paul H. Nitze, Mark Palmer*)

76 28th Report on Cyprus (*Message to the Congress*)

Human Rights

77 Religious Persecution in the Soviet Union (*Edward J. Derwinski, Richard Schifter*)

Science & Technology

83 ITU Issues Report on Soviet Jamming

Western Hemisphere

84 Visit of Brazil's President (*President Reagan, Jose Sarney*)

86 U.S.-Brazil Relations

86 Cuba: New Migration and Embargo Measures (*Department Statement*)

87 Arrival of Cuban Political Prisoners (*Department Statements*)

Treaties

88 Current Actions

Press Releases

90 Department of State

Publications

90 Department of State

Index

With Secretary General Perez de Cuellar.

(White House photo by Pete Souza)

Prospects for World Peace

by President Reagan

Address before the 41st session of the UN General Assembly in New York City on September 22, 1986.[1]

A short walk from this chamber is the delegates' Meditation Room, a refuge from a world deafened by the noise of strife and violence. "We want to bring back the idea of worship," Dag Hammarskjold once said about this room, "devotion to something which is greater and higher than we are ourselves."

Well, it's just such devotion that gave birth to the United Nations, devotion to the dream of world peace and freedom, of human rights and democratic self-determination, of a time when, in those ancient words, "...and they shall beat their swords into plowshares...nation shall not lift up sword against nation, neither shall they learn war any more."

The United States remains committed to the United Nations. For over 40 years, this organization has provided an international forum for harmonizing conflicting national interests and has made a significant contribution in such fields as peacekeeping, humanitarian assistance, and eradicating disease. And yet, no one knows better than those in this chamber how the noble ideals embodied in the Charter have often remained unfulfilled. This organization itself faces a critical hour—that is usually stated as a fiscal crisis. But we can turn this "crisis" into an opportunity. The important reforms proposed by a group of experts can be a first step toward restoring this organization's status and effectiveness. The issue, ultimately, is not one of cash but of credibility. If all the members of this universal organization decide to seize the moment and turn the rhetoric of reform into reality, the future of the United Nations will be secure. And you have my word for it: my country, which has always given the United Nations generous support, will continue to play a leading role in the effort to achieve its noble purposes.

U.S.-Soviet Relations

When I came before you last year, an important moment in the pursuit of those purposes had not yet occurred. The leaders of the Soviet Union and the United States were to meet in Geneva. These discussions have now been held. For over 15 hours, Soviet and American delegations met. For about 5 hours, General Secretary Gorbachev and I talked alone.

Our talks were frank. The talks were also productive—in a larger sense than even the documents that were agreed. Mr. Gorbachev was blunt, and so was I. We came to realize again the truth of the statement: nations do not mistrust each other because they are armed; they are armed because they mistrust each other. And I did not hesitate to tell Mr. Gorbachev our view of the source of that mistrust: the Soviet Union's record of seeking to impose its ideology and rule

on others. So, we acknowledged the deep and abiding differences between our systems of government, our views of history and the future of mankind. But, despite these differences, we resolved to work together for real reductions in nuclear arms as well as progress in other areas.

Delegates to the 41st General Assembly of the United Nations, today I want to report to you on what has transpired since the summit: notably the important letter I sent July 25th to Mr. Gorbachev. In that letter, I dealt with the important issues of reducing nuclear arms, agreeing on strategic defenses, and limiting nuclear testing. In addition to those issues, which concern the military aspects of Soviet-American relations, I would also like to address other essential steps toward peace: the resolution of political conflicts, the strengthening of the international economy, and the protection of human rights.

Before I do this, however, let me, in the tradition of candor established at Geneva, tell you that a pall has been cast over our relations with the Soviet Union. I refer here to a particularly disturbing example of Soviet transgressions against human rights.

Recently—after the arrest of a Soviet national and UN employee accused of espionage in the United States—an American correspondent in Moscow was made the subject of fabricated accusations and trumped-up charges. He was arrested and jailed in a callous disregard of due process and numerous human rights conventions. In effect, he was taken as a hostage—even threatened with the death penalty.

Both individuals have now been remanded to their respective ambassadors. But this is only an interim step, agreed to by the United States for humanitarian reasons. It does not change the facts of the case: Gennadiy Zakharov is an accused spy who should stand trial; Nicholas Daniloff is an innocent hostage who should be released. The Soviet Union bears the responsibility for the consequences of its action. Misusing the United Nations for purposes of espionage does a grave disservice to this organization.

And the world expects better. It expects contributions to the cause of peace that only the leaders of the United States and the Soviet Union can make.

(White House photo by Pete Souza)

With NATO Seretary General Lord Carrington.

With King Juan Carlos I of Spain.

(White House photo by Pete Souza)

Arms Control

It is for this reason that I wrote last summer to Mr. Gorbachev with new arms control proposals. Before discussing the proposals, let us be clear about which weapons are the most dangerous and threatening to peace. The threat does not come from defensive systems, which are a shield against attack, but from offensive weapons—ballistic missiles that hurtle through space and can wreak mass destruction on the surface of the earth, especially the Soviet Union's heavy, accurate intercontinental ballistic missiles (ICBMs), with multiple warheads, which have no counterparts in size or number in any other country.

That is why the United States has long urged radical, equitable, verifiable reductions in these offensive systems. Note that I said reduction; for this is the real purpose of arms control: not just to codify the levels of today's arsenals, not just to channel their further expansion, but to reduce them in ways that will reduce the danger of war. Indeed, the United States believes the prospect of a future without such weapons of mass destruction must be the ultimate goal of arms control.

I am pleased to say that the Soviet Union has now embraced our idea of radical reductions in offensive systems. At the Geneva summit last November, we agreed to intensify work in this area. Since then, the Soviets have made detailed proposals which, while not acceptable to us, appear to represent a serious effort. So, we continue to seek a 50% reduction of American and Soviet arsenals—with the central focus on the reduction of ballistic missile warheads. If the Soviet Union wants only a lesser reduction, however, we are prepared to consider it but as an interim measure. In other provisions, as well, we have sought to take account of Soviet concerns. So, there has been movement.

Similarly, in the area of intermediate-range nuclear forces, the United States seeks the total elimination of such missiles on a global basis. Again, if the Soviet Union insists on pursuing such a goal in stages, we are prepared to conclude an interim agreement without delay.

All this gives me hope. I can tell you the exchanges between our two sides this summer could well have marked the beginning of a serious, productive negotiation on arms reduction. The ice of the negotiating stalemate could break—if both sides intensify their effort in the new round of Geneva talks and if we keep the promises we made to each other last November.

For too long a time, however, the Soviet response has been to downplay the need for offensive reductions. When the United States began work on technology to make offensive nuclear weapons someday obsolete, the Soviets tried to make that the main issue—as if the main danger to strategic stability was a defense against missiles that is still on the drawing boards, rather than the menacing ballistic missiles themselves that already exist in excessive numbers.

Still, the United States recognizes that both the offensive and defensive sides of the strategic equation must be addressed. And we have gone far to meet Soviet concerns expressed about the potential offensive use of strategic defensive systems. I have offered firm and concrete assurances that our Strategic Defense Initiative (SDI) could never be used to deploy weapons in space that can cause mass destruction on Earth. I have pointed out that the radical reduction we seek now in offensive arsenals would be additional insurance that SDI cannot be used to support a first-strike strategy. And our preference from the beginning has been to move forward cooperatively with the Soviets on strategic defenses, so that neither side will feel threatened and both can benefit from the strategic revolution that SDI represents.

The United States continues to respect the Anti-Ballistic Missile (ABM) Treaty in spite of clear evidence the Soviets are violating it. We have told the Soviets that if we can both agree on radical reductions in strategic offensive weapons, we are prepared right now to sign an agreement with them on research, development, testing, and deployment of strategic defenses based on the following.

First, both sides would agree to confine themselves through 1991 to research, development, and testing, which is permitted by the ABM Treaty, to determine whether advanced systems of strategic defense are technically feasible.

Second, a new treaty, signed now, would provide that if, after 1991, either side should decide to deploy such a system, that side would be obliged to offer a plan for sharing the benefits of strategic defense and for eliminating offensive ballistic missiles. And this plan would be negotiated over a 2-year period.

Third, if the two sides can't agree after 2 years of negotiation, either side would be free to deploy an advanced strategic defense system, after giving 6-months notice to the other.

As the United States has repeatedly made clear, we are moving toward a future of greater reliance upon strategic defense. The United States remains prepared to talk about how—under what ground rules and process—we and the Soviet Union can do this cooperatively. Such strategic defenses, coupled with radical reductions in offensive forces, would represent a safer balance and would give future statesmen the opportunity to move beyond it to the ultimate elimination of nuclear weapons from the face of the earth.

U.S. Delegation to the 41st UN General Assembly

Representatives
Vernon A. Walters
Herbert S. Okun
Larry Pressler, U.S. Senator from the State of South Dakota
Thomas F. Eagleton, U.S. Senator from the State of Missouri
Helen Marie Taylor

Alternate Representatives
Patricia M. Byrne
Hugh Montgomery
Joseph Verner Reed
Paul S. Trible, Jr., U.S. Senator from the State of Virginia
John Kerry, U.S. Senator from the State of Massachusetts

USUN press release 101 of Oct. 9, 1986. ■

Secretary's Bilaterals at the United Nations

China

Foreign Minister Wu

Congo

President Sassou-Nguesso

Honduras

Foreign Minister Lopez

(State Dept. photos by Walter Booze)

In addition to our proposals on offensive reductions and strategic defense, we have suggested new steps in another area—nuclear testing. Just as eliminating all nuclear weapons is our long-term goal, so, too, is a total ban on nuclear testing. But both must be approached with practical steps. For the reality is that, for now, we still must rely on these weapons for the deterrence of war. Thus the safety and reliability of our deterrent are themselves critical to peace.

The United States is proud of its record of nuclear safety and intends to maintain it. Nevertheless, we are, as I said, ready now to take two important steps toward limiting nuclear testing. First, we are ready to move forward on ratification of the Threshold Test Ban Treaty and the Treaty on Peaceful Nuclear Explosions, once agreement is reached on improved verification procedures. We have proposed new ideas to make this possible.

Second, upon ratification of those treaties, and in association with a program to reduce and ultimately eliminate all nuclear weapons, we are prepared to discuss ways to implement a step-by-step parallel program of limiting and ultimately ending nuclear testing.

These are steps we could take in the near future to show the world that we are moving forward. And I, therefore, call upon the Soviet Union to join us in practical, attainable progress in limiting nuclear testing.

Just a few days ago, I received a reply from General Secretary Gorbachev to my letter of July 25. And, for the moment, let me say simply that we are giving it serious and careful consideration.

As we move toward our goal of eliminating nuclear weapons, it is vital that we also address important imbalances of other kinds of weapons. And this is why the United States has proposed a comprehensive global ban on all chemical weapons and why we and our allies have tried hard to break the stalemate in the conventional force negotiations in Vienna. And in the Stockholm conference, a major advance has been achieved—a concrete new set of military confidence-building measures which includes inspections.

Regional Conflicts

But we must remember from the experience of the 1970s that progress in arms control cannot be divorced from regional political developments. As I said at the beginning, political tensions cause the military competition, not the other way around.

But while the United States and the Soviet Union disagree over the root causes of political tension, we do agree that regional conflicts could escalate into global confrontation. Last year from this rostrum, I presented a formula for peace which would apply to five critical regional conflicts that are potential flashpoints for wider conflict. I pointed out how difficult it is for the United States to accept Soviet assurances of peaceful intent when 126,000 Soviet troops prosecute a vicious war against the Afghan people; when 140,000 Soviet-backed Vietnamese soldiers wage war on the people of Cambodia; when 1,700 Soviet advisers and 2,500 Cuban combat troops are involved in military planning and operations in Ethiopia; when 1,300 Soviet military advisers and 36,000 Cuban troops direct and participate in combat operations to prop up an unpopular, repressive regime in Angola; when hundreds of millions of dollars in Soviet arms and Soviet-bloc advisers help a dictatorial regime in Nicaragua try to subvert and betray a popular revolution.

The danger inherent in these conflicts must be recognized. Marxist-Leninist regimes tend to wage war as readily against their neighbors as they routinely do against their own people. In fact, the internal and external wars often become indistinguishable.

In Afghanistan, for example, the puppet regime has announced its intention to relocate tens of thousands of people from border areas. Can anyone doubt this will be done in classic communist style—by force? Many will die, to make it easier for the Soviets and their satellite troops to intimidate Pakistan.

It is just such transgressions that make the risk of confrontation with democratic nations so acute. So, once again, I propose a three-point peace process for the resolution of regional conflicts:

First, talks between the warring parties themselves, without which an end to violence and national reconciliation are impossible;

Second, discussions between the United States and Soviet Union—not to impose solutions but to support peace talks and eventually eliminate the supply of arms and the proxy troops from abroad; and

Third, if the talks are successful, joint efforts to welcome each country back into the world economy and the community of nations that respect human rights.

Terrorism

In addition to regional disputes, the grave threat of terrorism also jeopardizes the hopes for peace. No cause, no grievance can justify it. Terrorism is heinous and intolerable. It is the crime of cowards—cowards who prey on the innocent, the defenseless, and the helpless.

With its allies and other nations, the United States has taken steps to counter terrorism directly—particularly state-sponsored terrorism. Last April, the United States demonstrated that it will defend its interests and act against terrorist aggression. And let me assure all of you today, especially let me assure any potential sponsors of terrorism, that the American people are of one mind on this issue. Like other civilized peoples of the world, we have reached our limit. Attacks against our citizens or our interests will not go unanswered. We will also do all in our power to help other law-abiding nations threatened by terrorist attacks. To that end, the United States believes that the understandings reached by the seven industrial democracies at the Tokyo summit last May made a good start toward international accord in the war on terrorism. We recommend to the General Assembly consideration of the Tokyo resolutions.

International Economy

Moving to the economic realm, how ironic it is that some continue to espouse such ideas as a "new international economic order" based on state control when the world is learning, as never before, that the freedom of the individual, not the power of the state, is the key to economic dynamism and growth. Nations have turned away from centralized management and government controls and toward the incentives and rewards of the free market. They have invited their citizens to develop their talents and abilities to the fullest and, in the process, to provide jobs, to create wealth, to build social stability and foster faith in the future for all.

The economic summits of the industrial democracies have paid tribute to these principles—as has the historic UN Special Session on [the Critical Economic Situation in] Africa in May. We applaud the African nations' call for reform leading to greater reliance on their private sectors for economic growth. We believe that overcoming hunger and economic stagnation requires policies that encourage Africans' own productivity and initiatives; such a policy framework will make it easier for the rest of the world, including the United States, to help. The laws of economic incentives do not discriminate between developed and developing countries. They apply to all equally.

Much of the recent recovery in the world economy can be directly attributed to this growth of economic freedom. And it is this trend that offers such hope for the future. And yet this new hope faces a grave threat: the menace of trade barriers.

History shows the imposition of such barriers invites retaliation, which in turn sparks the very sort of trade wars that plunged the world in the 1930s deeper into depression and economic misery. Truly, protectionism is destructionism.

That is why the United States seeks the assistance of all countries represented here in the General Assembly in protecting the practice of free and fair

Secretary's Bilaterals at the United Nations

India

Foreign Minister Shankar

Iraq

Foreign Minister Aziz

South Korea

Foreign Minister Choi

Secretary's Bilaterals at the United Nations

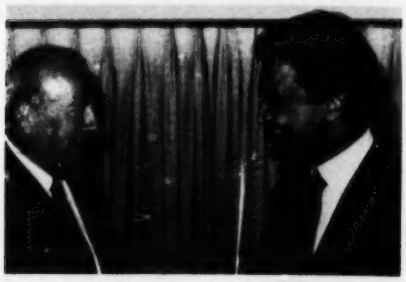
Morocco

Foreign Minister Filali

Pakistan

Foreign Minister Yaqub Khan

Saudi Arabia



Foreign Minister Sa'ud

trade. We applaud the success of the meeting of GATT [General Agreement on Tariffs and Trade] trade ministers last week in Uruguay, where agreement was reached to launch a new round of multilateral trade negotiations covering a wide range of topics important to economic growth. With over 90 other countries of the GATT, the United States is working to maintain the free flow of international trade.

In addition to resistance to protectionism, the United States is also seeking to stimulate world economic growth in other ways. Our Treasury bill interest rate is now just over 5%, the lowest it has been in 9 years, which provides enormous relief to debtor countries. America's new tax structure will open the way for greater prosperity at home, which will contribute to greater prosperity abroad. And, finally, the United States is working with other countries to minimize currency swings, to promote stability in the monetary markets, to establish predictability as a basis for prosperity.

But the United States believes the greatest contribution we can make to world prosperity is the continued advocacy of the magic of the marketplace—the truth, the simple and proven truth, that economic development is an outgrowth of economic freedom just as economic freedom is the inseparable twin of political freedom and democratic government.

Human Rights

And it is here that we come to our final category—human rights—the indispensable element for peace, freedom, and prosperity. I note that Mr. Gorbachev has used in recent speeches the same categories I have used here today: the military, the political, and the economic; except that he titled his fourth category: humanitarian.

Well, the difference is revealing. The United States believes that respect for the individual, for the dignity of the human person—those rights outlined in the UN Universal Declaration of Human Rights—does not belong in the realm of charity of "humanitarian" causes. Respect for human rights is not social work; it is not merely an act of compassion. It is the first obligation of government and the source of its legitimacy.

It also is the foundation stone in any structure of world peace. All through history, it has been the dictatorships and the tyrannies that have surrendered first to the cult of militarism and the pursuit of war. Countries based on the consent of the governed, countries that recognize the unalienable rights of the individual, do not make war on each other. Peace is more than just the absence of war. True peace is justice; true peace is freedom. And true peace dictates the recognition of human rights.

Commitments were made more than 10 years ago in Helsinki concerning these rights and their recognition. We need only look to the East today to see how sadly unfulfilled those commitments are. The persecution of scientists, religious leaders, peace activists, political dissenters, and other prisoners of conscience continues unabated behind the Iron Curtain. You know, one section of the Helsinki accords even speaks to "improvement of working conditions of journalists."

So, it is clear that progress in the human rights area must keep pace with progress in other areas. A failure on this score will hinder further movement in East-West relations.

Hope: The Highest Reality

These, then, are the areas of concern and of opportunity that the United States sees in the quest for peace and freedom—the twin objectives of the UN Charter.

Last year, I pointed out in my address to the General Assembly that the differences between the United States and the Soviet Union are deep and abiding. But I also called for a fresh start in relations between our two nations, a fresh start that could benefit our own people and the people of every nation. Since that time, the United States has taken action and put forth new proposals that could lead to our two countries and the entire world in a direction we all have long sought to go. Now more than ever, it is the responsibility of the Soviet Union to take action and demonstrate that they, too, are continuing the dialogue for peace.

As I've said, I believe that we can be hopeful about the world and the prospects for freedom. We only need look around us to see the new technologies that may someday spare future generations the nightmare of nuclear terror, or the growing ranks of democratic activists and freedom fighters, or the increasing movement toward free market economies, or the extent of worldwide concern about the rights of the individual in the face of brute, state power.

In the past, when I have noted such trends—when I have called for a "forward strategy for freedom" and predicted the ultimate triumph of democratic rule over totalitarianism—some have accused me of telling people what they want to hear, of urging them not to engage the day but to escape it.

Yet, to hope is to believe in humanity and in its future. Hope remains the highest reality, the age-old power; hope is at the root of all the great ideas and causes that have bettered the lot of human mankind across the centuries.

History teaches us to hope—for it teaches us about man and about the irrepressible human spirit. A Nobel laureate in literature, a great figure of the American South, William Faulkner, once said that the last sound heard on earth would be that of the two remaining humans arguing over where to go in the spaceship they had built. In his speech to the Nobel committee in 1950, Faulkner spoke of the nuclear age, of the general and universal physical fear it had engendered, a fear of destruction that had become almost unbearable. But, he said, "I decline to accept the end of man. I believe that man will not merely endure, he will prevail. He is immortal. . . because he has a soul, a spirit capable of compassion and sacrifice and endurance."

Faulkner spoke of "the old verities and truths of the heart," of the courage, honor, pride, compassion, pity, sacrifice, and, yes, that hope which is the glory of our past. And all of these things we find today in our present; we must use them to build our future. And it's why today we can lift up our spirits and our hearts; it is why we resolve that, with God's help, the cause of humanity "will not merely endure" but prevail; that someday all the world—every nation, every people, every person—will know the blessings of peace and see the light of freedom.

---

[1]Text from Weekly Compilation of Presidential Documents of Sept. 29, 1986. ■

Secretary's Bilaterals at the United Nations

Spain

Foreign Minister Fernandez-Ordonez

Sweden

Foreign Minister Andersson

Tunisia

Foreign Minister Caid Essebsi

Keeping America Strong

President Reagan's address to supporters of the Administration's defense policies in the Roosevelt Room of the White House on September 23, 1986.[1]

Thank you all for coming here to the Roosevelt Room this morning. This room, of course, was named for two great Presidents, one a Republican, the other a Democrat. Both understood the vital importance of keeping America strong—something I know everyone in this room understands. Let me say how grateful all Americans are for the contributions that you and your organizations have made to building a stronger America.

Restoring America's strength has been one of our Administration's highest goals. When we took office, we found that we had ships that couldn't leave port, planes that couldn't fly—both for lack of trained men and women and adequate supplies of spare parts. We found that for years the United States sat on its hands while the Soviet Union engaged in a military buildup, the likes of which the world had never seen. The American nuclear deterrent, upon which world peace depends, had been allowed to slide toward obsolescence. And across the earth, Soviet-sponsored regimes had been imposed in countries as diverse as Angola, Afghanistan, and Nicaragua.

In the last 5½ years, we've begun to turn that desperate situation around. We've restored the morale, the training, and the equipment of our armed forces. And let me just say that around the world and here at home, I've met many of our young men and women in uniform over the last several years. It does something to you when you're standing up there on the demilitarized zone in Korea and a young fellow standing there in uniform says, "Sir, we're on the frontier of freedom." Everyone who works with them will confirm what I've said about them, and those serving today are the best darn bunch who've ever served our country. I'm proud of all of them.

In the last 5½ years, we've begun the necessary modernization of our nuclear deterrent. We've begun research on strategic defense, the one great hope that we might some day rid the world of the prison of mutual nuclear terror. As I told the UN General Assembly yesterday, we're prepared right now to enter an agreement with the Soviet Union on research, development, testing, and deployment of strategic defense.

In pursuit of a safer world, we're determined to move toward a future of greater and greater reliance on strategic defense. The only question for the Soviets is, do we move toward strategic defense together or alone?

In the last 5½ years, America has also taken a stand with embattled defenders of freedom around the world. In Afghanistan, Angola, Cambodia, and Nicaragua, we've said that we stand with those who would turn back the night of totalitarian tyranny. And in this I wish I could say that we had united backing in the Congress. But, you know, the truth is different, particularly regarding our support of freedom fighters in this hemisphere. Even though both Houses of Congress have approved critically needed military assistance for the freedom fighters, this bill has been deliberately stalled on Capitol Hill. Freedom fighters will pay with their lives for this politics of obstructionism. We're determined to bring their barricades down, to let the light of hope through to the Nicaraguan people—and we will.

But, all in all, in the last 5½ years, we've come a long way. You saw this when Mr. Gorbachev and I met in Geneva last November. As I said yesterday at the United Nations, despite differences, we resolved at that meeting to work together for real reductions in nuclear arms as well as progress in other areas. The Soviets are still relentless adversaries, as their totally unwarranted arrest of an innocent American reporter 3 weeks ago demonstrates—an action which jeopardizes all areas of our relationship. But at the arms reduction table, they now appear to treat meetings as more than just another propaganda forum. This, I believe, is because of the new will the United States has shown for the last 5½ years. The Soviets have been convinced that we're serious about rebuilding our strength.

But all this progress has now been placed in jeopardy by actions taken in the House of Representatives, actions just as serious as the attempt to block aid to the freedom fighters. If permitted to stand, these actions would pull the rug out from under our arms negotiators in Geneva and imperil our national security. The House voted to ban tests of antisatellite systems, even though the Soviets have a system in operation and we don't. They voted to stop us from producing a deterrent to modern Soviet chemical weapons. They voted to slash our request for the strategic defense research—an initiative that helped bring the Soviets back to the bargaining table in Geneva. They voted to deny funds to move beyond the limits of SALT II [strategic arms limitation talks], a treaty that couldn't be ratified, and that would've expired by now if it had been ratified, and that the Soviets have repeatedly violated. And finally, the House would prohibit essentially all testing of nuclear weapons. Well, all of this is bad for our national security and for arms reduction talks. And if the defense budget arrives on my desk looking anything like that, I'll veto it.

All of these issues [applause]—thank you. You make vetoing even more pleasant than I find it. [Laughter.] But all of these issues are important. Each House action undermines our peace and security. But I'd like to use my time today—what's left of it—to discuss one area that I touched on yesterday that I believe needs more attention. With the Soviets orchestrating a major propaganda campaign to get us to declare a moratorium on nuclear testing, it's time to set the record straight on why we need that test. There are four important reasons.

First, nuclear testing is essential to guarantee that our weapons—the key to deterring nuclear aggression—actually work. We insist on the most rigorous field tests for non-nuclear weapons like airplanes, tanks, and guns, but nuclear weapons are far more complex, and they, too, must be tested. Some time ago, for example, we found that the safety on the warhead for the Polaris missile wouldn't release. Without the testing that helped us fix that, most of our sea-based deterrent would have been ineffective.

Without testing, we couldn't reduce the size and improve the effectiveness of our warheads and make them safer, as we have. So until we can negotiate the elimination of nuclear weapons with the Soviets, we must have tests to make sure that our deterrent works and that it's safe.

Second, we use nuclear tests to design non-nuclear weapons and equipment—for example, satellites, ships, tanks, and sensors—so that they can better withstand a Soviet nuclear attack.

This increases the chances that our military can survive and still fight, which reduces the Soviet incentive to attack us and our allies in the first place.

Third, testing helps us keep ahead of Soviet efforts, including non-nuclear efforts, to neutralize our deterrent. Several years ago, improved Soviet air defenses threatened to make our B–52s obsolete, so we began the production of the B–1, which can get through those defenses. But some weapons designed for the old B–52s weren't reliable at the altitudes and speeds that the B–1 flies. So testing was essential to developing weapons with a proven reliability.

And, fourth, testing ensures that the Soviets won't surprise us with breakthroughs that might alter the strategic balance. The Soviets have raced for years to modernize and expand their weapons systems. We're still playing catchup, and this imbalance is a threat to world peace. It'd be an even greater threat if the Soviets scored major breakthroughs.

Even if we were to agree to a moratorium or a test ban, we cannot be sure the Soviets would honor it or that it could be verified. In the early 1960s the Soviets broke out of a 3-year moratorium that they had agreed to with the most intensive series of nuclear tests in history. They had been planning all during the moratorium for the testing they were going to do, and when they were ready, they just violated the moratorium.

We, on the other hand, had abated, and so it took us more than a year to restore our testing facilities to their condition before the moratorium so we could begin to try and catch up.

Any agreement to limit testing must be verifiable. We've made a number of proposals to improve verification of current treaties. The Soviets should accept these proposals or make one of their own and stop playing propaganda games.

Our highest arms control priority is to get the Soviets to agree to deep arms reductions in the U.S. and Soviet nuclear arsenals. Soviet emphasis on the testing issue is a diversion from this urgent task. The House's ban on testing, on the other hand, is a back door to a nuclear freeze, which would make arms reductions almost impossible. Some Congressmen seem to believe that peace and American weakness mean the same thing. Didn't it ever occur to anyone what the Soviets must be thinking? They're thinking: if we wait long enough, they'll do our work for us.

So this is what we're up against and why I'm so grateful to all of you for what you are doing. Now I don't dare look at the gentleman sitting right over here, because I've been telling a story the last couple of days in some speeches that I like to tell that illustrates the attitude of those in Congress that are bringing this about.

It has to do with three fellows that came out to get in their car and found they'd locked themselves out. And one of them said, "Get a wire coat hanger, and we can straighten it out and manage to get in." And the other one says, "We can't do that. Somebody would think we're stealing the car." And the third one said, "Well, we'd better do something pretty quick. It's starting to rain and the top's down."

[1]Text from Weekly Compilation of Presidential Documents of Sept. 29, 1986. ■

Vice President Bush Visits the Middle East

Vice President Bush departed the United States July 25, 1986, to visit Israel (July 27–30), Jordan (July 30–Aug. 2), and Egypt (Aug. 2–5). He returned to the United States August 5.

Following is a statement he made in Cairo on August 5.

Several common themes emerged from my discussions in Israel, Jordan, and Egypt. All the leaders I met with reaffirmed and pledged their total rejection of the use of terror and violence. All the leaders also expressed their concern about the economic situation in the region. While not a substitute for the peace process, they believe that efforts to deal with the economic situation will make a major contribution to that process.

With regard to the question of peace, all the parties want to see movement and are frustrated by what they see as a stalemate. No one is satisfied with the current impasse. All the parties want the United States to play an active role in reenergizing the peace process. We have always been prepared to play such a catalytic role.

During my meetings with the leaders of the three countries, I was able to discuss the common elements that unite those committed to making peace in the area. While much still divides those in the region, I am convinced after my talks that there is enough common ground for progress to be made in the peace process.

I was particularly struck by the areas of commonality among Israel, Jordan, Egypt, and many Palestinians. I believe this commonality creates a basis on which peace negotiations can move forward.

To be specific, my impression of the points of agreement on the negotiating process and the goals of that process are as follows:

- A just and lasting peace is essential, urgent, and can only be reached through negotiations.
- Negotiations should produce peace treaties between the parties based on the recognition of the right of all states and peoples in the region to a life of peace and security.
- Negotiations must take into account the security needs of Israel, the security needs of all other states in the

With Prime Minister Peres in Jerusalem.

(White House photos by Dave Valdez)

region, and the aspirations of the Palestinian people.

• Negotiations must resolve the Palestine question in all its aspects within the context of a relationship between Jordan, the West Bank, and Gaza. This relationship can be achieved based on Security Council Resolutions 242 and 338. The U.S. view is that Security Council Resolutions 242 and 338 embody the principle of secure and recognized boundaries for all states in the region and the exchange of territory for peace.

• The United States believes in the importance of face-to-face negotiations. We recognize that direct negotiations may involve the framework of an international conference or forum structured in a way that permits progress and not paralysis; agreement, not dictates.

• The form of the negotiations should provide for talks between an Israeli delegation and a Jordanian-Palestinian delegation, as well as between Syrian and Israeli delegations. Delegations must consist of individuals who seek peace and openly reject violence and terrorism.

The United States believes these areas of agreement are embodied in the Reagan plan of September 1, 1982, which itself was based on Security Council Resolutions 242 and 338 and the Camp David accords. I believe these areas of agreement or common understanding provide a basis for moving the peace process forward. I call on Palestinian representatives not to miss yet another opportunity to achieve their aspirations as a people.

Palestinian rejectionism has contributed only to a tragic history. It's time for Palestinian representatives to assume responsibility and step forward to shape their own destiny.

I will return to Washington and review what I have learned with the President, the Secretary of State, and others. Together we will determine what should come next, how we can build on the progress made in this visit and how we can implement our common objectives.

The road to peace is taken a step at a time, and I am encouraged by my talks with Prime Minister Peres, King Hussein, and President Mubarak this week. I do believe the atmosphere has improved and that all nations should engage in the search for a true and lasting peace in the Middle East. ■

Vice President and Mrs. Bush with Their Majesties King Hussein and Queen Noor.

With President Mubarak in Cairo.

Progress, Freedom, and Responsibility

Secretary Shultz's address before Harvard University's 350th anniversary convocation in Cambridge on September 5, 1986.[1]

Thank you very much, President [of Harvard University Derek] Bok. Thank you, ladies and gentlemen. Mr. President, Governor, Mayor, of course, Mr. Speaker, distinguished ladies and gentlemen. Tip [Congressman O'Neill], we spend so much of our lives paying tribute to you in Washington that it's a real pleasure to come here and pay tribute to you in your hometown.

And, Mr. Governor, I will deliver the message you requested to Jim Baker, but I'd like to make a request. If he turns down those World Series tickets, would you save them for me?

In the introduction, President Bok mentioned my diverse career, but you didn't mention the fact that my universities have been Princeton, M.I.T., Chicago, and now Stanford. So you can see how I feel right now—a chance to give a talk at Harvard. This magnificent institution stands for a great tradition of intellectual openness, free inquiry, and pursuit of truth. And as the nurturer of so many Presidents, Governors, Senators, Secretaries of State, and other public servants, Harvard also embodies a commitment to country—a devotion to the well-being of the nation and to its responsible role of leadership in the world.

So I know that I have come to the right place to voice a message of outrage at the detention of Nick Daniloff, Harvard class of 1956. The cynical arrest of an innocent American journalist reminds us of what we already know: our traditions of free inquiry and openness are spurned by the Soviets, showing the dark side of a society prepared to resort to hostage-taking as an instrument of policy. Let there be no talk of a "trade" for Daniloff. We, and Nick himself, have ruled that out. The Soviet leadership must find the wisdom to settle this case quickly in accordance with the dictates of simple human decency and of civilized national behavior.

So I know also I've come to the right place to deliver a message of concern, to speak of some disturbing trends I see in this country, to tell of some important lessons America has learned in recent years and some lessons we apparently have not yet learned. These disturbing trends at home are all the more paradoxical because they occur against the backdrop of powerful positive forces at work today in the world at large, forces that offer us an extraordinary opportunity if we don't throw it away.

Change and Its Positive Implications

Ours is a time of many seemingly contradictory forces at work: even as communications shrink the planet and economics increases our interdependence, nationalism is more potent than ever; technology advances at dizzying speed even as, once again, religious faith becomes a powerful political force all around the world.

But one significant trend is already discernible. The advanced nations of the world are already in the throes of a new scientific and technological revolution—one whose social, economic, political, and strategic consequences are only beginning to be felt.

The industrial age is ending; in some parts of the world, it is already gone. A century ago, our country moved from an agricultural to an industrial phase of our development. Today, we remain agriculturally and industrially productive. We more than feed ourselves. Over the last 20 years, manufacturing as a share of our gross national product has remained constant at 22% even as the proportion of the labor force needed to produce those goods has declined from 24% to 18% during these same two decades. But if we try to put a label on our era, we would have to call it an information revolution. And it promises to transform the structure of our economies and the political life of the planet as thoroughly as did the industrial revolution of the 18th and 19th centuries.

I see this as a revolution of great promise. It's a stimulus to a new era of economic growth. It's a challenge that the free nations of the world, above all, are in the best position to meet. The President captured the essence of the essential relationship between freedom and progress when he noted:

> Everywhere, people and governments are beginning to recognize that the secret of a progressive new world is the creativity of the human spirit. . . . Our open advocacy of freedom as the engine of progress [is one of] the most important ways to bring about a world where prosperity is commonplace, conflict an aberration, and human dignity a way of life.

So it is no coincidence that the free nations have once again been the source of technological innovation. An economic system congenial to free scientific inquiry, entrepreneurial risk-taking, and consumer freedom has been the fount of creativity and the mechanism for spreading innovation far and wide. A political system that welcomes, indeed, thrives on a free flow of ideas and information and people and goods across national boundaries finds itself the natural breeding ground of progress. The developing countries, seeking their own path to a better future, find the West their natural partner for cooperative endeavors. And even the countries of the communist world turn to the West as the source of advanced technology.

Our adversaries, indeed, face an inescapable dilemma. They see the new postindustrial era coming, and they see the West well poised to take advantage of it. And yet, opening themselves up to the information revolution and its benefits risks what is the essence of their political power—the effort to control thought and behavior through the tight monopoly they maintain over information and free communication. They fear losing control over what their people read and see. How can a system that keeps photocopiers and mimeograph machines under strict control and surveillance exploit the benefits of the video cassette recorder and the personal computer? With each innovation, the leaders of the totalitarian world are reminded of their agonizing choice: they can either open their societies to the freedoms necessary for the pursuit of technological advance or they can risk falling even further behind the West. In reality, though, it may be already too late for them to catch up with the future.

So we are learning that the information revolution holds out profound promise for America. And yet, it's only one of the positive forces at work in the world. Let me give you some examples of other things we have learned in recent years.

First, we have learned once again that freedom is a revolutionary force. Dictatorships—left or right—are not permanent. In Afghanistan, Angola, Cambodia, and Nicaragua, imperialism,

oppression, and regimentation have given rise to resistance movements that struggle for the rights denied them by communist rule. In South Africa, the structure of apartheid is under seige as never before. In Latin America, the yearning for democracy has transformed the political complexion of the entire continent. Contrary to the expectations of many only 5 or 6 years ago, El Salvador, Honduras, and Guatemala have joined Costa Rica in the democratic trend in Central America—leaving only Nicaragua as the odd man out. In the Philippines, the same yearning brought a remarkable, peaceful transition to a new democratic way. And Thailand has not received the notice it deserves. Sharp political differences there led to vividly contested recent elections, and they have re-formed their government on the basis of that election result. Not so many years ago, democratic nations were thought to be a dwindling and embattled minority; today, the vitality of the idea of democracy is the most important political reality of our time.

And we have learned again that there is a connection between freedom and economic progress. Few countries around the world now dispute that entrepreneurial initiative in a market environment is the engine of development and growth. At the economic summits, all the leading industrial nations have acknowledged that structural rigidities imposed by government are the main obstacle to renewed growth. At the UN Special Session [on the Critical Economic Situation in Africa] in May, the African nations—including those hardest hit by experiments in collectivist planning—issued an extraordinary document calling for more open markets and less intervention by the state. These truths, too, are now being acknowledged even in the communist world, as reforms in China and Hungary demonstrate.

Closer to home, we have rediscovered the truths that, as America's weakness makes the world a more dangerous place, America's strength deters aggression and encourages restraint and negotiation. We have seen how the rebuilding of America's defenses in the early 1980s gave the Soviets an incentive to return to negotiations on arms control. Our ability to project power abroad has helped us protect our vital interests and defend our friends against subversion and aggression. Our military strike against Libya—undertaken as a last resort after years of Qadhafi's terrorism—has sent a powerful signal to friends and enemies alike. This morning our prayers and our all-out efforts go to the hostages on Pan Am Flight 73. Clearly, the day has not yet arrived when terrorism has taken its place among other vanquished barbarisms of our time. But that day will come—and when it does, history will show that American resolve, backed up by our power, tipped the balance in favor of peace and security.

And the past few years have reminded us of another truth: America is a powerful and constructive force in the world for progress and human freedom. Throughout the three centuries and a half we mark today, Americans have believed this country had a moral significance and responsibility that transcended our military and economic power. There is an irresistible current in our national character that impels us to serve as a human example and champion of justice.

Part of America's positive role has to do with our history. Our fight for independence and for political freedom began not far from here—with more than a few Harvard men in the vanguard. A century or so ago, we fought the bloodiest war in our history to try to eradicate the curse of oppression based on race. Today, that epic struggle for justice continues here at home. As our nation emerged as a world leader, especially in the past 50 years, we always sought to apply to our international endeavors the same high standards and high moral goals that we set for ourselves. From the founding of the United Nations, to the Marshall Plan, to the formation of our democratic alliances, to our support for decolonization and for economic development, to our stance as a champion of human rights—this nation can be proud of what it has accomplished in the world. And we should find special satisfaction in seeing the trends I described earlier—the spread of democracy and economic freedom, the new technological revolution—trends that once again mean history is on our side.

Trends That Threaten Our Future

And yet now, when we can see for ourselves that a better future is likely to take shape if, and perhaps only if, America is there to help shape it, pressures are mounting within our country to turn our backs on the world. Ominous developments are on the all-too-near horizon, and most of us may not even realize it.

And this is not the first time. Our nation more than once has swung from involvement to isolation. And even in the decades since we supposedly put our isolationist past behind us, we have at times been tempted again by the illusion that we can promote justice by aloof self-righteousness, that we can promote peace by merely wishing for it. We are an impatient people. We sometimes have seemed to feel that problems should be solved quickly or not at all, that we best serve our principles by striking the right pose or doing what makes us, for the moment, feel good.

It's time to wake up—before we endanger the world's future and our own. These dangers take many forms, but they all have in common a thoughtless escapism, a retreat from responsibility, an attempt to evade the reality of our dependence on the world and the world's dependence on us. As such, whether we admit it or not, they amount to nothing less than an isolationist throwback that could once again propel the world toward catastrophe.

One danger sign is the evil of protectionism. Not since the days of Smoot-Hawley have the forces of protectionism been as powerful as they are today in the U.S. Congress. We should have learned from the experience of 50 years ago how protectionism only impoverishes us along with our trading partners, spurs inevitable retaliation, and shuts down the engine of world trade and, therefore, of world growth.

In our earliest days as a nation, the founders of the United States understood that free trade was the key to growth and prosperity. Within the borders of our nation, they created one open trading system, and the world's biggest—and, because of that, most prosperous—economy was the result. Similarly, the statesmen at work after World War II knew well the lessons of the 1930s. They put in place a more and more open world economy, and generations benefited from the growth and stability that followed. In today's global economy, our prosperity and that of other nations depend even more on an open trading system.

Yet now we see a new spiral of protectionism, and the spread of other anti-competitive practices like subsidies, endangering some of our most important political and security relationships with other countries. The new democracies in the Philippines and Latin America, the poorer countries burdened by debt, and many key friends around the world—who all wish to earn their way back to

prosperity—find the road ahead threatened by protectionism in this country. Since our economy is the biggest—and since we have always been the pillar of free trade—if we succumb, we will do untold damage to the world's hopes for prosperity and peace. And our own citizens of the future will blame us for foolishly failing to uphold our own nation's interests.

Another form of escape is self-righteous moralism. I have to say I see signs of this in the fervor for punitive sanctions against South Africa. The reality is that the United States has imposed increasing sanctions against South Africa from President Kennedy's bar on military sales in 1962 to the array of measures in President Reagan's Executive order of 1985. And now the free market itself is slowing the pace of the South African economy. But sanctions are not solutions. Those on whom political sanctions are imposed grow more defiant and can evade their own responsibilities by pointing to so-called outside influences as a scapegoat.

White South Africans must recognize that apartheid is a disaster of their own creation and that it must be done away with in an active and orderly fashion if their own interests are to survive. The wide-ranging sanctions now proposed in the Congress would do America a double disservice—by enabling proponents of apartheid to blame South Africa's disastrous economy on us while, at the same time, drastically reducing our presence, our leverage, and our example as a force for economic and political change. In a delusion of increasing our influence over events, we could find ourselves quickly on the verge of virtual powerlessness as a result of our absence from the South African scene.

The transition from tyranny to democracy is a delicate process. Sometimes it goes badly wrong, as in Iran or Nicaragua. Sometimes it goes well, as in Spain, Portugal, the Philippines, or in Latin America. We should be clear about what we are for: we are for a rapid end to apartheid and for a peaceful transition to a democratic system. It is not our job to egg on a race war or to accelerate a polarization that will lead to such a result. Our morality and our values must have a strong presence in our foreign policy. But we must guard against a self-righteous morality which can be self-defeating and thereby run counter to our moral objective.

Other examples of our native inclination toward withdrawal can be found in our impatience with diplomacy. The pursuit of practical political solutions in this world calls for perseverance, understanding of ambiguity, and a recognition of the need for compromise. Negotiation is how we engage other nations for positive purposes. But the very concept of negotiations is assaulted today by an array of misconceptions.

Some call urgently for negotiations but deny that diplomacy requires strength to back it up. Others argue—correctly—that we should never negotiate from weakness, but then assert that when we are strong, we need not negotiate. Some would deny us all leverage or would legislate unilateral concessions; others are fearful of negotiations because they assume for some reason that we are bound to be taken advantage of. Many despair of the United Nations and the disturbing trends within it—but some would walk away from its challenges and opportunities rather than make use of our ability to improve its operation. We must strengthen our role in the United Nations for affirmative reasons and also lest others whose interests are adverse to ours step into our place.

Thus, whether the issue is regional conflict, arms control, or trade, elements far apart on the political spectrum combine in counsels of escapism. They are denials of reality. The reality is that efforts to resolve problems among nations are essential and, in the end, inevitable. The reality is that democracies will not support policies of intransigence. The reality is that many practical, realistic objectives can be attained by hardheaded negotiations. Negotiations can work.

There is, finally, another extraordinary development: the congressional attack on the foreign affairs budget. We are about to witness the dismantling—indeed, butchering—of the most important instrument of our foreign policy: our ability to represent and support strongly our interests and ideals. We face a self-inflicted crisis which, if not reversed, will gravely damage the ability of the United States to maintain its leadership in the world, to bolster international security, and to support the cause of freedom, democracy, and human progress.

It pains me to speak of this at Harvard, where George C. Marshall proposed a plan that committed the United States to the future of Europe. We all heard him only a few minutes ago [by recording]. He spoke for a generation of statesmen, of both political parties, who had learned the lessons of the 1930s and who committed the United States to the world, to an open economic system, to the defense of freedom against tyranny. They established the pillars of the postwar system: the Bretton Woods monetary system that tied the world together; the General Agreement on Tariffs and Trade and its successive rounds; the Marshall Plan and World Bank—mechanisms for international reconstruction and development—the Marshall Plan then made up 11% of the total Federal budget; and NATO.

The achievements of the postwar statesmen were an assertion of thought and learning and leadership, foreseen and set out in the broadest scale. They became the foundation stones for the democracy, the prosperity, and the security of the West that we know today.

In January of this year, President Reagan submitted to Congress an international affairs budget for fiscal year 1987 that we had stripped to the bone. It amounted to only 2% of the total Federal budget. Yet the current congressional budget resolution cuts that minimal and considered request by 27%. And recent congressional actions would reduce and restrict the remaining amount even further.

These reductions, and the earmarking of aid levels to a few countries, will deprive us of over half of all our security and economic assistance to many countries of the world. These are nations who are key to our interests and security or where we must help in the transition to democracy and economic freedom. The dollars we spend on such assistance are the most cost-effective bargain among all of our national security activities.

- It will mean the closing of diplomatic posts and the reduction of our personnel abroad—to an overall personnel level that will then be below that when George C. Marshall was Secretary of State.
- It will mean a one-third cut in funding for the multilateral development banks, which are crucial to Third World economic progress.
- It means a severe setback to our effort to halt the production and illegal export of narcotics from abroad, just as our programs are gaining momentum.
- And it means the closing of American libraries and cultural centers overseas and curtailing Voice of America broadcasting.

I have not come to Harvard to tell you of just one more bureaucratic budget battle. The impact of these cuts combined with fierce reductions in our defense budget, rampant protectionism, and moralistic instincts toward withdrawal from the world, will be devastating to our foreign relations. They mean undoing the last 50 years of America's positive role of leadership in the world; it is simply mindless to do so when so many positive trends are at work in the world and so many opportunities open before us.

History shows that in this century American withdrawal only heightens global dangers and the risk of conflict. The strategic and economic consequences of the Smoot-Hawley tariff—along with the illusions of isolationism and lowered defense preparedness—helped ignite the international tensions that exploded in World War II. Even in the 1970s we saw that when America retreats within itself, the advantage goes to our adversaries, whose purposes in the world are antithetical to our most deeply held principles.

Why then look inward just as the gains of remaining engaged are most profound? We are a nation of unprecedented strengths—strategic, economic, and political—and unprecedented blessings. When our economy is strong, when our position in the world is secure, it is easy to forget that much of the world around us is still ruled by a ruthless few, who will not hesitate to fill the vacuum created when we pull back.

An Open Window to the World

I began by noting that this great university was a proper place to talk about what America and the world have learned in recent years. Today, as we all gather at Harvard—where higher education in America began—we think not only of what Harvard has meant to its own but of its meaning to the building of America and to our engagement with the world in years ahead.

To me, America's past can be characterized by the great theme of openness. Our universities lead the world because we possess a society that is open—to peoples, to ideas, to enterprise, and to the forces of change.

I have spent a large part of my life in the university. I taught, but I also learned a lot. One of the things I learned—and it's been reinforced very much as I've traveled around the world—is that our colleges and universities are one of America's greatest assets. There is nothing like our system of higher education anywhere else in the world.

So today, the world turns to the United States precisely because of our openness. At Harvard, as at all our great universities, students from every corner of the globe come in search of new dimensions of understanding and analysis, new currents of thought and innovation, new developments across the range of human knowledge. Today, over 340,000 young men and women from overseas are studying in the United States—just to take a few numbers: 21,000 Malaysians; 18,000 from Nigeria; 6,000 from the United Kingdom. It is especially gratifying that China—a country that for so long tried to cut itself off from the world and to develop itself in the totalitarian mold—now sends upwards of 15,000 students here each year.

America is inextricably engaged in the world through its great private institutions and through its people—whose international interests, travels, and ties continue. How paradoxical it is that we may now be drifting—stumbling, perhaps unconsciously—out of phase with our outward-looking citizens and their wide-ranging interests.

Today, our ideals and interests converge. We face a choice. My call today is for a reawakening to the reality that America—government and people—must remain open to the world and engaged or risk diminution of our essence as a people and our vocation as a nation.

I believe that those disturbing trends I mentioned are not representative of what this country and its people really believe. As the greatest democracy in the world, America is a reminder to all that there is an alternative to tyranny, oppression, and despair. Those who built this university were not a fearful, timid people. They did not shirk their responsibilities. They were practical men and women. They were earthy and realistic, and their lives were guided by a dream, by a vision, and by a sense of duty toward coming generations.

Let us honor that tradition. It is a tradition of practicality and realism, of dedication to the progress of open societies. It is a call for us for confidence in the future that only openness and freedom can bring.

---

[1]Press release 173. ■

Proposed Refugee Admissions for FY 1987

Secretary Shultz's statement before the Subcommittee on Immigration and Refugee Policy of the Senate Judiciary Committee on September 16, 1986.[1]

Thank you for the invitation and the honor to consult with you on the President's proposed refugee admissions ceiling for fiscal year (FY) 1987.

This is the third consecutive year that I have participated in these consultations. These sessions were envisaged by the Congress in the Refugee Act of 1980, which specified that our refugee admissions are intended for refugees of "special humanitarian concern to the United States in accordance with a determination made by the President after appropriate consultation with the Congress."

After thoughtful consideration—taking into account the resettlement needs of refugees of special humanitarian concern to us—the President proposes an overall admissions ceiling of 70,000 refugees, with 66,000 to be included in funded regional ceilings and 4,000 to be contained in an unfunded reserve, unallocated by any region. This year's admissions proposal includes:

- Reaffirmation of the President's initiatives on Amerasians and Vietnamese political prisoners;
- An admissions level to maintain continued high processing levels from the refugee camps in the Southeast Asian first-asylum countries;
- An increased admissions ceiling for Eastern Europe and the Soviet Union;
- Expanded refugee admissions from Latin America and the Caribbean;
- An increased ceiling for Africa to accommodate African refugees located far from processing posts in Africa and those who have been stranded in Europe for several years;

• An increased admissions ceiling for the Near East and South Asia to allow for admissions of those fleeing religious persecution and Soviet occupation; and

• An unallocated reserve, intended to give the Administration the flexibility to respond to critical admissions needs that are unpredictable.

As a preamble to a discussion and justification of the proposed refugee ceiling, I would like to reflect on what we have accomplished in our refugee programs in recent years and the way in which we have been able to achieve these objectives.

The beginning of FY 1981 marks a suitable starting point for such a review. It coincided with the election of President Reagan, and it followed by only a short interval the major refugee shocks of the previous decade: the massive exodus of boat refugees from Vietnam and land refugees from Cambodia and Laos; the flood of refugees into Somalia; and the arrival on our shores of some 150,000 Cuban and Haitian "entrants" in April of 1980. The refugee flight from Afghanistan was well underway—a movement of men, women, and children that soon reached close to 5 million people, nearly 3 million of them in Pakistan alone.

During the 6 years of this Administration, total expenditures for refugee aid administered by the State Department have exceeded $2.5 billion. In that time, more than 500,000 refugees have been admitted into the United States. There can be no doubt that America has done its share and more to aid those refugees who have been forced to leave their homelands because of persecution.

An American Tradition

It is a historic tradition for the American people to respond to refugee problems. Our national celebration at the rededication of the Statue of Liberty reminded us of the spirit of welcome which has inspired generations of immigrants and refugees to seek new lives in this country.

Our longstanding tradition of help for refugees was brought home for me in another way recently by a State Department publication describing our refugee programs. At the end there was a list of the private voluntary agencies cooperating in providing refugee assistance. The list seemed familiar, although some of the agencies had slightly different names and addresses. Then I looked at the date of the pamphlet. It was 1956, and the subject was the Hungarian refugee crisis of that October—just 30 years ago. The voluntary agencies and our refugee programs have been around a long time; they carry on a tradition today in which we can take great pride.

Multilateral Approach

An integral part of that tradition has been our leadership in advancing an international, multilateral approach to the resolution of refugee situations. We have consistently taken the lead in working to strengthen international mechanisms to deal with the expanding scope of refugee problems.

• The program and office of the UN High Commissioner for Refugees (UNHCR) grew fivefold in the past decade in response to the increase both in the number of refugee crises and in the absolute numbers of refugees worldwide. By a conservative count, there are now more than 10 million refugees living outside their native lands and unable to return. On every continent the UNHCR stands as the first line of defense for refugees: it speaks out for their protection; it provides for their care and maintenance; it seeks humane alternative solutions to their plight.

• At the last UN General Assembly, a new High Commissioner for Refugees was elected—Jean-Pierre Hocke of Switzerland. He brings new leadership and direction to one of the most responsible and demanding positions in the UN system. His election demonstrates that the United Nations can act positively and effectively to achieve humanitarian objectives in the spirit intended by its founders.

• The International Committee of the Red Cross (ICRC) has also grown in the scope and importance of its responsibilities during the past decade. With its partners, the League of Red Cross Societies and the national societies of many concerned countries, the ICRC has long set the standard for impartial, nonpolitical humanitarian aid. I serve on the Board of Governors of the American Red Cross. I am glad to note that that organization is expanding its international involvement, under the able leadership of its president, my friend and former colleague, Richard Schubert.

I want to commend the leadership of Alexander Hay, the president of the ICRC who has presided over that organization's major expansion. I have had the pleasure of meeting with President Hay and other ICRC leaders. I found their counsel always wise and useful, not only on humanitarian programs but also in terrorist situations such as the hijacking of TWA Flight 847, in which the ICRC assisted in its usual quiet, effective way in the arrangements for the release of the hostages. Mr. Hay has announced his decision to step down as ICRC president. We welcome his successor, Mr. Cornelio Sommaruga, who has been Secretary of State for Foreign Economic Affairs in the Swiss Government.

• The third organization that enables us to work multilaterally to aid refugees is the Intergovernmental Committee for Migration (ICM), ably led by James L. Carlin, a former distinguished Foreign Service officer. ICM was founded in 1951 to provide safe, secure migration assistance in the major movements of displaced persons and refugees following the Second World War and the communist takeovers in Eastern Europe. Since that time, it has helped move nearly 4 million refugees and migrants throughout the world. Today, ICM serves as the lead organization for medical processing and resettlement transportation for the U.S. refugee admissions program. In recent years ICM has been especially resourceful in aiding skilled migrants, originally from Third World countries, to return to productive positions in their homelands.

Benefits of Cooperation

In concrete terms, the benefits of cooperation are obvious. While the United States has been the leading refugee resettlement country in the past decade, other countries have also made important contributions, in some cases overcoming longstanding antipathy to immigration by foreign groups. We continue to seek ways in which the financial burden of providing refugee assistance can be shared equitably by the international community.

In short, the United States is not alone in its efforts to aid refugees. We make vital contributions to a functioning global system of international organizations and private voluntary agencies. This multiplies the resources that the U.S. Government brings to these humanitarian efforts. The pattern of international cooperation that has developed through the years, with its emphasis on nonpolitical, impartial assistance on the basis of need, serves our interests well—it serves those of the world's refugees.

Aiding Refugees in Home Regions

Probably the most significant result of cooperation has been the growing recognition that refugee problems are best resolved in the regions from which the refugees come. Leadership by the UNHCR and prudent management of refugee programs worldwide has made it possible to reduce significantly the numbers of refugees for whom third-country resettlement is a necessary or even desirable solution. This has been a major objective of U.S. policies, one that is shared by other countries aiding refugees and by the international system as a whole.

The best way to resolve a refugee situation is to enable refugees to return—freely and voluntarily—to their homes in their countries of origin. Although this can only rarely be accomplished in the short run, in many cases it has been possible for refugees to remain nearby and to return home when the situation has changed enough to permit voluntary repatriation. That remains the best hope even for those whose homelands remain under foreign occupation, like the almost 3 million Afghans in Pakistan. These people require and deserve the full-hearted support of the international community as they continue to suffer the deprivations of a limited, impermanent existence in temporary asylum. In our judgment, international resettlement is the correct solution for only relatively small numbers of refugees.

Even where return to the homeland appears unlikely, there are advantages for refugees to be cared for in the region in which they have their roots. Often a neighboring country shares a common geography, language, and ethnic or cultural character which can ease the acceptance of refugees and help them achieve longer term residence. At the first African refugee conference in Tanzania in 1979, Julius Nyerere, as the host President, said: "...as Africans, we welcome the refugees, we give them our space, we share our food." Outside help was needed, he added—but for the care of refugees in Africa, not for resettlement outside Africa.

Since 1981, nearly all of the U.S. contributions to assist refugees in the regions of their homelands have been channeled through the international organizations. Those organizations, in turn, work through "operational partners," who often are the same private voluntary agencies that assist us in refugee resettlement. As refugees find refuge in Africa, in the Near East, in Asia, in Latin America, in Western Europe, the traditional terminology of "donor" countries blurs, for it is the first-asylum countries offering their "space"—in President Nyerere's words—who are the greatest donors of all.

Resettlement: Often Not the Solution

The relatively small role played by international resettlement as a solution can be seen in the sheer magnitude of the refugee populations. There are currently 5 million Afghan refugees. The United States resettles, at most, 3,000 a year—less than one-tenth of 1%. There are almost 3 million refugees in Africa, with similarly limited resettlement requirements. Refugee leaders themselves acknowledge the uncertain value of resettlement in such situations, seeing it as potentially divisive and, in some cases, as a form of resented leadership drain.

The humanitarian commitment to aid refugees in the regions of their homelands puts great pressure on the resources available for our total refugee assistance programs. In FY 1986—as the committee knows—all parts of the Federal Government have had to make program reductions to conform to the Gramm-Rudman-Hollings legislation. As a result of these across-the-board funding reductions, the Department, with congressional concurrence, was forced this year to shift over $9 million from the admissions program to meet critical refugee assistance requirements in Africa and Southeast Asia. In other words, instead of reallocating admissions numbers and funds to meet other regional admissions needs, we were compelled to cover high-priority relief requirements. Thus, the need to reprogram is the primary reason for actual admissions in FY 1986 falling some 4,500 below the ceiling.

The assistance requirements for refugees in Africa, for Afghans in Pakistan, for Cambodians on the Thai-Cambodian border, and for other groups in Southeast Asia and elsewhere remain substantial. Just a few weeks ago, the Red Cross informed us they were running out of money for their life-sustaining food and medical programs in Africa. President Reagan authorized a withdrawal from the Emergency Refugee and Migration Assistance Fund to help meet the deficit, but that is a resource we can draw on only in exceptional cases and within a tightly delineated congressional authorization.

In order to be able to meet these ongoing assistance requirements without impairing our admissions programs, it is absolutely essential that we be provided with adequate resources to do the job. We are talking here about the lives of literally millions of human beings.

I was pleased that the House Appropriations Committee supported the full amount of the President's FY 1987 request for the refugee program. I urge you and your colleagues to do the same.

Foreign Affairs Budget

But this is only part of a much larger foreign policy issue now facing us. It is in our national interest to work together with other nations to reduce political instabilities throughout the world. But to address these instabilities, often at the root of the world's refugee problem, requires that American diplomacy have the proper tools—including healthy foreign assistance programs and energetic diplomatic representation.

Unfortunately, these tools are being drastically restricted under current congressionally imposed cuts in our overall foreign affairs budget. Put most bluntly, the cumulative effect of these reductions will be devastating to our ability to meet our responsibilities and commitments.

Today is not the day to discuss our overall foreign affairs budget in any great detail. But it is essential that we all recognize that the lack of the resources necessary to support constructive American leadership in the international community will inevitably have a negative impact on the management of global refugee problems.

Proposed FY 1987 Admissions

It is with this perspective that I now turn to the refugee admissions ceilings that the President is recommending for FY 1987. For simplicity, I will present them in tabular form, as follows:

FY 1987 Refugee Admissions Ceiling

Region	Admission Level
Africa	3,500
East Asia—First Asylum	32,000
East Asia—ODP	8,500
Eastern Europe/Soviet Union	10,000
Latin America/Caribbean	4,000
Near East/South Asia	8,000
Subtotal	**66,000**
Unallocated Reserve	4,000
TOTAL	**70,000**

I should point out that this total is the same figure that the Administration proposed for FY 1986.

The Unallocated Admissions Reserve

This year, for the first time, the President's recommended admissions ceiling includes an unfunded and unallocated reserve of 4,000. This reserve is not tied to any geographic region—it would give the Administration the capability to respond to contingent regional admissions needs. The reserve is similar to the admissions reserves used by the other two major resettlement countries, Canada and Australia. Should it be necessary to use the admissions reserve, we would cover the associated costs within existing agency budget requests and would inform the Congress as to the reserve's allocation.

In addition, given the difficult fiscal situation we are facing, we will be undertaking a study to explore the possibility of a private-sector-funded admissions program.

East Asia Admissions

Indochinese Refugee Panel Report. A year ago I informed the committee of my intention to commission a distinguished independent panel to visit Southeast Asia with a broad mandate to assess the refugee situation and to make recommendations on necessary changes in U.S. policy. I am pleased to report that the panel carried out its mission with great compasion, skill, and judgment. It was chaired by the Honorable Robert D. Ray, the former Governor of Iowa, a state that achieved an admirable record in refugee resettlement under Governor Ray's leadership. Other members of the panel were Mrs. Irena Kirkland; former Senator and Ambassador Gale McGee; the former Deputy Attorney General of the United States, Edward Schmults; and Jonathan Moore, who has just ended his leadership of the Institute of Politics at Harvard to join us as the new U.S. Coordinator for Refugee Affairs.

The panel's report is a comprehensive document, with some 44 specific recommendations. One of its main points is that U.S. admissions for Indochinese should move forward along two tracks: a refugee program for those continuing to flee the Indochinese states to escape persecution and an immigration program for those seeking to come to the United States on the basis of their family relationships. Close to 800,000 Indochinese have come to the United States as refugees since 1975. By the end of last year, 46,073 of them had been naturalized as U.S. citizens. They are compiling a remarkable record of achievement in our country, and many are in a position themselves to aid their relatives wishing to come here.

In cooperation with the Immigration and Naturalization Service (INS), we are focusing on the panel's recommendations to help guide us to maintain an adequate program for refugees from Indochina and, at the same time, to assist those qualifying through family ties to seek admission through established immigration channels. A report on our progress in this process is included in the documents presented to you as part of this consultation.

In reviewing these subjects, we have maintained close consultations with the Congress, with the first-asylum countries of the region, with the other countries continuing to offer significant levels of resettlement (among whom Australia and Canada play the greatest role), and with the concerned international agencies.

Balanced Program. It is in this context that the President is recommending the proposed admissions ceilings for east Asia—both for those in first-asylum countries and for those able to leave Vietnam by means of the UNHCR's Orderly Departure Program (ODP). As I stated during last year's consultations, we see the need for balance in this program.

> Indochinese refugee resettlement must be balanced against other, regional solutions; balanced as a fair share of an international resettlement effort; balanced in terms of its budgetary implications; balanced in terms of other immigration and domestic policy considerations; and balanced against the need to provide resettlement to deserving refugees from other parts of the world.

The Ray panel has proposed guidelines to help us achieve this balance in ways that respond to the needs of the refugees. We will continue to assure the first-asylum states of the durability of our commitment to help ease their burden and to provide continued resettlement opportunities in the United States.

The proposed ceiling for refugees in first asylum will enable us to process those currently eligible for the U.S. program, those new arrivals who qualify under our priority categories, and a part of the long-stayer caseload under a revitalized international initiative. The Ray panel attached "the greatest significance" to the preservation of first asylum. Today, I want to reaffirm to the nations of Southeast Asia the importance we attach to their continuing to offer safe first asylum for Indochinese refugees. In cooperation with other donors, we will continue to do all we can to provide both resettlement opportunities and financial support for assistance needs in Southeast Asia, as recommended by the Ray panel. We are considering some processing of refugees from among those who have been in camps the longest, and we believe these initiatives can be undertaken within the proposed admissions ceiling.

Orderly Departure Program. In October 1984, I presented to this committee on behalf of President Reagan two significant humanitarian initiatives aimed at reaching special populations in Vietnam through the UNHCR Orderly Departure Program. I want to take this opportunity to reaffirm, as I did last year, our commitment to accept all Amerasian children from Vietnam. We are equally committed to resettling present and former political prisoners from Vietnam's so-called reeducation camps and their close family members.

The President is proposing an 8,500 ceiling for refugees leaving Vietnam directly under the ODP, the same as last year. This does not include the several thousand Vietnamese who we anticipate will come to the United States as immigrants. But this appearance of continuity does not change the fact that the ODP has encountered serious setbacks. On January 1, 1986, the Vietnamese Government unilaterally suspended interviewing of new cases. Departures from Vietnam have continued at about 75% of the rate of last year from the pool of applicants interviewed for resettlement in the United States before interviewing was suspended. We have had three working-level meetings with the Vietnamese under UNHCR auspices, the most recent one just last month, to try to resolve the problem. We continue to hope interviewing can resume without further unnecessary delay. Our proposed unallocated admissions reserve would give us the flexibility to handle additional admissions, should we manage to get ODP operating at full steam.

Over 100,000 people have been able to leave Vietnam under the Orderly Departure Program, nearly half to the United States, the remainder to some 30 other countries. In fact, just last week the 50,000th person left Vietnam for resettlement in the United States under this program. The ODP was established by agreement between the UNHCR and

the Government of Vietnam to provide a safe alternative to the hazards of flight by sea. We want to see it restored and improved as soon as possible.

Amerasian Children. Vietnam's actions leading to suspension of interviewing for the ODP have resulted, most immediately, in a halt to the departure of Amerasian children and their mothers from Vietnam. Over 8,500 children of Vietnamese mothers and American fathers and their immediate relatives have come to the United States under this program. In 1984, I expressed the hope that all the Amerasian children and their close relatives would be able to come in a 3-year period. Two years of that have passed, and the program has had substantial success, but the majority of the children remain in Vietnam.

At the working-level meeting last month in Hanoi, the Vietnamese produced a long-promised list of Amerasian children and their families, numbering some 2,600 people, which we are now reviewing with the hope that interviews for this group can begin soon. Although specific procedures still need to be worked out, we hope the discussions we have had will lead to the early resumption of Amerasian departures from Vietnam.

Political Prisoners. No aspect of the refugee program has caused us greater disappointment than Vietnam's refusal to live up to earlier pledges to release for resettlement in the United States "reeducation camp" prisoners—pledges made by their Prime Minister and reaffirmed by the Foreign Minister and other senior Vietnamese officials. An estimated 6,000–7,000 of these political prisoners continue to languish in prisons in Vietnam after more than 10 years.

Two years ago, I announced, on behalf of President Reagan, our readiness to receive these prisoners and their close relatives. Many are imprisoned because of their past association with U.S. policies and programs in the region, and we acknowledge a special obligation to work for their release. Since that time, only 752 former prisoners and their accompanying relatives have been allowed to leave.

On behalf of the United States, I reaffirm to Vietnam President Reagan's offer of 2 years ago: release the political prisoners, and we will take them.

Refugee Admissions From Other Regions

Latin America and the Caribbean. In light of the Cuban release of a number of long-held political prisoners in 1986, and consistent with our deep concern for the welfare of these individuals, the President authorized processing in Havana of long-term Cuban political prisoners and former prisoners. I am pleased to confirm that over 100 Cuban political prisoners and their families arrived in the United States yesterday.

We have included sufficient numbers in our proposed Latin American ceiling to admit 3,000 Cubans as refugees in FY 1987, should the Government of Cuba lift its suspension of the Mariel migration agreement. While the United States stands ready to resume its obligations under the agreement, we will not do so until the Cuban Government agrees to fulfill its obligation to accept the return of the Mariel excludables.

As political turmoil continues to trouble many countries in Latin America, the Administration plans to consider refugee applicants for whom temporary asylum or settlement in the region are not available. To achieve this goal, we have proposed an increased ceiling of 4,000 and will expand the current refugee processing priorities used for the region.

Africa. The Continent of Africa suffers from a complex and dynamic refugee situation. There are some 35 African countries offering asylum to refugees fleeing from at least 17 African countries. Many countries both generate and receive refugees. Responding to the impact of refugees has been complicated by the natural disasters of drought and locusts and by the economic crises afflicting many of these developing countries.

For most of those African refugees needing protection and assistance from the international community, resettlement to the United States is not the desired solution. Most can benefit from the hospitality offered by neighboring nations. Those in need of resettlement outside Africa are refugees in life-threatening situations or refugees who cannot easily be assimilated—for example, urban Ethiopians and some South Africans.

For FY 1987, we are proposing an admissions ceiling of 3,500. This will allow us to process those refugees who cannot be resettled elsewhere, as well as a limited number of African refugees currently in first asylum in Europe.

Eastern Europe and the Soviet Union. Unfortunately, the number of individuals who are granted permission to depart the Soviet Union has continued to decline in the past year. We continue to press for freer emigration from the Soviet Union and have adjusted our admissions ceiling accordingly. The President raised this issue with Chairman Gorbachev in Geneva, and I intend to do the same with the Soviet Foreign Minister whenever we meet.

We anticipate that the requested 10,000 admissions will allow us to process not only the hoped-for increase from the Soviet Union but also those Romanians registered for the third country processing program, as well as the regular flow of refugees who continue to arrive from Eastern Europe.

Near East and South Asia. Since the Soviet invasion of Afghanistan in 1979, over 5 million Afghans have sought asylum in neighboring countries, almost 3 million of them in Pakistan alone. The Afghan refugee population is supported by long-term international assistance efforts, to which we are a major contributor.

At the same time, more than 2 million Palestinians in the Near East are registered with the UN Relief and Works Agency (UNRWA). While its role is indirect, UNRWA is an important element in efforts to preempt the sort of desperation that can lead to extremism. It thus helps create a climate that will be fundamental to any successful peace process.

In Iran, the tyrannical revolution led by Khomeini has driven thousands from their homeland, many of whom seek a new life in Europe and the United States. As Congress has acknowledged, many Iranian religious minorities continue to be persecuted. Most particularly, the Baha'i, as well as Christians and Jews, are included in the U.S. resettlement program.

For FY 1987, the President has recommended a ceiling of 8,000 refugees, to allow us to continue to provide adequate resettlement opportunities for these populations.

Conclusion

Since 1981, over 500,000 persons have been brought to this country as refugees to begin new lives. In coordination with the efforts of State and local governments, civic organizations, voluntary agencies, and thousands of private

citizens, the Administration remains committed to help give these people a new opportunity to live free from the fear of persecution.

Yet there have been frustrations and disappointments:

- The unfortunate unilateral Vietnamese suspension of interviews for the UNHCR's Orderly Departure Program, which has also stalled the President's initiative for Amerasian children;
- The continued failure of the Vietnamese to respond to our initiative to accept reeducation camp political prisoners;
- The Cuban refusal to implement the Mariel migration agreement; and
- The Soviet Union's continued refusal to allow those wishing to leave to do so, especially Soviet Jews.

I pledge to you that this Administration will never relent in its efforts to resolve these profound humanitarian issues. With the bipartisan support of Congress, we will continue in our traditional humanitarian spirit to provide for the needs of refugees around the world.

I began today by reflecting on the accomplishments of our refugee programs over the past 6 years, accomplishments made possible only by the generosity and commitment of the American people through their elected representatives in Congress.

I urge you to support the President's recommended refugee admissions ceiling which I have presented here today. At the same time, I must remind you that a generous refugee admissions ceiling is nothing but numbers on a piece of paper without the money to fund the programs that these numbers represent. And so, in closing, I ask for your support not only of the proposed ceiling but also the President's budget request for the refugee program so that, together, we are able to continue this great, national humanitarian endeavor.

[1]Press release 179. The complete transcript for the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Continuation of South Africa Emergency

MESSAGE TO THE CONGRESS, SEPT. 4, 1986[1]

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the South African emergency is to continue in effect beyond September 9, 1986, to the *Federal Register* for publication.

The failure of the South African Government to take adequate steps to eliminate apartheid, that Governnment's security practices, including the recent imposition of another state of emergency, and the persistence of widespread violence continue to endanger prospects for peaceful change in South Africa and threaten stability in the region as a whole. Under these circumstances, I have determined that it is necessary to continue in effect the national emergency with respect to South Africa after September 9, 1986, in order to deal with this unusual and extraordinary threat to the foreign policy and economy of the United States. Additional measures to deal with this threat will be considered upon the completion of consultations with key Allies on joint, effective measures to eliminate apartheid and encourage negotiations for peaceful change in South Africa.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Sept. 8, 1986. ■

CDE Delegations Reach Accord on Military Activities in Europe

The Conference on Confidence- and Security-Building Measures and Disarmament in Europe (CDE) met in Stockholm January 17, 1984–September 19, 1986.

Following are the texts of the document agreed to by the 35 participating states on September 19 and statements by President Reagan and Ambassador Robert L. Barry, head of the U.S. delegation, on September 22.

DOCUMENT

Document of the Stockholm Conference on Confidence- and Security-Building Measures and Disarmament in Europe convened in accordance with the relevant provisions of the Concluding Document of the Madrid Meeting of the Conference on Security and Co-operation in Europe

(1) The representatives of the participating States of the Conference on Security and Co-operation in Europe (CSCE), Austria, Belgium, Bulgaria, Canada, Cyprus, Czechoslovakia, Denmark, Finland, France, the German Democratic Republic, the Federal Republic of Germany, Greece, the Holy See, Hungary, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, the Netherlands, Norway, Poland, Portugal, Romania, San Marino, Spain, Sweden, Switzerland, Turkey, the Union of Soviet Socialist Republics, the United Kingdom, the United States of America and Yugoslavia, met in Stockholm from 17 January 1984 to 19 September 1986, in accordance with the provisions relating to the Conference on Confidence- and Security-Building Measures and Disarmament in Europe contained in the Concluding Document of the Madrid Follow-up Meeting of the CSCE.

(2) The participants were addressed by the Prime Minister of Sweden, the late Olof Palme, on 17 January 1984.

(3) Opening statements were made by the Ministers of Foreign Affairs and other Heads of Delegation. The Prime Minister of Spain as well as Ministers and senior officials of several other participating States addressed the Conference later. The Minister for Foreign Affairs of Sweden addressed the Conference on 19 September 1986.

(4) The Secretary-General of the United Nations addressed the Conference on 6 July 1984.

(5) Contributions were made by the following non-participating Mediterranean States: Algeria, Egypt, Israel, Lebanon, Libya, Morocco, Syria and Tunisia.

(6) The participating States recalled that the aim of the Conference on Confidence- and Security-Building Measures and Disarmament in Europe is, as a substantial and integral part of the multilateral process initiated by the Conference on Security and Co-operation in Europe, to undertake, in stages, new, effective and concrete actions designed to make progress in strengthening confidence and security and in achieving disarmament, so as to give effect and expression to the duty of States to refrain from the threat or use of force in their mutual relations as well as in their international relations in general.

(7) The participating States recognized that the set of mutually complementary confidence- and security-building measures which are adopted in the present document and which are in accordance with the Madrid mandate serve by their scope and nature and by their implementation to strengthen confidence and security in Europe and thus to give effect and expression to the duty of States to refrain from the threat or use of force.

(8) Consequently the participating States have declared the following:

REFRAINING FROM THE THREAT OR USE OF FORCE

(9) The participating States, recalling their obligation to refrain, in their mutual relations as well as in their international relations in general, from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations, accordingly reaffirm their commitment to respect and put into practice the principle of refraining from the threat or use of force, as laid down in the Final Act.

(10) No consideration may be invoked to serve to warrant resort to the threat or use of force in contravention of this principle.

(11) They recall the inherent right of individual or collective self-defence if an armed attack occurs, as set forth in the Charter of the United Nations.

(12) They will refrain from any manifestation of force for the purpose of inducing any other State to renounce the full exercise of its sovereign rights.

(13) As set forth in the Final Act, no occupation or acquisition of territory resulting from the threat or use of force in contravention of international law, will be recognized as legal.

(14) They recognize their commitment to peace and security. Accordingly they reaffirm that they will refrain from any use of armed forces inconsistent with the purposes and principles of the Charter of the United Nations and the provisions of the Declaration on Principles Guiding Relations between Participating States, against another participating State, in particular from invasion of or attack on its territory.

(15) They will abide by their commitment to refrain from the threat or use of force in their relations with any State, regardless of that State's political, social, economic or cultural system and irrespective of whether or not they maintain with that State relations of alliance.

(16) They stress that non-compliance with the obligation of refraining from the threat or use of force, as recalled above, constitutes a violation of international law.

(17) They stress their commitment to the principle of peaceful settlement of disputes as contained in the Final Act, convinced that it is an essential complement to the duty of States to refrain from the threat or use of force, both being essential factors for the maintenance and consolidation of peace and security. They recall their determination and the necessity to reinforce and to improve the methods at their disposal for the peaceful settlement of disputes. They reaffirm their resolve to make every effort to settle exclusively by peaceful means any dispute between them.

(18) The participating States stress their commitment to the Final Act and the need for full implementation of all its provisions, which will further the process of improving security and developing co-operation in Europe, thereby contributing to international peace and security in the world as a whole.

(19) They emphasize their commitment to all the principles of the Declaration on Principles Guiding Relations between Participating States and declare their determination to respect and put them into practice irrespective of their political, economic or social systems as well as of their size, geographical location or level of economic development.

(20) All these ten principles are of primary significance and, accordingly, they will be equally and unreservedly applied, each of them being interpreted taking into account the others.

(21) Respect for and the application of these principles will enhance the development of friendly relations and co-operation among the participating States in all fields covered by the provisions of the Final Act.

(22) They reconfirm their commitment to the basic principle of the sovereign equality of States and stress that all States have equal rights and duties within the framework of international law.

(23) They reaffirm the universal significance of human rights and fundamental freedoms. Respect for and the effective exercise of these rights and freedoms are essential factors for international peace, justice and security, as well as for the development of friendly relations and co-operation among themselves as among all States, as set forth in the Declaration on Principles Guiding Relations between Participating States.

(24) They reaffirm that, in the broader context of world security, security in Europe is closely linked with security in the Mediterranean area as a whole; in this context, they confirm their intention to develop good neighbourly relations with all States in the region, with due regard to reciprocity, and in the spirit of the principles contained in the Declaration on Principles Guiding Relations between Participating States, so as to promote confidence and security and make peace prevail in the region in accordance with the provisions contained in the Mediterranean chapter of the Final Act.

(25) They emphasize the necessity to take resolute measures to prevent and to combat terrorism, including terrorism in international relations. They express their determination to take effective measures, both at the national level and through international co-operation, for the prevention and suppression of all acts of terrorism. They will take all appropriate measures in preventing their respective territories from being used for the preparation, organization or commission of terrorist activities. This also includes measures to prohibit on their territories illegal activities, including subversive activities, of persons, groups and organizations that instigate, organize or engage in the perpetration of acts of terrorism, including those directed against other States and their citizens.

(26) They will fulfil in good faith their obligations under international law; they also stress that strict compliance with their commitments within the framework of the CSCE is essential for building confidence and security.

(27) The participating States confirm that in the event of a conflict between the obligations of the members of the United Nations under the Charter of the United Nations and their obligations under any treaty or other international agreement, their obligations under the Charter will prevail, in accordance with Article 103 of the Charter of the United Nations.

(28) The participating States have adopted the following measures:

PRIOR NOTIFICATION OF CERTAIN MILITARY ACTIVITIES

(29) The participating States will give notification in writing through diplomatic channels in an agreed form of content, to all other participating States 42 days or more in advance of the start of notifiable[1] military activities in the zone of application for confidence- and security-building measures (CSBMs).[2]

(30) Notification will be given by the participating State on whose territory the activity in question is planned to take place even if the forces of that State are not engaged in the activity or their strength is below the notifiable level. This will not relieve other participating States of their obligation to give notification, if their involvement in the planned military activity reaches the notifiable level.

(31) Each of the following military activities in the field conducted as a single activity in the zone of application for CSBMs, at or above the levels defined below, will be notified.

(31.1) The engagement of formations of land forces[3] of the participating States in the same exercise activity conducted under a single operational command independently or in combination with any possible air or naval components.

(31.1.1) This military activity will be subject to notification whenever it involves at any time during the activity:

- at least 13,000 troops, including support troops, or
- at least 300 battle tanks

if organized into a divisional structure or at least two brigades/regiments, not necessarily subordinate to the same division.

(31.1.2) The participation of air forces of the participating States will be included in the notification if it is foreseen that in the course of the activity 200 or more sorties by aircraft, excluding helicopters, will be flown.

(31.2) The engagement of military forces either in an amphibious landing or in a parachute assault by airborne forces in the zone of application for CSBMs.

(31.2.1) These military activities will be subject to notification whenever the amphibious landing involves at least 3,000 troops or whenever the parachute drop involves at least 3,000 troops.

(31.3) The engagement of formations of land forces of the participating States in a transfer from outside the zone of application for CSBMs to arrival points in the zone, or from inside the zone of application for CSBMs to points of concentration in the zone, to participate in a notifiable exercise activity or to be concentrated.

(31.3.1) The arrival or concentration of these forces will be subject to notification whenever it involves, at any time during the activity:

- at least 13,000 troops, including support troops, or
- at least 300 battle tanks

if organized into a divisional structure or at least two brigades/regiments, not necessarily subordinate to the same division.

(31.3.2) Forces which have been transferred into the zone will be subject to all provisions of agreed CSBMs when they depart their arrival points to participate in a notifiable exercise activity or to be concentrated within the zone of application for CSBMs.

(32) Notifiable military activities carried out without advance notice to the troops involved are exceptions to the requirement for prior notification to be made 42 days in advance.

(32.1) Notification of such activities, above the agreed thresholds, will be given at the time the troops involved commence such activities.

(33) Notification will be given in writing of each notifiable military activity in the following agreed form:

(34) **A—General Information**

(34.1) The designation of the military activity;

(34.2) The general purpose of the military activity;

(34.3) The names of the States involved in the military activity;

(34.4) The level of organizing and commanding the military activity;

(34.5) The start and end dates of the military activity.

(35) **B—Information on different types of notifiable military activities**

(35.1) The engagement of land forces of the participating States in the same exercise activity conducted under a single operational command independently or in combination with any possible air or naval components;

(35.1.1) The total number of troops taking part in the military activity (i.e., ground troops, amphibious troops, airmobile and airborne troops) and the number of troops participating for each State involved, if applicable;

(35.1.2) Number and type of divisions participating for each State;

(35.1.3) The total number of battle tanks for each State and the total number of anti-tank guided missile launchers mounted on armoured vehicles;

(35.1.4) The total number of artillery pieces and multiple rocket launchers (100 mm calibre or above);

(35.1.5) The total number of helicopters, by category;

(35.1.6) Envisaged number of sorties by aircraft, excluding helicopters;

(35.1.7) Purpose of air missions;

(35.1.8) Categories of aircraft involved;

(35.1.9) The level of command, organizing and commanding the air force participation;

(35.1.10) Naval ship-to-shore gunfire;

(35.1.11) Indication of other naval ship-to-shore support;

(35.1.12) The level of command, organizing and commanding the naval force participation.

(35.2) The engagement of military forces either in an amphibious landing or in a parachute assault by airborne forces in the zone of application for CSBMs:

(35.2.1) The total number of amphibious troops involved in notifiable amphibious landings, and/or the total number of airborne troops involved in notifiable parachute assaults;

(35.2.2) In the case of a notifiable amphibious landing, the point or points of embarkation, if in the zone of application for CSBMs.

(35.3) The engagement of formations of land forces of the participating States in a transfer from outside the zone of application for CSBMs to arrival points in the zone, or from inside the zone of application for CSBMs to points of concentration in the zone, to participate in a notifiable exercise activity or to be concentrated:

(35.3.1) The total number of troops transferred;

(35.3.2) Number and type of divisions participating in the transfer;

(35.3.3) The total number of battle tanks participating in a notifiable arrival or concentration;

(35.3.4) Geographical co-ordinates for the points of arrival and for the points of concentration.

(36) **C—The envisaged area and timeframe of the activity**

(36.1) The area of the military activity delimited by geographic features together with geographic co-ordinates, as appropriate;

(36.2) The start and end dates of each phase (transfers, deployment, concentration of forces, active exercise phase, recovery phase) of activities in the zone of application for CSBMs of participating formations, the tactical purpose and corresponding geographical areas (delimited by geographical co-ordinates) for each phase;

(36.3) Brief descriptions of each phase.

(37) **D—Other information**

(37.1) Changes, if any, in relation to information provided in the annual calendar regarding the activity;

(37.2) Relationship of the activity to other notifiable activities.

OBSERVATION OF CERTAIN MILITARY ACTIVITIES

(38) The participating States will invite observers from all other participating States to the following notifiable military activities:

(38.1) • The engagement of formations of land forces[3] of the participating States in the same exercise activity conducted under a single operational command independently or in combination with any possible air or naval components;

(38.2) • The engagement of military forces either in an amphibious landing or in a parachute assault by airborne forces in the zone of application for CSBMs;

(38.3) • In the case of the engagement of formations of land forces of the participating States in a transfer from outside the zone of application for CSBMs to arrival points in the zone, or from inside the zone of application for CSBMs to points of concentration in the zone, to participate in a notifiable exercise activity or to be concentrated, the concentration of these forces. Forces which have been transferred into the zone will be subject to all provisions of agreed confidence- and security-building measures when they depart their arrival points to participate in a notifiable exercise activity or to be concentrated within the zone of application for CSBMs.

(38.4) The above-mentioned activities will be subject to observation whenever the number of troops engaged meets or exceeds 17,000 troops, except in the case of either an amphibious landing or a parachute assault by airborne forces, which will be subject to observation whenever the number of troops engaged meets or exceeds 5,000 troops.

(39) The host State will extend the invitations in writing through diplomatic channels to all other participating States at the time of notification. The host State will be the participating State on whose territory the notified activity will take place.

(40) The host State may delegate some of its responsibilities as host to another participating State engaged in the military activity on the territory of the host State. In such cases, the host State will specify the allocation of responsibilities in its invitation to observe the activity.

(41) Each participating State may send up to two observers to the military activity to be observed.

(42) The invited State may decide whether to send military and/or civilian observers, including members of its personnel accredited to the host State. Military observers will, normally, wear their uniforms and insignia while performing their tasks.

(43) Replies to the invitation will be given in writing not later than 21 days after the issue of the invitation.

(44) The participating States accepting an invitation will provide the names and ranks of their observers in their reply to the invitation. If the invitation is not accepted in time, it will be assumed that no observers will be sent.

(45) Together with the invitation the host State will provide a general observation programme, including the following information:

(45.1) • the date, time and place of assembly of observers;

(45.2) • planned duration of the observation programme;

(45.3) • languages to be used in interpretation and/or translation;

(45.4) • arrangements for board, lodging and transportation of the observers;

(45.5) • arrangements for observation equipment which will be issued to the observers by the host State;

(45.6) • possible authorization by the host State of the use of special equipment that the observers may bring with them;

(45.7) • arrangements for special clothing to be issued to the observers because of weather or environmental factors.

(46) The observers may make requests with regard to the observation programme. The host State will, if possible, accede to them.

(47) The host State will determine a duration of observation which permits the observers to observe a notifiable military activity from the time that agreed thresholds for observation are met or exceeded until, for the last time during the activity, the thresholds for observation are no longer met.

(48) The host State will provide the observers with transportation to the area of the notified activity and back. This transportation will be provided from either the capital or another suitable location to be announced in the invitation, so that the observers are in position before the start of the observation programme.

(49) The invited State will cover the travel expenses for its observers to the capital, or another suitable location specified in the invitation, of the host State, and back.

(50) The observers will be provided equal treatment and offered equal opportunities to carry out their functions.

(51) The observers will be granted, during their mission, the privileges and immunities accorded to diplomatic agents in the Vienna Convention on Diplomatic Relations.

(52) The host State will not be required to permit observation of restricted locations, installations or defence sites.

(53) In order to allow the observers to confirm that the notified activity is non-threatening in character and that it is carried out in conformity with the appropriate provisions of the notification, the host State will:

(53.1) • at the commencement of the observation programme give a briefing on the purpose, the basic situation, the phases of the activity and possible changes as compared with the notification and provide the observers with a map of the area of the military activity with a scale of 1 to not more than 500,000 and an observation programme with a daily schedule as well as a sketch indicating the basic situation;

(53.2) • provide the observers with appropriate observation equipment; however, the observers will be allowed to use their personal binoculars, which will be subject to examination and approval by the host State;

(53.3) • in the course of the observation programme give the observers daily briefings with the help of maps on the various phases of the military activity and their development and inform the observers about their positions geographically; in the case of a land force activity conducted in combination with air or naval components, briefings will be given by representatives of these forces;

(53.4) • provide opportunities to observe directly forces of the State/States engaged in the military activity so that the observers get an impression of the flow of the activity; to this end, the observers will be given the opportunity to observe major combat units of the participating formations of a divisional or equivalent level and, whenever

possible, to visit some units and communicate with commanders and troops; commanders or other senior personnel of participating formations as well as of the visited units will inform the observers of the mission of their respective units;

(53.5) • guide the observers in the area of the military activity; the observers will follow the instructions issued by the host State in accordance with the provisions set out in this document;

(53.6) • provide the observers with appropriate means of transportation in the area of the military activity;

(53.7) • provide the observers with opportunities for timely communication with their embassies or other official missions and consular posts; the host State is not obligated to cover the communication expenses of the observers;

(53.8) • provide the observers with appropriate board and lodging in a location suitable for carrying out the observation programme and, when necessary, medical care.

(54) The participating States need not invite observers to notifiable military activities which are carried out without advance notice to the troops involved unless these notifiable activities have a duration of more than 72 hours. The continuation of these activities beyond this time will be subject to observation while the agreed thresholds for observation are met or exceeded. The observation programme will follow as closely as practically possible all the provisions for observation set out in this document.

ANNUAL CALENDARS

(55) Each participating State will exchange, with all other participating States, an annual calendar of its military activities subject to prior notification,[4] within the zone of application for CSBMs, forecast for the subsequent calendar year. It will be transmitted every year, in writing, through diplomatic channels, not later than 15 November for the following year.

(56) Each participating State will list the above-mentioned activities chronologically and will provide information on each activity in accordance with the following model:

(56.1) • type of military activity and its designation;

(56.2) • general characteristics and purpose of the military activity;

(56.3) • States involved in the military activity;

(56.4) • area of the military activity, indicated by appropriate geographic features and/or defined by geographic co-ordinates;

(56.5) • planned duration of the military activity and the 14-day period, indicated by dates, within which it is envisaged to start;

(56.6) • the envisaged total number of troops[5] engaged in the military activity;

(56.7) • the types of armed forces involved in the military activity;

(56.8) • the envisaged level of command, under which the military activity will take place;

(56.9) • the number and type of divisions whose participation in the military activity is envisaged;

(56.10) • any additional information concerning, *inter alia*, components of armed forces, which the participating State planning the military activity considers relevant.

(57) Should changes regarding the military activities in the annual calendar prove necessary, they will be communicated to all other participating States no later than in the appropriate notification.

(58) Information on military activities subject to prior notification not included in an annual calendar will be communicated to all participating States as soon as possible, in accordance with the model provided in the annual calendar.

CONSTRAINING PROVISIONS

(59) Each participating State will communicate, in writing, to all other participating States, by 15 November each year, information concerning military activities subject to prior notification[4] involving more than 40,000 troops,[4] which it plans to carry out in the second subsequent calendar year. Such communication will include preliminary information on each activity, as to its general purpose, timeframe and duration, area, size and States involved.

(60) Participating States will not carry out military activities subject to prior notification involving more than 75,000 troops, unless they have been the object of communication as defined above.

(61) Participating States will not carry out military activities subject to prior notification involving more than 40,000 troops unless they have been included in the annual calendar, not later than 15 November each year

(62) If military activities subject to prior notification are carried out in addition to those contained in the annual calendar, they should be as few as possible.

COMPLIANCE AND VERIFICATION

(63) According to the Madrid Mandate, the confidence- and security-building measures to be agreed upon "will be provided with adequate forms of verification which correspond to their content."

(64) The participating States recognize that national technical means can play a role in monitoring compliance with agreed confidence- and security-building measures.

(65) In accordance with the provisions contained in this document each participating State has the right to conduct inspections on the territory of any other participating State within the zone of application for CSBMs.

(66) Any participating State will be allowed to address a request for inspection to another participating State on whose territory, within the zone of application for CSBMs, compliance with the agreed confidence- and security-building measures is in doubt.

(67) No participating State will be obliged to accept on its territory, within the zone of application for CSBMs, more than three inspections per calendar year.

(68) No participating State will be obliged to accept more than one inspection per calendar year from the same participating State.

(69) An inspection will not be counted if, due to *force majeure*, it cannot be carried out.

(70) The participating State which requests an inspection will state the reasons for such a request.

(71) The participating State which has received such a request will reply in the affirmative to the request within the agreed period of time, subject to the provisions contained in paragraphs (67) and (68).

(72) Any possible dispute as to the validity of the reasons for a request will not prevent or delay the conduct of an inspection.

(73) The participating State which requests an inspection will be permitted to designate for inspection on the territory of another State, within the zone of application for CSBMs, a specific area. Such an area will be referred to as the "specified area." The specified area will comprise terrain where notifiable military activities are conducted or where another participating State believes a notifiable military activity is taking place. The specified area will be defined and limited by the scope and scale of notifiable military activities but will not exceed that required for an army level military activity.

(74) In the specified area the representatives of the inspecting State accompanied by the representatives of the receiving State will be permitted access, entry and unobstructed survey, except for areas or sensitive points to which access is normally denied or restricted, military and other defence installations, as well as naval vessels, military vehicles and aircraft. The number and extent of the restricted areas should be as limited as possible. Areas where notifiable military activities can take place will not be declared restricted areas, except for certain permanent or temporary military installations which, in territorial terms, should be as small as possible, and consequently those areas will not be used to prevent inspection of notifiable military activities. Restricted areas will not be employed in a way inconsistent with the agreed provisions on inspection.

(75) Within the specified area, the forces of participating States other than the receiving State will also be subject to the inspection conducted by the inspecting State.

(76) Inspection will be permitted on the ground, from the air or both.

(77) The representatives of the receiving State will accompany the inspection team, including when it is in land vehicles and an aircraft from the time of their first employment until the time they are no longer in use for the purposes of inspection.

(78) In its request, the inspecting State will notify the receiving State of:

(78.1) • the reasons for the request;
(78.2) • the location of the specified area defined by geographical co-ordinates;
(78.3) • the preferred point(s) of entry for the inspection team;
(78.4) • mode of transport to and from the point(s) of entry and, if applicable, to and from the specified area;
(78.5) • where in the specified area the inspection will begin;
(78.6) • whether the inspection will be conducted from the ground, from the air or both simultaneously;
(78.7) • whether aerial inspection will be conducted using an airplane, a helicopter or both;
(78.8) • whether the inspection team will use land vehicles provided by the receiving State or, if mutually agreed, its own vehicles;
(78.9) • information for the issuance of diplomatic visas to inspectors entering the receiving State.

(79) The reply to the request will be given in the shortest possible period of time, but within not more than twenty-four hours. Within thirty-six hours after the issuance of the request, the inspection team will be permitted to enter the territory of the receiving State.

(80) Any request for inspection as well as the reply thereto will be communicated to all participating States without delay.

(81) The receiving State should designate the point(s) of entry as close as possible to the specified area. The receiving State will ensure that the inspection team will be able to reach the specified area without delay from the point(s) of entry.

(82) All participating States will facilitate the passage of the inspection teams through their territory.

(83) Within 48 hours after the arrival of the inspection team at the specified area, the inspection will be terminated.

(84) There will be no more than four inspectors in an inspection team. While conducting the inspection the inspection team may divide into two parts.

(85) The inspectors and, if applicable, auxiliary personnel, will be granted during their mission the privileges and immunities in accordance with the Vienna Convention on Diplomatic Relations.

(86) The receiving State will provide the inspection team with appropriate board and lodging in a location suitable for carrying out the inspection, and, when necessary, medical care; however this does not exclude the use by the inspection team of its own tents and rations.

(87) The inspection team will have use of its own maps, own photo cameras, own binoculars and own dictaphones, as well as own aeronautical charts.

(88) The inspection team will have access to appropriate telecommunications equipment of the receiving State, including the opportunity for continuous communication between the members of an inspection team in an aircraft and those in a land vehicle employed in the inspection.

(89) The inspecting State will specify whether aerial inspection will be conducted using an airplane, a helicopter or both. Aircraft for inspection will be chosen by mutual agreement between the inspecting and receiving States. Aircraft will be chosen which provide the inspection team a continuous view of the ground during the inspection.

(90) After the flight plan, specifying, *inter alia*, the inspection team's choice of flight path, speed and altitude in the specified area, has been filed with the competent air traffic control authority the inspection aircraft will be permitted to enter the specified area without delay. Within the specified area, the inspection team will, at its request, be permitted to deviate from the approved flight plan to make specific observations provided such deviation is consistent with paragraph (74) as well as flight safety and air traffic requirements. Directions to the crew will be given through a representative of the receiving State on board the aircraft involved in the inspection.

(91) One member of the inspection team will be permitted, if such a request is made, at any time to observe data on navigational equipment of the aircraft and to have access to maps and charts used by the flight crew for the purpose of determining the exact location of the aircraft during the inspection flight.

(92) Aerial and ground inspectors may return to the specified area as often as desired within the 48-hour inspection period.

(93) The receiving State will provide for inspection purposes land vehicles with cross country capability. Whenever mutually agreed taking into account the specific geography relating to the area to be inspected, the inspecting State will be permitted to use its own vehicles.

(94) If land vehicles or aircraft are provided by the inspecting State, there will be one accompanying driver for each land vehicle, or accompanying aircraft crew.

(95) The inspecting State will prepare a report of its inspection and will provide a copy of that report to all participating States without delay.

(96) The inspection expenses will be incurred by the receiving State except when the inspecting State uses its own aircraft and/or land vehicles. The travel expenses to and from the point(s) of entry will be borne by the inspecting State.

(97) Diplomatic channels will be used for communications concerning compliance and verification.

(98) Each participating State will be entitled to obtain timely clarification from any other participating State concerning the application of agreed confidence- and security-building measures. Communications in this context will, if appropriate, be transmitted to all other participating States.

(99) The participating States stress that these confidence- and security-building measures are designed to reduce the dangers of armed conflict and misunderstanding or miscalculation of military activities and emphasize that their implementation will contribute to these objectives.

(100) Reaffirming the relevant objectives of the Final Act, the participating States are determined to continue building confidence, to lessen military confrontation and to enhance security for all. They are also determined to achieve progress in disarmament.

(101) The measures adopted in this document are politically binding and will come into force on 1 January 1987.

(102) The Government of Sweden is requested to transmit the present document to the follow-up meeting of the CSCE in Vienna and to the Secretary-General of the United Nations. The Government of Sweden is also requested to transmit the present document to the Governments of the non-participating Mediterranean States.

(103) The text of this document will be published in each participating State, which will disseminate it and make it known as widely as possible.

(104) The representatives of the participating States express their profound gratitude to the Government and people of Sweden for the excellent arrangements made for the Stockholm Conference and the warm hospitality extended to the delegations which participated in the Conference.

ANNEX I

Under the terms of the Madrid mandate, the zone of application for CSBMs is defined as follows:

"On the basis of equality of rights, balance and reciprocity, equal respect for the security interests of all CSCE participating States, and of their respective obligations concerning confidence- and security-building measures and disarmament in Europe, these confidence- and security-building measures will cover the whole of Europe as well as the adjoining sea area[5] and air space. They will be of military significance and politically binding and will be provided with adequate forms of verification which correspond to their content.

"As far as the adjoining sea area[5] and air space is concerned, the measures will be applicable to the military activities of all the participating States taking place there whenever these activities affect security in Europe as well as constitute a part of activities taking place within the whole of Europe as referred to above, which they will agree to notify. Necessary specifications will be made through the negotiations on the confidence- and security-building measures at the Conference.

"Nothing in the definition of the zone given above will diminish obligations already undertaken under the Final Act. The confidence- and security-building measures to be agreed upon at the Conference will also be applicable in all areas covered by any of the provisions in the Final Act relating to confidence-building measures and certain aspects of security and disarmament."

ANNEX II

Chairman's Statement

It is understood that, taking into account the agreed date of entry into force of the agreed confidence- and security-building measures and the provisions contained in them concerning the timeframes of certain advance notifications, and expressing their interest in an early transition to the full implementation of the provisions of this document, the participating States agree to the following:

The annual calendars concerning military activities subject to prior notification and forecast for 1987 will be exchanged not later than 15 December 1986.

Communications, in accordance with agreed provisions, concerning military activities involving more than 40,000 troops planned for the calendar year 1988 will be exchanged by 15 December 1986. Participating States may undertake activities involving more than 75,000 troops during the calendar year 1987 provided that they are included in the annual calendar exchanged by 15 December 1986.

Activities to begin during the first 42 days after 1 January 1987 will be subject to the relevant provisions of the Final Act of the CSCE. However, the participating States will make every effort to apply to them the provisions of this document to the maximum extent possible.

This statement will be an annex to the Document of the Stockholm Conference and will be published with it.

ANNEX III

Chairman's Statement

It is understood that each participating State can raise any question consistent with the mandate of the Conference on Confidence- and Security-Building Measures and Disarmament in Europe at any stage subsequent to the Vienna CSCE Follow-up Meeting.

This statement will be an annex to the Document of the Stockholm Conference and will be published with it.

ANNEX IV

Chairman's Statement

It is understood that the participating States recall that they have the right to belong or not to belong to international organizations, to be or not to be a party to bilateral or multilateral treaties including the right to be or not to be a party to treaties of alliance; they also have the right of neutrality. In this context, they will not take advantage of these rights to circumvent the purposes of the system of inspection, and in particular the provision that a participating State will be obliged to accept on its territory within the zone of application for CSBMs, more than three inspections per calendar year.

Appropriate understandings between participating States on this subject will be expressed in interpretative statements to be included in the journal of the day.

The statement will be an annex to the Document of the Stockholm Conference and will be published with it.

PRESIDENT'S STATEMENT, SEPT. 22, 1986[6]

Today in Stockholm, the United States and 34 other governments adopted an accord that will, if faithfully implemented, reduce the risk of war in Europe, where there is the greatest concentration of military forces of the East and the West.[7] I welcome this positive outcome at the CDE conference. It will contribute to greater security in Europe and to improved East-West relations.

This accord also sends messages that should be welcomed by people throughout the world. It demonstrates that East and West, with seriousness of purpose and hard work, can establish common ground on which to build a more secure future. It also demonstrates that the nations of the West, around whose proposals the Stockholm accord was built, constitute a powerful force for peace.

The set of militarily significant and verifiable measures adopted by the Stockholm CDE conference marks a substantial advance over those in the Helsinki Final Act. These measures will make military activities more predictable and inhibit opportunities for political intimidation. In particular, the Stockholm accord commits the 35 nations to notify one another of military activities above certain levels, to invite observers, to forecast activities a year in advance, and to allow inspectors to verify compliance with those commitments. This is the first East-West accord in which the Soviet Union has agreed to inspection of military activities on its territory. Although these inspection provisions are very different from those we would require to verify agreements which reduced or limited forces, they are appropriate to the Stockholm confidence- and security-building measures and offer us the opportunity to gain experience in conducting inspections.

The Stockholm document, of course, must become more than promises on paper. Implementation of its commitments will be the true measure of its contribution to European security. For its part, the United States will meet its commitments fully. Soviet compliance, especially with the verification provisions, will be an important gauge of the possibilities for future progress in conventional arms control.

By advancing the principle of openness in the military-security field, this CDE accord can also contribute to progress in the broader Helsinki CSCE process. The accord achieved at Stockholm on security issues makes all the more imperative balanced progress on human rights and fundamental freedoms. At the Vienna CSCE follow-up meeting, which begins in November, the U.S. delegation will press for fulfillment of all CSCE commitments and for balanced progress across the full CSCE agenda.

These accomplishments are also a testimony to the skill, dedication, and energy of our negotiators. I want to congratulate Ambassador Robert L. Barry and his negotiating team on a job well done.

AMBASSADOR BARRY'S STATEMENT, SEPT. 22, 1986

The United States wishes today to join others in welcoming the document which the Stockholm conference has just adopted. We believe the confidence- and security-building measures adopted here can make an important contribution to a more stable and secure Europe and to an improved East-West relationship.

As you know, my delegation has been among those which have demanded that we produce substance here and not generalities. We have tried hard to meet the stringent standards of the Madrid mandate. We are satisfied that we have met these standards and produced a mandatory regime which could serve as a first step in a more demanding arms control and security process.

Because of our general concerns about compliance with international commitments, my government will follow the implementation of the Stockholm regime with particular attention. We have all much to learn about confidence-building, and the measures adopted here will provide a test case as we consider how best to proceed in the future.

Far from exhausting the potential of confidence- and security-building measures, Stockholm is, we think, a beginning. We should expand upon what we have done here. I think particularly of measures in the area of information exchange. The conference has not achieved nearly as much here in this area as we thought desirable and possible. It seems to us self-evident that an agreed understanding of what forces are routinely stationed in Europe, with what combat capability, is a fundamental requirement of true stability. Equally, the establishment of an information base is a requirement of any serious effort to reduce the strength of these same forces. We have not even begun to establish such an information base here in Stockholm.

We have, on the other hand, taken what we regard as an important, even historic, step in the area of verification. With acceptance of inspection, we have established the principle that any state with doubts about whether the military activities of another are in compliance with commitments has the right and is assured the means of going into the territory of that other state to see for itself what is going on. There is no right of refusal of the inspection adopted here, whether explicit or implicit. We will follow implementation of the inspection provision with particular care. Because we are experimenting with challenge inspection for the first time, we will no doubt have to perfect the instrument we have built here. We must also recognize that any inspection regime intended to verify actual reductions in forces would have to be more rigorous and more demanding.

In this regard, I would note that my government remains convinced that the use of aircraft from neutral and nonaligned states would produce a more credible and effective form of aerial inspection than the use of aircraft from the state being inspected. Unfortunately, the East rejected this idea and the offers of those states which said they were prepared to help bring this valuable idea to fruition. This proposal remains on the table for the future.

The United States also believes that the successful outcome to the Stockholm conference should provide a positive political impulse to other arms control and security negotiations and to the East-West relationship as a whole.

In a few days, the Vienna follow-up meeting will begin weighing the accomplishments and failures of the CSCE process since Madrid. Our work in Stockholm will weigh on the positive side of that balance, but there will be much on the negative side as well. It will be the task of the Vienna meeting to draw conclusions about the future, but the United States will continue to be among those which require balanced progress in all areas.

Throughout the Stockholm conference, President Reagan has taken a personal interest in developments here. The first foreign policy decision he took in January 1981 was for the United States to participate in the Stockholm conference. He has spoken frequently about the conference and importance he attaches to its successful conclusion both in public and in private conversations with me.

Let me recall President Reagan's statement of January 21, 1986, that "the Stockholm conference... can contribute to security in the larger sense, that which encompasses political economic, cultural, and humanitarian matters—human rights—as well as strictly military matters. The attainment of this broader concept of security is the fundamental objective of the United States." We believe that our work here in Stockholm will advance that overall objective.

[1]In this document, the term notifiable means subject to notification [text in original].

[2]See Annex I [text in original].

[3]In this context, the term land forces includes amphibious, airmobile and airborne forces [text in original].

[4]As defined in the provisions on Prior Notification of Certain Military Activities [text in original].

[5]"In this context, the notion of adjoining sea area is understood to refer also to ocean areas adjoining Europe" [quoted text in original]. Whenever the term "the zone of application for CSBMs" is used in this document, the above definition will apply [text in original].

[6]Text from Weekly Compilation of Presidential Documents of Sept. 29, 1986.

[7]The 35 delegations at the CDE agreed to "stop the clock" on Sept. 19 so that the adoption of the CDE document would be in technical compliance with the adjournment date set by the conference in Dec. 1985. ■

Nuclear and Space Arms Negotiations

WHITE HOUSE STATEMENT, AUG. 31, 1986[1]

The United States and the Soviet Union will begin a new round of discussions on arms control in Geneva on September 18. An interagency arms control group has been meeting during the past several weeks to prepare for this round of talks. The United States considers this new round to be important in the process of reaching an agreement for meaningful arms control leading to total elimination of nuclear weapons. The September discussions come at a critical juncture in the process.

The recent exchanges between President Reagan and General Secretary Gorbachev have served to underscore the seriousness of the discussions. We are pleased that the Soviet Union has moved from a position of limiting the expansion of the arms race to a discussion of reducing the nuclear arsenals on both sides. The United States, for its part, has assigned major priority to seeking areas in which the two sides can make progress. We believe our most recent proposals are serious, concrete, and detailed. They provide the impetus for disucssions with the Soviet Union that can significantly contribute to an agreement in the future.

The interagency discussions in preparation for resumption of the Geneva talks will continue during the coming weeks. No final decisions have been made and will not be approved by the President until nearer the time that talks resume.

We believe the principle of confidentiality is essential to the successful outcome of these discussions. We are committed to preserving this principle and, therefore, will have no comment on the discussions that take place within our government or at the table in Geneva. We deplore those in this Administration who make this information public. Breaching the principle of confidentiality serves to undermine the opportunity for a successful outcome in arms control. Quite frankly, we must question their motives. Their actions ill-serve the President, the American people, and the cause of world peace.

[1]Text from Weekly Compilation of Presidential Documents of Sept. 8, 1986. ■

MBFR Talks End 39th Round

WESTERN STATEMENT, JULY 3, 1986

Ambassador Robert D. Blackwill, head of the U.S. delegation, delivered an end-of-round plenary statement today on behalf of the West. He addressed the question of verification which he described as a key issue, and he reviewed Eastern statements in this regard, taking stock of where the negotiations now stand as a result.

In his remarks, he pointed out that during the last 7 weeks, Eastern representatives, like those on the Western side, have devoted a significant portion of their attention to addressing and affirming the importance their governments attach to verification. Indeed, a theme found in nearly every Eastern statement in this round has been the need for reliable verification, specifically for the type of agreement under discussion here in Vienna.

Only 2 weeks ago, the East characterized a well-functioning system of verification as an important condition of confidence. And even earlier, on May 22, the East acknowledged that one should provide for necessary, justified, and proven measures of verification.

In fact, the East opened the 39th round by discussing the goal of reliable verification of the no-increase commitment; while on June 12, it addressed, at length, the objective interconnection between verification and disarmament. Last week, the East affirmed that Warsaw Pact statements reflect readiness and flexibility also in the area of verification and acknowledged the importance of this problem.

This Eastern chorus pledging allegiance to verification—an unprecedented but welcome turn of events in this negotiation—parallels in many respects Warsaw Pact pronouncements elsewhere since the conclusion of the 38th round. Indeed, on the very day the 38th round ended, Warsaw Pact foreign ministers declared: "They are guided by the need for effective verification in all areas of arms limitation and reduction and disarmament." One month later, General Secretary Gorbachev highlighted the "question of dependable verification at every stage of the process" of conventional arms control.

And, as everyone knows, the Political Consultative Committee of the Warsaw Pact last month made an appeal in its Budapest communique for "implementation of effective verification in all areas and stages of the reduction of armaments and disarmament by both national technical means and international procedures, including on-site inspection."

One would have anticipated in light of these fine-sounding statements—and particularly the passages from the June 11 Budapest communique—that during this round, the two sides would be well on their way to resolving the verification issue. One would have thought that such far-reaching—and, in the last case at least, unqualified—declarations would be accompanied either by new, concrete measures to substantiate them or at a minimum by a willingness to proceed on the basis of the ideas of others.

Unfortunately, this new, positive rhetoric on effective verification has been matched not at all by Eastern deeds at the negotiating table. Instead, the Warsaw Pact position remains frozen in the minimalist proposals which it had tabled years ago.

Each week since the December 1985 Western move, the East has had positive things to say about verification. But week after week—and now round after round—the Warsaw Pact remains rigid in its position on this subject. Indeed, it has actually hardened and retracted elements of its previous, already unfortunate, stance with the tabling of its February 20 draft agreement and its subsequent explanation.

During the course of this round, the Warsaw Pact added a dubious element—the realities of the present international situation—for justifying its refusal to accept Western verification proposals. One can only surmise that, after the West had irrefutably demonstrated how its verification package met the earlier Eastern-postulated criteria of corresponding to the content, substance, and purpose of the agreement under consideration, the East felt a need to come up with a more open-ended requirement, which it alone would be in a position to judge.

In the meantime, 30 weeks have passed since the West's move of December 5, 1985, and the East has not moved one millimeter on the substantive issues of verification. Twenty-two weeks have gone by since the West put forward its detailed table of associated measures which contains its verification proposals. Yet the West still has not received a considered reply to any of its ideas on this score—notwithstanding almost daily Warsaw Pact claims to the contrary.

This is not to say that there has not been discussion on specific measures. Again in this round, the East has stressed the significance of entry/exit points as a verification position of all participants that in the Eastern and Western part of the area of reduction, permanent exit and entry points be established with observers of the other side. Yet the West is chided for dramatizing things where there is nothing to be dramatized. This seems to suggest that exempting approximately half a million Soviet forces which rotate each year in and out of the area of reductions is a trivial matter. Who in the world could believe that?

Clearly not the Warsaw Pact in the past. In July 1983 and subsequently, the East held the position that all Soviet troops—including those on semiannual rotation—would pass through exit/entry points. Only with the tabling of the February 20 draft agreement did it become clear that the Warsaw Pact was abandoning this logical course, retreating to its current stance of entry/exit point tokenism. The West hopes that the East will return to its 1983 position with the acknowledgment that it is not a concession to the West.

The East this round confirmed that, together with other measures, the exchange of relevant information will make it possible in a reliable way to monitor the observance of the no-increase commitment. But the East to date has failed to explain how the highly aggregated data it is willing to exchange would be relevant to verifying compliance to this obligation. How then, Ambassador Blackwill asked, is one, in a reliable way, to monitor the observance of the no-increase commitment?

Clearly to be relevant for verification purposes, information must be disaggregated. The East seems to acknowledge this point—at least in part. It has agreed to break down the original figures it presented in 1976 from the simple categories of total Warsaw Pact ground forces and its combined ground and air forces in the area of reductions. Since 1980, it envisages providing figures on a national basis for the total number of ground forces in major formations, the total number of ground forces outside such formations, and the total figure for air forces. But further disaggregation down to a useful level—i.e., the battalion level—is obviously called for. Ambassador Blackwill asked: Why does the East resist this step?

Finally, the Warsaw Pact this round has acknowledged the importance of on-site inspections for the verification regime under discussion. On May 15, the East made two important points in this regard. First, the East does not exclude the possibility that unclear situations may arise which might feed suspicions of a violation of treaty obligations and might justify a request for an on-site inspection. The East went on to note that for those who are complying with their obligations, it will be easy to refute a suspicion by allowing an on-site inspection. And, indeed, this procedure would be what verification of compliance with the no-increase commitment really means.

Yet while affirming the importance and utility of on-site inspection, the East continues to demand that the request for an inspection be well-founded—i.e., contain all relevant information and also all possible evidence supporting its validity. Moreover the East in a further step back from its 1983 position on inspections now would give the inspected side the right of veto regardless of whether the request is well-founded or not. Finally, even if eventually granted, the delays built into the Eastern approach effectively rule out mounting an inspection on short notice and thus in most cases rob the measure of its utility.

In summation, Ambassador Blackwill noted that the Eastern approach to verification this round seems akin to the proverbial messenger who bears good news and bad news—with the former inevitably being cancelled by the latter.

The good news, he said, is that the East is now championing verification. The bad news, however, is that the East appears willing to accept effective verification only when there are no tensions between the sides and when no doubts exist as to intentions, force levels, and military activities.

The good news is that the East accepts the idea of entry/exit points. The bad news, however, is that virtually none of the approximately 500,000 Soviet troops rotating in and out of central Europe every year will pass through them.

The good news is that the East agrees that an information exchange would make possible reliable verification of the no-increase commitment. The bad news, however, is that the East refuses to provide the relevant information, disaggregated to a manageable level.

Finally, the good news is that the East believes on-site inspections can clarify unclear situations. The bad news, however, is that the Warsaw Pact drains the words "on-site inspection" of their very meaning. Even to request an inspection under the Eastern approach one must justify it with evidence that is sufficient to prove a violation without recourse to inspection. Even then the inspected side may turn down the request. And if it does not, the inspection is likely to be so delayed as to be worthless.

Against this background, as well as other developments, the West has a right to wonder whether the East has any intention to agree to a serious verification regime. The West has a right to wonder whether the East is

MBFR Negotiators Reconvene

WHITE HOUSE STATEMENT, SEPT. 25, 1986[1]

Representatives of NATO and the Warsaw Pact resume the mutual and balanced force reduction (MBFR) talks today in Vienna. It has long been NATO's goal to reach a verifiable agreement that would reduce and limit conventional forces in the crucial region of central Europe. This round of talks offers an opportunity to make progress toward that end.

For its part, NATO has made every effort to lay the groundwork for success. On December 5, 1985, in order to achieve a breakthrough in these negotiations, the West tabled a proposal that accepted the framework the Warsaw Pact had proposed for a time-limited, first-phase agreement calling for initial reductions by U.S. and Soviet ground forces, followed by a no-increase commitment on all forces of the two alliances in the area. Underscoring further its desire to achieve tangible progress in Vienna, the West at the same time changed its long-held position that there should be agreement on the numbers of forces of both sides in central Europe before initial reductions were taken—a major compromise step in the East's direction.

The Eastern response to this significant move has not contributed to progress in the talks. Despite public claims by Warsaw Pact leaders that they were willing to incorporate reasonable verification measures in an agreement, the Warsaw Pact, in the draft MBFR agreement it tabled on February 20, 1986, again proposed inadequate and unacceptable measures for ensuring compliance. Moreover, the East actually took a step backward from its 1983 verification position and would now exempt the half million Soviet troops on annual rotation into and out of central Europe from any requirement to pass through monitoring points.

Despite this lack of movement by the East in the previous two negotiating sessions, the United States and its allies remain hopeful that success can be achieved at the Vienna negotiating table. We look to the Soviet Union to seriously respond to the important compromise proposal tabled by the West last December.

The President has instructed the U.S. delegation, under Ambassador Robert Blackwill, in conjunction with other NATO delegations, to continue to make every effort to demonstrate how the Western position in MBFR would enhance peace and stability in central Europe. All NATO nations hope that the East is capable of mustering the political will necessary to do its part to advance the Vienna negotiations. It is time for the Warsaw Pact to demonstrate that it is, indeed, committed to meaningful and verifiable reductions in conventional forces.

[1]Text from Weekly Compilation of Presidential Documents of Sept. 29, 1986. ■

serious about this negotiation. It has a right to wonder whether the East will ever manifest the political will to come to an agreement on conventional force reductions and limitations.

For its part, the West wants an agreement here in Vienna. It would like it now. Being the only extant negotiation addressing conventional force reductions and limitations in Europe, this forum is a test of the earnest of those who, like General Secretary Gorbachev on April 18, appeal for cutting the "Gordian knot" and for moving on to an accord.

As was noted by the Western side at the opening of this round, the best means of demonstrating the sincerity of the East's commitment to substantial reductions and limitations on conventional armed forces in central Europe and to reliable verification at every stage is for the Warsaw Pact to deal positively and constructively with the serious Western proposal tabled here in December. The West continues to wait for that Eastern response. Ambassador Blackwill's last question was: Where is it? ■

U.S. and Soviet Approaches to Arms Control

by Edward L. Rowny

Address before the Council on Foreign Affairs in Baltimore on September 19, 1986. Ambassador Rowny is special adviser to the President and the Secretary of State on arms control matters.

This week marks two crucial events: the meeting between Secretary Shultz and Foreign Minister Shevardnadze and the opening of the sixth round of the nuclear and space arms talks in Geneva.

True to form, the Soviets have been playing "hard to get." They insist that "something" must come out of a summit, and "something" means an arms control agreement on their terms. Equally true to form, the Soviets are pressing for a single-issue summit. President Reagan wisely insists that any summit must deal with the four pillars on which the U.S.-Soviet relationship is built: bilateral affairs, regional issues, human rights, and arms control. Additionally, as the President has stated, the Soviet treatment of American journalist Nicholas Daniloff continues to limit severely what is achievable in our bilateral relations. We hope that the Soviet Union will resolve this case promptly before it does even more damage to the relationship between our two countries.

It is obvious that a summit, if it takes place, will have arms control as an important item on the agenda. At last year's summit, the President and General Secretary Gorbachev agreed to two arms control goals:

- A 50% reduction in the strategic arsenals of the superpowers; and
- An interim agreement on intermediate-range nuclear forces.

In the two rounds of talks in Geneva following that summit, the Soviets failed to follow up the pledge made at that summit. There was little progress toward these goals. The Soviets were unwilling to engage in genuine give-and-take at the negotiating table. More recently, however, the Soviets have begun to show signs of seriousness, even though fundamental differences between the sides still remain.

As I said, the sixth round of the nuclear and space arms talks began yesterday in Geneva. It will be the task of the negotiators to continue to see if the differences that remain between us and the Soviets can be resolved. For our American negotiators, this means a great deal of work lies ahead of them—more hard work than usual. Their job is already excruciatingly difficult because the Soviet negotiators, in marked contrast to the Americans, indulge in an almost mind-numbing repetition of past positions. This, needless to say, leaves little room for the kind of free, exploratory discussions that are essential to addressing the basic differences in our conceptual approaches to the problem of arms reductions. Hopefully, the talks that Paul Nitze, [special adviser to the President and the Secretary of State on arms control matters], Max Kampelman, [head of U.S. delegation on arms control negotiations and U.S. negotiator on defense and space arms], myself, and others have had with Soviet arms control experts in Moscow and Washington in recent weeks will pay some dividends.

Fundamental Differences

As we consider our goals for this round of arms talks and as we look down the road to a possible summit, it is important to remind ourselves of the fundamentals underlying our relations with the Soviet Union. The United States, as a democratic republic, stands at a disadvantage in some respects in its relations with a totalitarian state like the Soviet Union. For those of us who have studied U.S.-Soviet relations, this is no great revelation—de Tocqueville pointed it out almost 200 years ago. Unlike ours, the Soviet system of government does not provide for an independent legislature and judiciary which provide checks and balances to the powers of the executive branch. Soviet leaders are self-selected. They impose their will from the top downward through the hierarchies of their government and the Communist Party. Unlike Soviet citizens, our citizens elect their leaders. They have direct and powerful access to the actions of their leaders through the voting process. The fundamental difference between our system and that of the U.S.S.R. is that Soviet leaders are not subject to popular recall.

While de Tocqueville was writing about America, another Frenchman, the Marquis de Custine, was writing about Russia. His book, *Journey for Our Time*, shows that the government of the modern-day Soviet Union is not fundamentally different from the governmental system of Russia under the czars. His concluding thought is even more applicable today than then. He wrote: "I don't blame the Russians for being what they are, I blame them for pretending to be what we in the West are."

The Soviets have recently, with a flurry of news conferences and television appearances, taken greater pains to mimic our freedom of speech and free press. I heard a Soviet spokesman on American television refer the other day to "*Izvestiya*, the government newspaper," as if every other paper in the U.S.S.R. were not government owned and controlled. This activity is but a thin veneer, covering the rough surface of a system of government which Orwell characterized by such terms as "doublethink" and "nonspeak."

Strict Soviet discipline enforces a unified position among the U.S.S.R.'s negotiators, government, and party officials. There is no open political opposition in the Soviet Union to place pressure on the government to make negotiating moves toward our positions. Despite the facade of openness that the Soviets have been putting on under

Gorbachev, there are still no cracks in the Soviet monolith, only surface fissures.

Contrast this with the situation that exists in the United States. Government officials, independent think tanks, and the man on the street have access to a press that is neither owned nor controlled by the government. A wide variety of views can be and, in fact, are expressed. Acts of the government can be, and are, criticized or praised. The pressure that these differences of opinion put on our elected officials, who depend for their mandate on the consent of those they govern, is substantial. This clash of views is the essence of a free society. But it also offers the Soviets an opportunity to inject themselves into our internal debate. But we need to be reminded that the Soviet system is not like ours. It is a mistake to believe that Soviet leaders are subject to the same pressures that are placed on our leaders.

Soviet Negotiating Tactics

My 7 years as a negotiator on the SALT II [strategic arms limitation talks] delegation and my 2 years as chief START [strategic arms reduction talks] negotiator have given me a special insight into the tactics the Soviets use to exploit American pluralism. There is a great difference between what Soviet leaders say in public and what they allow to happen at the negotiating table. For public consumption, the Soviets profess that they are flexible. They have a special talent for recycling their more shopworn offers and reintroducing them as if they constituted new and substantive concessions. The theory is that they will compromise because they say they will. But in practice, we can only reach a deal with them when we have something significant to give up. Protected by the confidentiality of the conference room, Soviet negotiators adhere to their positions with the stubbornness of an army mule. At the table, they are anything but flexible.

The reason for this approach is clear. Where the Soviets see splits in American public opinion on arms control, they see the possibility of exploiting them to their benefit. If the U.S. Congress can cause the Administration to concede key aspects of its negotiating position, then why should they, the Soviets reason, expend any of their own precious negotiating capital to achieve their ends? The Soviets do not deal in bargaining chips. They do not make concessions in the spirit of give-and-take or as a sign of good will. Rather, they consider unilateral concessions to be the mark of contemptible weakness. They do, however, like to appeal to the notions of good will and reciprocity through the Western press, radio, and TV. They know that through our media, they can strike in us a responsive chord.

In the same vein, Soviet negotiators readily accept whatever concessions we offer them with no thoughts that they are obliged to reciprocate. Our unilateral concessions do not make the Soviets any more tractable. If anything, they dig their heels in deeper, insisting that we take their views "into account" on other issues. The Soviet negotiating strategy is, to put it simply, one of obstinance. "What's mine is mine, and what's yours is negotiable" is more than a saying for the Soviets; it describes their negotiating style. Moreover, they truly believe—again, as George Orwell wrote—that to be equal they must be "more equal."

Our method to counter this strategy is arduous but necessary if arms control is to serve its ultimate purpose of contributing to our national security. We must learn to be just as tough as they are. We have to revive the spirit of the Yankee horse trader. And above all, we must be patient.

The Soviets simply do not negotiate in a spirit of problemsolving. Those of us who have negotiated with the Soviets do not expect them to. We have come to understand that, whereas we would like to work out solutions, the Soviets would rather compete. Americans, without the benefit of direct negotiating experience with the Soviets, tend to believe that the sheer weight of logic will lead both us and the Soviets toward mutually beneficial agreements. This tendency is understandable; it is part of our heritage. But it only complicates the formidable tasks confronting the American negotiator. Soviet negotiators study our democratic system; they get to know its strengths and weaknesses and how to exploit them. Because they recognize the strength of commitment we have to our ideals, they know too well that our pluralistic society is susceptible to influence—and sometimes outright manipulation—for their tactical gain.

Recent Congressional Actions

With this background in mind, I would like now to turn to an issue that is especially important today—namely, recent congressional actions.

The Reagan Administration, like other administrations before it, is fully cognizant of the deep desires of the American people for an improvement in U.S.-Soviet relations. Our people would like to reduce expenditures for defense. And, above all, they would like to see a reduction in the threat of nuclear war. From my vantage point—close up—I can assure you that President Reagan fully shares these desires of the American people. He has worked throughout his term of office to see them realized.

But President Reagan also recognizes, more clearly than most, that in the Soviet Union, the United States is faced with a tough and determined adversary. Accordingly, he decided at the outset of his presidency that it was first necessary to restore the military strength of the United States, degraded by years of an unanswered Soviet buildup. We tend to forget what a courageous decision this was in the early 1980s when we were faced with double-digit inflation and high unemployment. In the past 5½ years, President Reagan has done much to reestablish America's reputation as a decisive international power. He has demonstrated a willingness to oppose the encroachments of Soviet military power and to meet intimidation with forceful resistence. This has not been an easy course. But its reward has been greater security for the United States and its allies.

The President's course on arms control has been equally courageous. Unwilling to sign onto a scheme that licensed a major buildup of strategic weapons in the guise of real arms control, President Reagan declared that SALT could no longer serve as a basis for U.S. strategic arms policy. He did this despite the realization that this decision would open him to the criticism that he was "against" arms control. Yet the President has never shied away from negotiations that could contribute to lessening the threat of nuclear weapons. What he is "for" is an agreement that increases strategic stability. He is "for" an agreement that provides for real reductions, not cosmetic limitations, in the levels of offensive nuclear arms. President Reagan's approach to arms control is sound and forwardlooking. He does not favor reaching "any agreement." We could enter into this kind of agreement tomorrow. What we want is a "good agreement"—one that is equitable verifiable, and serves the interests of both sides.

We are now at the point where this approach can bear fruit. It may produce the first real agreed decrease in the level of offensive nuclear arms in history.

As President Reagan well knows, arms control for arms control's sake is not good policy. If this were the case, the substance of the agreement would not be as important as the fact of the signing. But we all know this isn't the case. First of all, signing an arms control agreement will not, of itself, reconcile the fundamental political differences remaining between the United States and the Soviet Union. More importantly, arms control deals with real weapons and real questions of military strategy. These things have to do with whether or not the world is a more or less dangerous place. Ignoring these basic considerations can lead to agreements that are little more than political placebos. President Reagan realizes that agreements made in the absence of improvements in the U.S.-Soviet relationship will not be long lived. Arms control agreements alone, however valuable on their own merits, do not constitute improved U.S.-Soviet relations.

Arms control is essentially and inexorably tied to developments in military strategy and in weapons technology, and not only to the sheer number of weapons in stockpiles. A ready example of this link comes from the SALT I accords. The head of our SALT I delegation, Ambassador Gerard Smith, stated that the failure to conclude a comprehensive, indefinite agreement limiting strategic offensive arms could be considered grounds for withdrawal from the Interim Agreement's counterpart for strategic defenses, the Anti-Ballistic Missile (ABM) Treaty. Unlike the Soviet Union, the United States is in complete compliance with the legal obligations it assumes under the ABM Treaty. My example merely serves to illustrate an important point. The lack of a comprehensive agreement on offensive forces could call into question the basis—in politics as well as in military strategy—of the ABM Treaty's virtual ban of strategic defensive systems. It is easy to see that the goal of deep and stabilizing reductions in offensive arms—a goal President Reagan has endorsed for 5½ years now—is today of even greater importance.

Much in strategy, military technology, and arms control has changed in the past 10 years. The Soviets have continued to mount a massive and unwarranted military buildup in the face of considerable unilateral U.S. restraint in its own defense programs during the same period. They have, thus, broken the promise of reciprocal self-restraint that many in the United States thought SALT implied. As if to add insult to injury, the Soviets systematically violated SALT as well. These things were clear in the President's mind when he entered office, and they were clear in his mind when he laid down his challenge to the scientific community to develop reliable defenses against Soviet ballistic missiles. But unhappily, considering their recent votes on arms control and the defense bill, these things have apparently not been uppermost in the collective mind of the Congress.

As an example, let us take a look at chemical weapons. The United States last produced chemical weapons in 1969. Every chemical weapon in the U.S. inventory is, therefore, at least 17 years old. The Soviets never halted production as we did, and they now have a modern, effective stock of lethal chemical weapons as an integral part of their military forces. In this, we see another clear link between arms control and the dynamics of military deterrence. The legal ban on chemical warfare of the Geneva Protocol does not have the strength on its own to prevent the use of chemical weapons. The ability of the United States to deter the use of chemical weapons against ourselves and our allies depends heavily on the United States maintaining an effective chemical deterrent. However, the Congress very nearly prevented this necessary modernization in their mid-August funding votes.

The House also recently voted to impose a 1-year moratorium on all but the smallest underground nuclear tests. The Administration continues to support the long-term goal of a comprehensive test ban. But it is neither in the interest of the United States and our allies nor in the interest of sound arms control to partake in the exercise the House has prescribed. Moreover, for as long as we need to rely upon nuclear deterrence, continued testing is essential to ensure the reliability and safety of our nuclear deterrent. Indeed, it is no small irony that those who oppose strategic defenses and who take refuge in the strategy of deterrence by the threat of nuclear retaliation have now chosen to support a proposal that would undermine the reliability of the nuclear stockpile necessary to that strategy's continuing credibility. If the Soviets are serious about the types of verification they bandy about on television, they should work toward effective verification of existing treaties on nuclear testing.

In yet another unfortunate vote, the House moved to force the Administration to adhere to the flawed SALT II agreement by passing a resolution barring funding for any weapon that would exceed its limits. SALT II, had it ever been ratified by the Senate, would have expired by now. One wonders what is the point of reincarnating SALT in the way the House proposes. In effect, some in the House have said to the Soviet Union that SALT II was good enough. We can only anticipate that the Soviets will use this action to pull the rug out from under our START negotiators in Geneva.

Many Congressmen no doubt sincerely intend their actions as signs to the Soviets that the United States is "serious" about arms control. However, it is my judgment that their actions will not have the intended effects. There is no incentive for the Soviets to sign an agreement reducing strategic offensive arms when the Congress has as much as told them directly that an agreement allowing arms to be significantly increased is satisfactory to the American people.

But by far the most distressing congressional actions have come in cutting the funding the President has requested for the Strategic Defense Initiative—what the media commonly refer to as Star Wars and we refer to as SDI. The Soviets spend over $1 billion a year on military laser research alone, which is only one of many strategic defensive technologies they are investigating. If the Soviets spend this much on this one aspect of strategic defense, one can only conclude that the amount the Soviets spend on their entire strategic defense program is far greater. The Soviet strategic defense program represents a much larger commitment of plant space, capital, and manpower than does the American effort. Thus, the Soviets can hardly have an objection to strategic defenses in principle.

The Soviets are, of course, concerned about the Strategic Defense Initiative. Their chief concern is that we will be more successful in our research than they have been in theirs. This concern has driven them to their wits' end in a campaign to undercut popular support in the West for SDI. They raise the specter of the "militarization of space," in full knowledge that space was militarized the day they flew the first intercontinental ballistic missile (ICBM) through it in 1957. And they act as if their own long-running strategic defense program didn't exist.

But SDI funding provides far more than spinoffs. It is vital in its own right if we are to determine whether it is

possible to realize President Reagan's goal of a deterrent to war that is safer and more stable than simply relying on the threat of retaliation with offensive weapons. Indeed, the most important goal of SDI is to answer the question: is it technically possible to create a deterrent that is strictly defensive? As such, SDI is one major element in a comprehensive U.S. defense policy that sends to the Soviet leadership an important message. The message is that the existing strategic situation is not sufficiently stable—it is not safe enough. It sends the Soviets the message that the President is determined to see what can be done to remedy the current shortcomings of deterrence. We want to develop a defense that defends us.

SDI research is more than just a hedge against the Soviets' own considerable research and development efforts in strategic defense technology. As the President has made clear, it is not a bargaining chip to be traded away in a so-called grand compromise. The possibilities that SDI holds out to us are far too important to cheapen by these descriptions. Common sense and basic morality dictate that we do all we reasonably can to solve the ethical paradox which now faces us: namely, that in order to defend ourselves, we must rely on the offensive use of nuclear weapons. I firmly believe that SDI will provide us with the necessary tools to enhance deterrence and reduce the risk of nuclear war.

SDI can contribute to more than just a stable and safer peace; it will yield numerous benefits improving the quality of everyday life. Research conducted under the mantle of SDI has already produced the galium arsenide computer chip, which may prove to be a much cheaper and far superior alternative to silicon chips. The optical switches SDI scientists are developing may supplant computer chips in many applications. And SDI laser research promises to provide doctors with new tools for combating cancer. A complete list of spinoffs would be much longer. But according to one estimate in a recent article in *The New York Times*, the several billion dollars per year spent on SDI will have a payoff of $5–$20 ***trillion*** for the civilian economy.

Public opinion polls show that the goal of developing strategic defensive technologies has the support of the American public. And I believe the public supports the President's firm, open, and responsive approach in dealing with the Soviets. Ronald Reagan sees the relationships and priorities among the interests of national security, defense policy, and arms control with a presidential perspective. He recognizes that the supreme interest is national security. Arms control can serve that interest, as can defense policy. But any arms control agreement we reach must meet the acid test of whether or not it enhances our national security.

In my discussions with Members of Congress, my message has been simple. The Soviets that we see eye-to-eye across the negotiating table know what their leaders are doing and know what they want. Looking at what we do, the Soviets see mixed signals. They see our internal debate not as a sign of a healthy democracy but as a symptom of weakness and disarray. For the Soviets, budgetary constraint is not so much a reason as an excuse not to pay for SDI. The Soviets are not cutting the funding for their own strategic defense program, which is paid for from an economic base far smaller than ours in an economy that is weak by comparison. In short, our Soviet counterparts believe they need not negotiate with us if their objectives can be achieved by simply waiting us out, by playing on our own irresoluteness. One Soviet put it to me quite bluntly. He said the United States is trying to make a virtue out of impotence. This is hardly the image of ourselves that we want to promote in the minds of Soviet negotiators.

Conclusion

My long years spent negotiating with the Soviets tell me that if we are to get what we want out of arms control—if it is to contribute to the stability of deterrence and enhance our security—then our negotiators have to have the firm support of the American people. Without this support, our negotiators have little to help them in their struggle to move the immovable object, their Soviet counterpart.

I hope my words today lend some understanding and context to the special challenges we confront as a democracy facing a system that is, to its very core, different from ours. The greatest contribution Americans can make to help our negotiators in Geneva is to show firmness of purpose and determined patience. This is especially important now in these crucial weeks which lie ahead of us. Our arms control positions are sound. They are flexible enough to accommodate legitimate Soviet interests. The United States is now in a strong position to work out with the Soviet Union the first decrease in the levels of offensive nuclear arms ever. A good deal, one that is equitable and verifiable, is within our reach only if the Soviets are, in fact, as serious as they say they are—as serious as we are—about reaching an agreement. Meanwhile, our resolution here at home will serve to reinforce the words of our negotiators. Firmness and patience will also reinforce the words of our President as he prepares to meet General Secretary Gorbachev face-to-face for the second time. ■

Verifying Nuclear Testing Limitations: Possible U.S.-Soviet Cooperation

MESSAGE TO THE CONGRESS, AUG. 14, 1986[1]

In response to the requirements of Section 1003 of the FY 1986 Department of Defense Authorization Act (P.L. 99-145), I am pleased to transmit this unclassified interagency study of possible avenues of cooperation between the United States and the Soviet Union in the development of verification capabilities consistent with national security restrictions.

The requirement under Section 1003 involves: "limited exchanges of data and scientific personnel," in general, and "joint technological effort in the area of seismic monitoring," in particular. Upon review of a number of possible scientific disciplines, it was concluded that in terms of this study, nuclear testing issues appear to offer the most promising avenues for such "scientific" cooperation and data exchange. Therefore, the attached study focuses its examination on matters relating to the verification of limitations in nuclear testing.

While the attached study focuses on nuclear testing limitations, it should be noted that in other arms control areas as well, the Administration believes that exchanges of information would, in addition to various monitoring provisions including types of on-site inspections, play an important role in establishing a verification framework.

In START [strategic arms reduction talks] and INF [intermediate-range nuclear forces], for example, areas of possible exchange of information might include the declaration of missile and launcher facilities, the numbers of missiles and launchers at such facilities, and information on the destruction of missiles and launchers that are in excess of agreed treaty limits. In the negotiations on Mutual and Balanced Force Reductions (MBFR), we have asked for an exchange of information, to be updated annually, on the structure of forces subject to MBFR limitations. At the Stockholm Conference on Confidence- and Security-Building Measures [and Disarmament] in Europe (CDE), we believe it important to have an exchange of information both on overall force structures and on specific forces participating in military activities. In chemical weapons arms control, we believe it important, among other things, to have a preliminary bilateral exchange of data on chemical weapons stockpiles and on production facilities as a confidence-building measure prior to the entry into force of a convention banning such weapons.

The prospects for progress in arms control may be significantly enhanced if a regime of cooperation between the United States and the Soviet Union in the development of verification capabilities consistent with national security restrictions can be established. The attached interagency study describes some possible avenues of cooperation that could produce benefits in the near term in the nuclear testing limitations area.

As indicated in the attached study, the United States has long sought a meeting with the Soviets to present our concerns about the verification provisions of the Threshold Test Ban Treaty (TTBT) and the Peaceful Nuclear Explosions Treaty (PNET). The United States and the Soviet Union recently agreed to have experts meet to discuss issues related to nuclear testing.

This meeting of experts, which took place in Geneva July 25-August 1, allowed the United States to present its ideas and concerns to the Soviet Union and to hear Soviet views. At the meeting, the United States presented its views of verification improvements in existing agreements, which we believe are needed and achievable at this time. A follow-on meeting of U.S. and Soviet experts is scheduled for September. We hope the Soviet Union will join in a constructive dialogue.

RONALD REAGAN

INTERAGENCY STUDY

POSSIBLE AVENUES FOR COOPERATION WITH THE SOVIET UNION IN THE DEVELOPMENT OF CAPABILITIES FOR VERIFYING COMPLIANCE WITH NUCLEAR TESTING LIMITATIONS

I. Introduction

Section 1003 of the FY 1986 Department of Defense Authorization Act (S. 1160) calls for an interagency study of "limited exchanges of data and scientific personnel" in general and "joint technological effort in the area of seismic monitoring" in particular. After reviewing a number of possible scientific disciplines, it was concluded that nuclear testing issues appear to offer the most promising avenues for scientific cooperation and data exchange. This study, therefore, focuses on matters relating to the verification of limitations in the area of nuclear testing.

II. Background

Effective means of verification are of critical importance to arms control. Our national security requires that we be able to assess with confidence compliance with any negotiated arms control agreements. Today, most of our major arms control agreements are monitored through what is known as national technical means of verification (NTM). While NTM has the primary benefit of being under the control of the verifying party, there are some particular applications—such as for strategic and intermediate-range nuclear forces, conventional and chemical forces, and nuclear testing—in which cooperative means of verification may be beneficial or even necessary.

Cooperative means can include various onsite inspection and data exchange measures or direct measurement schemes such as would apply to determining the yields of underground nuclear tests. Onsite inspection by observers and instruments may be able to play a role in deterring violations at agreed locations or "declared sites." The utility of onsite inspection is largely a function of its frequency and duration and whether, and at what costs, the activities monitored can be conducted at other times and places. Other considerations with regard to onsite inspection include the question of how the party being monitored calculates the risk of violations being uncovered and whether they could avoid *any* single inspection that would detect a violation. Thus, the past record of the inspected party is a vital consideration.

Data exchanges may be beneficial to provide a benchmark for assessing compliance. If, however, the verifying party does not possess a means of independently validating the data it receives, large uncertainties could still prevail, diminishing the utility of the exchange. Nevertheless, as the amount of data exchanged is increased, the uncertainty should decrease while the difficulty of concealing illegal activities increases.

Direct measurements have the benefit of allowing the verifying party to control the means of monitoring. Direct measurement is not perfect because it is limited by the accuracy of the instruments used and, as is the case for all monitoring methods, the ability of the inspected party to manipulate the evidence. Furthermore, direct measurement will not detect violations conducted at times and places when direct measurement equipment is not engaged and normally will not detect violations when special efforts are undertaken to conceal prohibited activities. However, even considering these limitations, direct measurement is much more definitive than any remote sensing method for determining the yields of Soviet nuclear tests.

The Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Underground Nuclear Weapon Tests (Threshold Test Ban Treaty—TTBT) prohibits U.S. and Soviet underground nuclear weapon tests with yields greater than 150 kilotons (kt). The TTBT is a treaty signed by both parties but ratified by neither. Both the U.S. and the U.S.S.R. have separately stated that they would abide by the yield limitation. Furthermore, since neither party has made its intentions clear not to become a party, both signatories are obligated by international law to refrain from acts that would defeat the object and purpose of the treaty. At present, however, the United States cannot effectively verify Soviet compliance with the treaty. Moreover, the implementation of the verification measures set forth in the Protocol to the treaty (exchange of yield, date, time, depth, and coordinates for two nuclear weapon tests for calibration purposes from each geophysically distinct testing area and information on the geology of the testing areas), which would become effective upon ratification, will not provide this capability, since there is no way for the United States to independently verify the data exchanged, nor would the data, if validated, be sufficient to ensure effective verification.

Today, we monitor Soviet tests with seismic equipment located outside the U.S.S.R. In three presidential reports to Congress on Soviet noncompliance, the uncertainty in yield derived from seismic measurements, when taken into account, resulted in findings of only "likely violation," even though the seismic evidence indicates that a number of Soviet tests have central yield values above the 150 kt threshold. "Central yield" is defined

as the yield corresponding to mean value of seismic body wave magnitudes for a particular nuclear test. While we judge that, at present, there is approximately a factor of two uncertainty in the yield estimates derived by seismic methods, there are reasons to suggest the uncertainty could be actually smaller (or conceivably larger). A factor of two uncertainty means, for example, that a Soviet test for which we derive a "central yield" value of 150 kt may have, with a 95% probability, a yield as high as 300 kt or as low as 75 kt.

As already mentioned, the verification provisions contained in the Protocol of the unratified TTBT would not reduce this level of uncertainty to an acceptable level. The U.S. Government has, therefore, continued its longstanding effort to obtain a means of monitoring that would substantially reduce our verification uncertainty. The history of the search for verifiable nuclear testing limitations will provide a backdrop for an understanding of the complicated and sometimes frustrating search for possible avenues of cooperation with the Soviet Union in the development of verification capabilities.

III. Historic Perspective On Nuclear Testing Limitations

One of the earliest proposals for nuclear testing limitations was presented in terms of a comprehensive test ban as part of a broader disarmament proposal made by the Soviets in the UN Disarmament Commission in May 1955. However, there was no movement in this area for the next 3 years. Early in the spring of 1958, President Eisenhower suggested to Soviet Premier Khrushchev that a group of technical experts meet to determine what specific control measures would be required to ensure compliance with a nuclear test ban. After several exchanges, Khrushchev agreed, and the Geneva Conference of Experts To Study the Possibility of Detecting Violations of a Possible Agreement on the Suspension of Nuclear Tests was formed. Technical discussions between experts from the U.S.S.R., Poland, Czechoslovakia, Romania, the United Kingdom, France, Canada, and the United States began in July 1958.

On August 21, 1958, the Conference of Experts adopted a final report for consideration by governments. The report recommended a worldwide system of land control posts, shipborne posts, and regular and special air-sampling flights to monitor an agreement banning nuclear weapon tests in the atmosphere, underwater, and underground. Their report was accepted as the technical basis for political negotiations by the United States, the United Kingdom, and the U.S.S.R., and the Geneva Conference on the Discontinuance of Nuclear Weapon Tests began on October 31, 1958. The technical basis of the international control system was provided mainly by the reports of the 1958 Conference of Experts and a 1959 technical working group of the Geneva conference on the detection of high-altitude tests. These reports recommended a worldwide network of 160–170 land control posts, 10 shipborne posts, regular and special aircraft flights, and space satellites. The United States believed, however, that there was a serious risk that small underground explosions might remain undetected or be incorrectly identified as earthquakes.

The experts' report was technically limited in two respects: (1) it did not cover tests at more than 30–50 kilometers above the earth's surface, and (2) it did not have the benefit of the new seismic data obtained from the Hardtack underground test series carried out by the United States after the report was submitted. The new seismic data, submitted by the American delegation in Geneva in June 1959, showed that the proposed control system would have been less effective for detecting and identifying underground tests than the experts had believed.

At the request of the State Department, the President's Special Assistant for Science and Technology appointed a Panel on Seismic Improvement, headed by Dr. Lloyd Berkner, to study the new seismic data. The Berkner panel's report recommended a number of new techniques and proposed a research program to improve the capability of the verification system, described in the Geneva Conference of Experts' report, to detect and identify underground tests. The panel recommendations were the basis for much of the succeeding research in seismology and resulted in the development of new concepts in seismic stations, instrument arrays, computational techniques, and research into the phenomenology associated with seismic waves from explosions and earthquakes.

In the political negotiations, the United States tried unsuccessfully to persuade the Soviet Union to enter new technical discussion on the detection of high-altitude tests and the new seismic data. The Soviets took the position that technical questions had been settled at the 1958 Conference of Experts and any needed improvements in the control system could be made by the Control Commission after the treaty came into operation.

The participants at the Geneva Conference on the Discontinuance of Nuclear Weapon Tests agreed with the principle that onsite inspection would be necessary to clarify the source of unidentified seismic events. The United States believed that there could be up to 100 unidentified events per year of which approximately 20 would require inspection of the site. There was disagreement between the United States and the Soviets on the number of onsite inspections that would be permitted. The Soviets wanted to limit each party to two to three onsite inspections per year, when it was considered necessary. (Note: the Soviets, in effect, reserved for themselves a veto over onsite inspection requests.) Although the issues of numbers and mandatory versus voluntary onsite inspection were never resolved, the fact that the Soviets agreed in principle to the need for onsite inspection was widely hailed and was seen as setting a precedent for future arms control agreements. It was hoped that interim measures could be achieved that, with time, could lead to a more comprehensive agreement between the sides. The Soviets took the position that verification was less essential than reaching an agreement. The United States and the United Kingdom held that strict means of verification were required, that further study should be undertaken to assure that any agreement could be verified, and that this should be done before an agreement was signed.

On April 18, 1961, the United States and the United Kingdom submitted a complete draft treaty to the Geneva conference.[2] This proposal was based on one made by President Eisenhower in February 1960. The Anglo-American draft treaty included a commitment to cease tests in the atmosphere, underwater, at high altitudes, and underground (above seismic magnitude 4.75), and a control regime for detection and identification. Although the general characteristics of the international control system proposed in the Anglo-American draft treaty had long been accepted by both sides, the Soviet Union shifted its position on several vital verification features. For example, although the Soviets had agreed to 15 seismic stations within the U.S.S.R., they insisted that they would operate these sites. Again, even though the need for onsite inspection was recognized by

the Soviets, the number of inspections proposed by the Soviets and the conditions under which they could be conducted were not satisfactory to the United States and the United Kingdom.

Throughout the test ban negotiations at Geneva from October 1958 to August 30, 1961, the United States and the United Kingdom faithfully observed a voluntary suspension of nuclear weapons tests, even though there existed no means of knowing with certainty, in the absence of an effective and workable international control system, that the Soviet Union was not increasing its nuclear capability by clandestine tests. In August 1961, the Soviet Union announced that it was resuming nuclear weapons tests and did so on September 1, 1961. The United States immediately condemned the Soviet action and reaffirmed its support for an agreement to end nuclear weapons tests under effective safeguards. On September 3, President Kennedy and Prime Minister Macmillan proposed that the Soviets agree "not to conduct nuclear tests which take place in the atmosphere and produce radioactive fallout." They stated that they were willing to rely upon existing means of detection, "which they believe to be adequate," and they did not suggest any additional controls. The Soviets at first rejected this offer.

Negotiations continued in various fora until finally, in 1963, Soviet interest in a ban that did not deal with underground tests emerged, even though they had rejected the U.S./U.K. offer previously. As a result, the United States, United Kingdom, and the U.S.S.R. agreed to the more limited goal of banning nuclear tests in all media except underground. This led to the 1963 Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water, usually referred to as the Limited Test Ban Treaty (LTBT).

While discussions continued in the 18 nation Committee on Disarmament, there was little further movement toward limiting underground nuclear tests until the 1974 summit meeting between the United States and the U.S.S.R. While the Soviets had originally called for negotiations on a comprehensive test ban, they agreed to consider a threshold treaty for underground nuclear testing. The threshold was to have been in terms of yield or possibly seismic wave magnitude. The United States initially proposed limiting tests to a certain value in body wave magnitude, but because body wave magnitude for a particular value of yield varies with test site location, the focus of the discussions was changed to yields. While this resolved the problem of the variability of body wave magnitude measurements, it introduced the problems associated with the accuracy of seismic techniques for the determination of yield. The TTBT was signed by the United States and the U.S.S.R. in July 1974.

The TTBT and its associated Protocol contain provisions for the exchange of geophysical data and announcing the yields of two explosions for calibration purposes in each geophysically distinct area (provisions which have not been implemented because the treaty has not been ratified). However, the treaty provides no mechanism by which one party could independently validate the accuracy of the data provided by the other party. Seismic techniques are inadequate to verify effectively the yields of Soviet tests. Prior to the signing of the TTBT, U.S. policy, as well as seismic research, had concentrated on a comprehensive test ban. Seismic research had been aimed at the problems of detecting and identifying low-yield nuclear tests with relatively less emphasis on determining yield.

While progress has been made in understanding the natural processes that affect yield estimation based on remote seismic measurement, the uncertainties in the yield estimation process cannot be sufficiently reduced without direct measurement of yields at the Soviet test sites. The Soviets, and some critics of existing U.S. policy in this country, have asserted that adequate verification will result from the exchange of data called for in the treaty. However, these data will be of limited value for verification purposes unless they can be independently verified by the United States. Even if the data were accurate and could be verified, they would not be sufficient to effectively verify Soviet compliance with the 150 kt threshold of the TTBT, because the limited data to be exchanged would not reduce the uncertainty in the seismic yield estimation process to acceptable levels.

The question of peaceful nuclear explosions (PNEs) was also addressed during 1971–74 and continued until the Treaty on the Limitation of Underground Nuclear Explosions for Peaceful Purposes, usually referred to as the Peaceful Nuclear Explosions Treaty (PNET), was signed in 1976. Since each individual nuclear explosion could not be greater than 150 kt, additional monitoring measures had to be negotiated for explosions conducted at locations other than at the designated weapons test sites and for salvos of explosions whose aggregate yield exceeded 150 kt. Provisions were included for onsite measurements of each explosion by downhole instrumentation, similar in result to the current CORRTEX [Continuous Reflectrometry for Radius versus Time Experiment] equipment, if the aggregate yield was planned to exceed 150 kt. Seismic instruments were also to be allowed in the test area if the aggregate yield was planned to exceed 500 kt. It is worth noting that even if the PNE Treaty were in force, the onsite measures would not have been implemented up to now because the Soviets apparently have not planned group explosions over any particular treaty-specified threshold which would trigger onsite inspection or installation of U.S. devices on Soviet territory.

Technical discussions on nuclear testing issues, principally related to a comprehensive test ban (CTB), have been held with the Soviets in the multilateral arena in Geneva. The United States presented papers at the Conference of the Committee on Disarmament (CCD) at least as far back as 1971 and again in 1973 and 1976. These papers discussed capabilities for discriminating between explosions and earthquakes, data from arrays of seismometers and networks of such stations, and various other seismology topics. There was, however, not much expert discussion of these U.S. contributions until the Ad-Hoc Group of Scientific Experts was formed in 1976.

One of the tasks of the Ad-Hoc Group of Scientific Experts was to describe a network of seismic stations that would provide data to the members for use in monitoring a CTB. Initially the Swedes, among others, attempted to establish a deliberative body within the CCD to conduct verification analyses. The United States did not want to rely on such a multinational group for verification decisions. As an alternative, the CCD, on the recommendation of the United States, formulated a plan for the exchange of seismic data and for conducting studies relating to those data. The Ad-Hoc Group of Scientific Experts selected an optimum network of seismic stations from CCD member states and evaluated its capability to provide data adequate for verification. An elaborate set of data parameters was agreed upon for reporting in a bulletin format. The World Meteorological Organization telegraph system was adopted for the exchange of these data bulletins. The exchange of complete seismograms, using digital techniques

and satellite transmission, has been explored. Studies and experiments on these transmission techniques continue at the present time. It is significant, however, that throughout this period in which testing limitations have been of such concern, at no time have there been any joint projects of bilateral exchanges of data except for some limited discussions during the actual trilateral CTB negotiations.

In the summer of 1977, about 1 year after the conclusion of the PNE phase of the threshold treaty, the United States, the United Kingdom, and the U.S.S.R. began negotiations toward a comprehensive test ban. Initially, the United States and the U.S.S.R. had different views concerning the proposed duration of the treaty—the United States wanted a treaty of unlimited duration while the U.S.S.R. wanted a 3-year treaty that would continue depending on the actions of others, specifically France and China. By the summer of 1978, the United States revised its position and proposed a CTB of only 3 years duration.

Initially, the questions of seismic stations (numbers, kinds, and locations) were fairly open on both sides. As the negotiations on the number of seismic stations proceeded, the Soviets hardened their position on in-country seismic stations—demanding that they had to be nationally manned. The Soviets constantly raised their concern about unmanned stations or "black boxes." The United States eventually proposed 10 seismic stations in the Soviet Union in conjunction with a 3-year treaty. The U.S.S.R. said they would accept 10 stations in the U.S.S.R. provided that there would be 10 stations in the United States and 10 stations in the United Kingdom and its territories. This created a serious impasse. The United States and the United Kingdom felt that one station in the limited territory of the United Kingdom would be sufficient, but the Soviets would not budge. They took the position that equal participation required equal responsibilities. They further indicated that if 10–10–10 was not satisfactory, any other set of equal numbers would be acceptable. While the Soviets had apparently agreed in concept to both onsite inspection and incountry seismic stations, these issues were still unresolved when the negotiations were suspended in November 1980.

The United States has not resumed the trilateral CTB talks since they recessed in November 1980 because under present circumstances a CTB would be against the security interests of the United States and its allies and would not be effectively verifiable. In the existing environment, the security of the United States and our allies depends on a credible U.S. nuclear deterrent. In such a situation, where we must rely upon nuclear weapons to deter aggression, nuclear testing will be required. A comprehensive test ban remains a long-term objective of the U.S. arms control policy, but such a ban must be viewed in the context of a time when we do not need to depend upon nuclear deterrence to ensure international security and stability, and when we have achieved deep, broad, and verifiable arms reductions, improved verification capabilities, expanded confidence-building measures, and a greater balance in conventional forces.

The verification of a comprehensive test ban, and especially any testing moratorium such as proposed by the Soviet Union, remains a major problem. In the context of the verification procedures discussed (but not agreed) in the CTB trilateral negotiations, there would still be significant uncertainty about our ability to verify Soviet compliance, that is, to detect and identify with sufficient certainty a potentially significant level of clandestine testing. Our concerns are heightened by likely Soviet violations of the TTBT and by Soviet violation of the Limited Test Ban Treaty, the LTBT.

IV. Opportunity for Cooperative Measures

There are two distinct problem areas that can be addressed jointly by the United States and the U.S.S.R. The first deals with sufficiently accurate yield measurements that would allow effective verification of yield thresholds such as the 150 kt limit of the TTBT. Solution of this problem area would provide the basis for moving forward on ratification of the TTBT and the PNET. The second deals with the ability to detect and identify low-yield nuclear tests. This requires solution of the problem of detecting and identifying low-yield tests not only underground but also underwater, in the atmosphere, and in outer space. Programmed capabilities will greatly enhance our ability to detect and identify low-yield nuclear tests within the atmosphere, although there may remain some uncertainty regarding the country conducting such tests if they are conducted over remote areas. With these technological advances in hand and at a time when we do not need to depend upon nuclear deterrence to ensure international security and stability and when we have achieved deep, broad, and verifiable arms reductions, expanded confidence-building measures, and a greater balance in conventional forces, the conditions would exist for proceeding toward a treaty that would ban low-yield nuclear tests.

a. Verification of Yield Thresholds. As noted above, the provisions of the TTBT provide no mechanism for reducing the level of uncertainty of yield estimation to an acceptable level. (We believe that no method of yield estimation based only on information derived solely from seismic measurements or seismic theory can reduce the uncertainty to an acceptable level.) Uncertainties in the yield estimation process cannot be sufficiently reduced without directly measuring the yield of Soviet tests with instruments which are fundamentally much more accurate than seismic methods.

The President has stated that he is prepared to move forward on ratification of the TTBT and PNET if the Soviets would agree to the use of an effective verification system incorporating the CORRTEX method.

The most productive joint Soviet-U.S. discussions of monitoring measures would be those which would involve the technology and implementation procedures for direct yield measurement. The United States believes that it has identified in CORRTEX a measurement technique which will reduce the uncertainty in yield measurement to an acceptable level and will do so without danger of compromising other sensitive information about the nature or performance of the nuclear device whose yield is to be measured.

CORRTEX is a hydrodynamic yield measurement technique that measures the rate of propagation of the underground shock wave from an explosion. This technique uses an electric coaxial cable located in the device emplacement hole or in a nearby, parallel "satellite" hole. When the nuclear device is detonated, a shock wave propagates through the ground, crushing and shortening the cable. The rate by which the cable length changes is recorded by measuring the changing transit times of low energy electrical pulses sent down to and reflected from the cable end. This rate is a measure of the propagation velocity of the explosive shock wave through the ground which is, in turn, a measure of the yield of the nuclear explosion.

The electronic device that provides the timing signals is a battery-powered, suitcase-sized unit that may be remotely

controlled. All equipment for power, recording, and data reduction can be contained in a small trailer.

CORRTEX has been shown to be accurate to within 15% (with 95% confidence) of more direct, radiochemical yield measurements for tests with yields greater than 50 kt. This is based on its use at the Nevada test site in over 100 tests with the sensing cable in the device emplacement hole and four tests with the sensing cable in a satellite hole. The accuracy of the technique is believed to be relatively independent of the geologic medium provided the satellite hole measurements are made in the "strong shock" region near the nuclear explosion. At greater separation distances, the medium becomes more important. A satellite hole separation distance of 14 meters (46 feet) is appropriate for a test near 150 kt.

CORRTEX is expected to be initially accurate to within 30% (with 95% confidence) of the actual yield at Soviet test sites for tests above 50 kt. An accuracy of 30% of the actual yield means, for example, that a test that produces CORRTEX measurements estimated to be associated with a "central value" yield of 150 kt, could, with a 95% probability, have a yield as high as 195 kt (150 kt plus 30% of 150 kt) or as low as 105 kt (150 kt minus 30% of 150 kt).

The Soviets were exposed to technology similar to CORRTEX during the PNET discussions. At that time, they indicated that they possessed similar technology. Therefore, a technical basis has already been established for the necessary discussions. The United States is prepared, as evidenced by the President's March 1986 offer, to demonstrate to Soviet technical experts how we would emplace CORRTEX instruments, how measurements are recorded, and how the data are analyzed. In any cooperative technical effort, the Soviet experts would have the opportunity to examine the CORRTEX data from a Soviet nuclear test in order to determine for themselves that no sensitive information, not relevant to TTBT verification, has been compromised. For their part, the Soviets would be permitted to bring any equipment they deemed necessary to measure the yield of the test.

Successful implementation of a direct-yield measurement regime for verification of the TTBT and the PNET will establish the principle of onsite inspection at declared facilities—in this case the site of nuclear tests. Joint Soviet-U.S. discussions to establish direct yield measurements will necessarily require negotiation of all the logistical aspects of such onsite presence, including the size and composition of the technical teams who would make measurements; agreement on the quantity of equipment which can be brought into the country; identification of allowed instrumentation; inspection of equipment by the party whose test is to be measured; establishment of housing, feeding, and transportation arrangements for the team making measurements; and procedures for sharing and transferring data from the country in which the test is to be performed.

Though not exhaustive, the above issues that would require negotiation are indicative of the long list of issues which must be addressed in making the transition from an agreement in principle to onsite inspection implementation. Any one of these elements, if not properly resolved, could frustrate the ultimate objective of the inspection regime. While not as glamorous as some aspects of arms control, the negotiation of such technical and logistical details is critical and may be extremely time consuming. Therefore, early joint Soviet-U.S. discussion of these issues can have a major impact on timely ratification of the TTBT and PNET.

b. Detection and Identification of Low-Yield Nuclear Tests. The second problem area, detection and identification of low-yield nuclear tests, is even more difficult because the solution requires effective monitoring in all environments—underground, underwater, in the atmosphere, and in outer space. Consequently, verification of any limitation of low-yield nuclear tests would require, at a minimum, the utilization of several techniques.

For example, detection and identification of low-yield nuclear tests will necessitate installation of an in-country seismic network and the implementation of onsite inspections. In addition, regional seismology (operating distances up to 2,000 kilometers from the source) will be a critical technology for the detection of underground tests. Measurement techniques for the collection and detection of atmospheric nuclear explosion debris will still require some refinement when working at or near levels of naturally occurring background radiation. Further development of hydroacoustic techniques could contribute to detection of small nuclear tests in remote ocean areas.

Recognizing the full scope of the problem of detecting and identifying low-yield nuclear tests in all environments, which must be solved, this paper will address only one part of the problem—monitoring low-yield *underground* nuclear tests—because this is the area where the United States believes that cooperation with the U.S.S.R. would be the most productive.

The requirements for in-country monitoring stations have been discussed with the Soviets in many fora since the late 1950s (see the "Historical Perspective" section). There remain several areas in which seismic monitoring can be profitably addressed by Soviet and U.S. technical experts. Further work may strengthen the basis for seismic detection and identification of low-yield nuclear tests in advance of the achievement of the other criteria which must be met before the United States could consider a comprehensive test ban to be in its national interest.

It is assumed that whatever the level of detection of seismic events, there will be some events detected whose origin (e.g., nuclear test, earthquake, chemical explosion) will be uncertain—unidentified (i.e., unresolved as to their origin) events. While improvements in seismic monitoring devices could be expected to provide additional data that could identify some of the events that cannot be identified at current sensitivity levels, the net effect of improvements in sensitivity will be to increase the number of unidentified events.

Onsite inspection, as a concept, is also used to describe inspections conducted to remove ambiguity when information from other sources indicates that a potential violation of a treaty in force may have already occurred. However, onsite inspection will only be useful when the precise location of the ambiguous event can be determined. Onsite inspection could contribute to identification of the source of surface or near-surface explosions, where surface disturbances would clearly indicate the location. For small underground explosions, it would be nearly impossible to locate the source with sufficient precision to permit the verifying party to drill into the cavity created by the test to sample the explosion debris.

The basic elements which could be addressed in joint discussions include the fundamental science of the transmission of seismic waves within the Soviet Union; the types of equipment which would need to be permanently installed for the measurement of seismic data; the equipment which would need to be installed for the recording and transmission of seismic data to national data analysis centers; and the numerical data-

processing techniques which would be used for identifying the source of a seismic event based on the characteristics of the seismic data. These issues are described in more detail below:

• *Seismic Wave Transmission:* The United States is actively pursuing the seismic research which would be critical to the detection and identification of low-yield (below 10 kt) nuclear tests. Of particular significance is research on high-frequency seismic waves. Instruments capable of detecting high-frequency seismic waves have been developed and an experimental seismic array containing such equipment is in operation. To be confident that high-frequency seismic waves can be useful for detection and identification of low-yield nuclear tests, two issues need further study: the availability of sufficiently quiet, low background seismic noise sites within the Soviet Union at which seismic stations could be located and knowledge of the transmission characteristics of high-frequency seismic waves within the Soviet Union.

The degree to which seismic wave energy is absorbed and scattered as a seismic wave travels away from a nuclear explosion in the United States has been studied extensively, and much of this work has been published in the scientific literature. Similar information is not available for explosions within the Soviet Union. A joint U.S.-Soviet effort could seek to determine the degree to which high-frequency seismic wave energy is absorbed and scattered in the Soviet Union. Such an effort would establish a more realistic basis for the utility of high-frequency seismic waves for detection and identification of low-yield nuclear tests. While data obtained from outside the Soviet Union are useful, Soviet-U.S. cooperation in obtaining and evaluating data from within the Soviet Union is essential.

• *Seismic Equipment and Data Handling:* During the trilateral CTB negotiations of 1977–80, the United States described to the Soviet Union tamper-proof, remotely operated seismic stations which would record and transmit seismic data for analysis in the United States. The United States has continued research on such stations. Modification in these stations would be required to provide the capability to record and transmit data on high-frequency seismic waves. Joint Soviet-U.S. efforts could resume on the criteria for the location and operation of such stations to include characterization of the sites which would have to be available to ensure accurate instrument operation. Such an effort would have to include data gathering from potential sites for remote stations in the Soviet Union and should include installation of research instruments to validate that such instruments can operate reliably, to include data transmission, throughout the broad range of environmental conditions within the Soviet Union.

• *Seismic Wave Analysis:* The effectiveness of any low-yield underground nuclear test verification regime based upon the analysis of seismic waves will ultimately depend on the ability to identify a nuclear explosion by distinguishing between nuclear explosions and other sources of seismic energy, e.g., chemical explosions and earthquakes. The object must be to minimize the number of recorded seismic events whose source is ambiguous. A joint Soviet-U.S. effort could seek to identify analytic techniques which would positively identify the origin of recorded seismic signals. Such a joint study cannot be done in the abstract but should be tested against real data which would be typical of that which would be recorded by instruments located at the prospective location of seismic stations. No analytic technique can hope to eliminate all ambiguous events, but it would be very helpful if the two sides could agree on which technique can be the most effective.

V. Current Status

We have sought on a number of occasions in the past several years to engage the U.S.S.R. in discussions on verification improvements in the nuclear testing area but thus far without success. In 1983 the U.S. Government sought on three separate occasions to engage the Soviet Union in a discussion of essential verification improvements for the TTBT and the PNET. In September 1984 the President proposed in his address to the UN General Assembly that the United States and the Soviet Union find a way for Soviet experts to come to the U.S. nuclear test site and for U.S. experts to go to theirs to measure directly the yields of nuclear weapons tests. In July 1985 the President expanded his offer with an unconditional invitation for Soviet experts to go to the U.S. nuclear test site to measure the yield of a U.S. nuclear test with any instrumentation devices they deemed necessary. There was no requirement for a reciprocal visit by U.S. experts to a Soviet test site. In December 1985 President Reagan proposed to General Secretary Gorbachev that U.S. and Soviet experts on nuclear testing limitations meet in February 1986 to discuss our respective verification approaches and to address initial tangible steps to resolve this issue.

Most recently, on March 15, 1986, the President urged the Soviet Union to join the United States in discussion on finding ways to reach agreement on essential verification improvement of the TTBT and PNET. In this respect he provided details to the Soviet Union on the U.S. CORRTEX hydrodynamic measurement system and proposed that General Secretary Gorbachev send Soviet scientists to our Nevada test site during the third week of April 1986 to fully examine CORRTEX. At that time, the Soviets could also monitor a U.S. nuclear test. Finally, the President indicated that, if the Soviet Union will join us in an agreement for effective verification, including the use of CORRTEX, the United States would be prepared to move forward on ratification of the TTBT.

The Soviets have stated that they have developed and have available a system that is used to obtain data similar to that obtained by CORRTEX. Aside from this assertion, the Soviet Union has not responded to any of the above U.S. initiatives, which were aimed at constructively addressing our mutual concerns.

---

[1]Text from Weekly Compilation of Presidential Documents of Aug. 18, 1986.

[2]See *Geneva Conference on the Discontinuance of Nuclear Weapons Tests: History and Analysis of Negotiations* (Department of State publication 7258, 1961). ■

U.S. and East Asia-Pacific Relations: The Challenges Ahead

by Gaston J. Sigur, Jr.

Address at the Mansfield Center for Pacific Affairs in Helena, Montana, on July 4, 1986. Mr. Sigur is Assistant Secretary for East Asian and Pacific Affairs.

It occurs to me that this is an especially appropriate place to be on our nation's birthday. For one thing, Ambassador [to Japan] Mansfield is an outstanding—almost legendary—public servant and patriot of this great country, and I'm very pleased to appear at this Pacific Affairs Center which bears his name. For another thing, Montana represents as well as any state that spirit of pioneer drive and determination which made this nation great—indeed, which broadened this nation to the full extent of its continental boundaries. Furthermore, I detect a significant parallel between the pioneering spirit of our American West and that sense of entrepreneurship and dynamism which is rapidly transforming the East Asian and Pacific region into a leading center of global commerce. That, after all, is the area of the world with which we are concerned here today. It is an alluring region of unlimited potential, striving to meet the challenges of modernization, much the same as Montana and her sister states of the West 100 years ago.

Our American pioneers viewed that migratory movement westward as a "manifest destiny" of the 19th century. In somewhat the same way today, there is broad recognition of a steady shifting of the locus of economic and political dynamism toward the Asian-Pacific arena in this age. Indeed, Ambassador Mansfield has been something of a prophet in this respect, being among the first to refer to the 21st century as "the century of the Pacific." We owe him, and others of vision like him, a debt of gratitude for helping us reorient our thinking and planning toward the evolving realities of our time.

But while the nations of East Asia and the Pacific enjoy vast potential for growth and accomplishment, they also face many serious challenges ahead. After all, prosperity and stability—comfort and tranquility—do not come easily. The early Montana settlers understood that hard work, determination, and cooperation eventually "pay off." In the modern age, economic success, security, and social stability still have to be won and carefully cultivated; they are not guaranteed to anyone. A century ago, it was the will to succeed, a sense of fair play and teamwork, the spirit of free enterprise, and a respect for individual rights and capabilities that turned the rugged western frontier into a productive regional community. These same virtues are now enabling the Asian-Pacific region to achieve its potential. We are, in fact, witnesses to a modern-day success story in that region, where the enterprising developing and industrializing states are on the leading edge of phenomenal achievements.

Most of the East Asian and Pacific nations already have met the challenges of postwar reconstruction and reconciliation. Many of them are now meeting the tasks of modernization and industrialization. One of them, Japan, already has achieved a global power status while others—like the Republic of Korea, Australia, and the ASEAN [Association of South East Asian Nations] grouping—are assuming regional leadership roles and providing models of development for their neighbors. Now they confront the challenges of success: how to sustain it; how to protect it; how to manage its social and political consequences. They are seeking to manage these challenges effectively as they advance toward even greater accomplishments in the years ahead.

A few nations of the region have not enjoyed the same developmental success. Among them are North Korea and Vietnam. Their backward condition may be due to a number of factors, but principal among them are their hostile postures toward their neighbors and their discredited economic systems. With the encouragement of the Soviet Union, they have effectively shut themselves off from the productivity and prosperous living standards enjoyed by the other regional states. So long as they stagnate in this isolated and hostile condition, they remain a threat to the progress of the rest of the region.

Fortunately, the traditional bonds of friendship between the Asian-Pacific region and the United States are stronger than ever today. A natural and regular system of interaction and interdependence has evolved between us, bilaterally and multilaterally. Increasingly, we depend upon each other for our common success and prosperity. Increasingly, we seek to consult and to coordinate our activities for maximum efficiency and effectiveness. Many observations have been made about the growing sense of "community"—with a small "c"—which permeates this relationship. No nation or group of nations need fear this natural phenomenon for it portends only peace and cooperation among those who are willing to contribute to regional progress in a positive way. The concept features a healthy balance of individual prerogative and collective responsibility, for the sake of the common good.

Lest we become too complacent about the promise of our common effort, however, it bears repeating that all of us must be vigilant and untiring in nourishing and defending the fruits of our success. As I look ahead, I see four fundamental challenges to this promising region as a whole—and I certainly include the United States as a partner which, together with others, must prepare to meet these challenges in a common effort.

Sustaining Economic Growth and Managing Commercial Problems

Perhaps the primary challenge, in the face of the region's relatively prosperous record, is to sustain economic growth and manage the inevitable commercial difficulties that occasionally occur. Most East Asian developing countries have relatively low per capita income and rapidly growing populations. For this reason their leaders view rapid economic growth to be essential to both national development and political stability.

Fortunately, East Asia discovered early on what the rest of the developing world is only belatedly coming to realize. Economic growth can only flourish if economic policies encourage it. This means monetary stability, fiscal restraint, and realistic exchange rates. Even more important, governments must also institute policies which encourage flexible, market-oriented, private enterprise economies open to free international exchange of goods, services, and capital.

This may seem obvious to us in the United States, but much of the developing world, including parts of East Asia, remains in the grip of statist, inward-looking economic strategies. Strongly entrenched groups sometimes manage to maintain their vested interests through protectionism and state regulation. We in the United States are not immune

from this affliction, but the costs are much higher for those countries that have so little to start with.

Failure to fend off these pressures leads to clearly demonstrable consequences. The empirical fact of life is that, to the extent developing nations have adopted outward-looking, market-oriented policies, they have attained robust economic growth. On the other hand, economic stagnation is produced by massive extensions of government control over investment and other government-inspired economic distortions.

But do we really care if the countries of East Asia and the Pacific institute effective economic policies? The answer is "yes" and not simply for altruistic reasons. Recent history clearly shows that prosperous, democratic, outward-looking nations associate themselves closely with the United States economically and strategically. The reasons are not hard to understand. The Soviet Union and its allies import almost nothing from the developing world. The developing world, in turn, has little interest in importing anything the Soviet Union produces. There is little in Soviet culture, political thought, or economic theory that has any attraction whatsoever for these developing nations. Hardly anyone sees communism as the wave of the future anymore. The United States, on the other hand, can offer vast trade prospects, technology transfer, foreign investment, educational opportunities, and cultural exchange.

It is only when economic growth falters that the linkage between stability and prosperity is tested. The Philippines is a recent example of this. Through government mismanagement and corruption, the Philippine economy under Ferdinand Marcos was driven to the brink of ruin. As economic hardship increased, the communist insurgency grew rapidly. Now that President Aquino's new government holds out the prospect of economic reform, the insurgency finds itself losing support. There was a time when insurgencies also threatened Thailand, Malaysia, and Indonesia. This is now a distant memory, unlikely to reoccur, due in part to the remarkable economic progress of these three countries.

Given our stake in the economic growth of our Asian-Pacific trading partners, the Administration views with dismay attempts in Congress to try to legislate away the U.S. trade deficit, producing in the process great damage to ourselves and our trading partners.

The House of Representatives recently passed an omnibus trade bill that would be nothing short of disastrous for U.S. interests. There is no question that the United States does have an enormous trade deficit—$148 billion in 1985. What Congress wants us to believe, however, is that this is largely the result of foreign trade barriers and unfair trade practices and that we should erect such barriers ourselves. This is just not so. The U.S. trade deficit doubled from 1983 to 1985, yet foreign trade barriers are no higher now and, in fact, are probably lower than in 1983. The fact is that our trade deficit increases or decreases as a result of a variety of factors, including shifting exchange rates, differing economic growth rates, and differing savings and investment rates.

Japan is a good example in this regard. In 1985 the United States had a $50-billion trade deficit with Japan. The House trade bill would, among a great number of other damaging provisions, impose a blanket surcharge on Japanese imports. This would certainly reduce our imports from Japan. It would also provoke retaliation and inevitably reduce our exports, leaving both countries worse off. It is axiomatic in economics that protectionism does not affect the balance of trade, but rather the level of trade.

The fact is that Japan is our largest agricultural market in the world and our second largest market for manufacturers after Canada. Japan also supplied $75 billion in capital to this country in 1985 which helped to finance new investment here and to hold down interest rates.

I mention these facts in order to make the point that a very delicate and complicated web of economic interrelationships ties us to Japan and our other trading partners in East Asia. If Congress attempts to alter this web by simply tearing out great hunks of it, we will all be the poorer for it. Ultimately, by weakening the economic bonds tying us to the rest of the world, we will also damage our vital security interests.

This Administration is not blind to the difficulties our exporters face. We will continue to seek the removal of unfair trade barriers which affect a wide variety of American goods and services. As necessary, we will take unilateral action under our own trade laws to remove unfair trade practices. And, most importantly, we will continue to strengthen the world trading system and promote the success of the new round of multilateral trade negotiations expected to start this September.

The challenge we face is one stemming from the extraordinary success of our trading partners in East Asia. Both the United States and East Asian countries reap enormous benefits from our trading relationship. Our goal is to strengthen and expand this relationship, and to manage its problems, in order to safeguard our mutual economic and security interests.

Nurturing Regular Coordination and Consultation

A second "challenge" which we, together, confront is to nurture ever more regular habits of coordination and consultation among ourselves. We've made great headway on intraregional dialogue over the past two decades, and the pace picked up considerably under this Administration. I returned just this week with the Secretary from our regular annual conference with regional foreign ministers in Southeast Asia. Every summer, following consultations among the ASEAN foreign ministers, they are joined by their counterparts from the United States, Japan, Canada, Australia, New Zealand, and Western Europe for discussions on a range of matters of common concern. Of special concern in recent years, the Cambodian conflict and multilateral economic cooperation have been predominant agenda items. Together, we forge a consensus on cooperative approaches to mitigate threats and to advance multinational prosperity.

In similar fashion, the United States consults frequently with its traditional allies in the region on a range of economic, political, and security topics so that we all remain well-informed on events and on our respective policies. Following last November's summit conference in Geneva, for example, the United States provided a full and immediate readout on the Reagan and Gorbachev talks to our regional allies. They, in turn, have been most forthcoming with us on their activities and policy positions.

Such routine dialogue, as these examples demonstrate, serves to strengthen our common cause and to coordinate our efforts for policy effectiveness. Mutual comprehension, maximum trust, and minimal surprise are the key elements of a strong and lasting friendship among the nations of East Asia and the Pacific.

Comprehension and trust between nations depend upon much more than periodic high-level official discussions, of course. They depend upon a web of con-

tacts and interaction within the private sector as well. Flourishing commercial ventures of bilateral and multilateral character have supplemented growing intraregional trade as a means of forging important bonds within the business community. International visitor programs and academic exchanges are expanding over time, spawning a remarkable intellectual framework for the evolving community spirit. The lesser developed countries of the region are benefiting increasingly from vocational and educational assistance programs offered by the more advanced countries, and all nations gain greater understanding of each other through various cultural and artistic exchanges.

In short, we are doing well in promoting habits of dialogue among ourselves. More and more in the future, the challenge may be to effectively coordinate our policies and economic planning in the interest of greater national efficiency, policy effectiveness, and the wise use of limited resources. Toward this end, we may not always "see eye to eye," but we can always take the time to sit down and discuss our respective concerns and intentions.

Protecting Accomplishments

Surely one of the most important tasks of all is to protect and secure the accomplishments which already have been realized. Success always attracts attention, and, unfortunately, it also attracts the envy of others who would maliciously exploit it for their own advantage. The nations of East Asia and the Pacific must be particularly vigilant in the years ahead and protective of their hard-won success lest it be encroached upon. Too often, peace and prosperity foster complacency.

This factor underlines the importance of intimate consultation and coordination between us. The pioneers of the American West knew well the value of vigilance and the strength that lies in unity. The threats of the rugged frontier forged a genuine sense of community, as a prerequisite for survival.

In the Asian-Pacific region, peace and stability are threatened by Vietnam and North Korea. Both have systems which reflect stagnation and failure, and perhaps through desperation they have chosen the route of threat and aggression against their more prosperous neighbors. Had they chosen instead the course of economic cooperation and political accommodation, they, too, could be participating in the regional dynamism that is outpacing all other parts of the world. Instead, with the aid and assent of the Soviet Union, they have embarked on a self-defeating path which jeopardizes the progress of the region as well.

The Soviets also seek to peddle their brand of "security" and "cooperation" in the region, but the nations aren't buying. They are not about to exchange a proven system of stability and prosperity for the deceptive charms of sweeping diversionary "confidence-building measures," which ignore the real sources of danger to the region. In fact, it is the nonproductive policies and belligerent behavior of the Soviet Union which have resulted in its conceptual exclusion from the region, not some "capitalist conspiracy" to block its presence and participation.

Among the greatest threats to the region's continued success, however, are those weaknesses which can originate from within the group, that is, overt dissension, shortsighted unilateralism, and protectionism. This is why regular consultations are so important. Trade tensions and protectionist policies can destroy economic progress if they go unchecked. "Nuclear allergies," however well-intentioned, can have an insidious effect on strategic balance and conflict deterrence. Alliance fissures, if permitted to expand, can destroy the structure of mutual commitments and responsibility upon which peace is built. And failure to maintain a unified regional position on fundamental global issues like international terrorism and arms control can lead to disintegration of mutual trust as well as our common security. Together, the free market nations have led the way in creating a strong, secure, and prosperous region; we must never allow weaknesses originating from within to cause a reversal.

Managing Domestic Pressures

Still another great challenge—one which affects the newly industrializing countries of the region most directly—is to manage adeptly the domestic pressures that inevitably accompany success. Historical experience has shown us that modernization and prosperity generate irrepressible rising expectations among a nation's populace, as consumers and—in developing democracies—as an increasingly vocal electorate. For the sake of social stability and continued progress, an appropriate degree of leadership responsiveness is necessary. The nature of that response will be unique to the circumstances of each country—unique to its historical, cultural, and political realities. The skill with which governments manage this task will be reflected ultimately in the extent of their stability.

Fortunately, the trend seems to be toward more creative and responsive government initiatives in many of the region's modernizing states. Two of our traditional allies, the Philippines and Korea, currently are engaged in constitutional reviews which may incorporate popular systemic reforms. Others as well are demonstrating increasing sensitivity to the viewpoints of various domestic political groups. These are healthy developments, and we commend those responsible for proceeding in a manner that takes into account the need for both national order and democratic progress.

The shared fruits of economic success, equitably distributed, should be able to meet the rising demands of consumers in these developing states. Responsive government should be able to satisfy the expectations of an enlightened electorate. And the combination of these is an irrefutable recipe for even greater progress.

Conclusion

These four fundamental challenges to the nations of East Asia and the Pacific region are formidable but by no means insurmountable. They do not daunt us. Neither the United States nor its friends and allies in the region shrink from the task of diligently cultivating the remarkable growth and stability we have thus far enjoyed, so that future generations may live in comfort and peace. We welcome these challenges and, together, will face them head on. In this way, we can test and prove the full dimension of our capabilities, assess our weaknesses, and strengthen our confidence.

We recognize, of course, that most of the challenges are the consequent price of success. Our adversaries in the region—impoverished, backward, isolated—contend with the much greater burdens of failure. We already have demonstrated the power of free market and democratic principles in the developing world. Let us continue to demonstrate, through creativity and foresight, the durability of the system adopted by our friends and ourselves as well. ■

U.S.-Japanese Relations

Background
Since 1952 when the U.S.-Japanese peace treaty went into effect, Japan has become a valued U.S. ally and a major power not only in Asia but in the world. It joined the United Nations in 1956 and became a member of the Organization for Economic Cooperation and Development (OECD) in 1964. Its foreign policy has been directed toward promoting peace and prosperity by working closely with the West.

Its economy has expanded at an impressive rate. Along with North America and Western Europe, Japan is one of the three major industrial complexes among the market economies. Japan receives about 10% of our total exports—a larger share than any country except Canada—and we buy roughly one-quarter of Japan's total exports. Our combined GNP totals about one-third of world GNP.

Global Partnership With the United States
A close and cooperative relationship with Japan is the cornerstone of U.S. policy in Asia. Our bilateral ties have worldwide ramifications, and our partnership is global. The United States and Japan are the two largest providers of refugee relief. In 1984 Japan provided $7.5 million in aid to Afghan refugees in Pakistan. Our two countries have provided substantial relief for Khmer refugees and have consulted with other concerned nations—particularly the Association of South East Asian Nations (ASEAN)—on the continuing crisis in Indochina. We both help promote China's modernization program.

Japan's more active foreign policy contributes significantly to efforts to control and reduce nuclear weapons, and Japan's views on our arms reduction initiatives are highly valued. Together we have made it clear to the U.S.S.R. that an agreement on intermediate-range nuclear forces that would shift the threat from Europe to Asia is unacceptable. Our cooperation also extends to many other areas: energy, technology transfer to developing countries, controlling strategic exports, and medical—particularly cancer—research.

Relations With Other Nations
Japan's traditional interests have been in Asia, and those continue to be of vital importance to Tokyo. Ties between Beijing and Tokyo have developed rapidly since 1978, and Japan has been aiding the Chinese in modernization projects. Today Japan is the leading donor of economic aid to China. Japan maintains economic, but not diplomatic, relations with Taiwan. Korea is receiving significant Japanese economic assistance as a result of a historic exchange of visits in 1983 and 1984 between Prime Minister Nakasone and President Chun. Japan has long-term interests in the Persian Gulf, which supplies most of its oil. Tokyo provides large amounts of economic aid to Egypt, Turkey, and Pakistan. It has become increasingly active in Africa and Latin America through multilateral development projects. Relations with the U.S.S.R. have never been close, in part because the Soviets, since World War II, have occupied four islands known as the Northern Territories.

Free Trade
At the May 1985 Bonn economic summit, the United States, Japan, the United Kingdom, Canada, France, West Germany, and Italy committed themselves to an early and substantial reduction of barriers to trade and to continued efforts to resist protectionism. Prime Minister Nakasone unveiled a trade action program in July 1985 to help internationalize Japan's economy and to make its markets free in principle, with restrictions the exception. After the President met the Prime Minister in January 1985, intensive bilateral negotiations were launched to remove Japanese trade barriers in the telecommunications, electronics, forest products, medical equipment, and pharmaceuticals sectors where U.S. products are clearly competitive. These talks have made important progress in trade liberalization. Such efforts help reduce stresses in our relationship caused by the persistent trade deficit.

Macroeconomic Policies
We have urged Japan to correct its savings/investment imbalance which over time would help reduce its large global current account surplus. Japan recognizes that it must increase domestic-led growth to stimulate imports and help rectify the savings/investment imbalance; it announced several steps in October 1985 and is studying additional measures. The strong dollar has helped cause the trade imbalance with Japan. The September 1985 statement of the Finance Ministers of Japan, the United Kingdom, France, West Germany, the United States, and the Central Bankers committed five major industrialized countries to address exchange rate issues. Since then the dollar has weakened in relation to the yen, and the decline eventually may help increase our exports to Japan.

Assistance to Less Developed Countries
In 1984 Japan became second only to the United States as a leading donor of overseas development assistance, pledging some $4.3 billion. Japan has pledged $40 billion in assistance from 1986 to 1992. Both Japan and the United States agreed at the Bonn summit to work for new trade liberalization negotiations in the General Agreement on Tariffs and Trade (GATT), emphasizing expanded trade with less developed countries. Both countries are studying how to coordinate their foreign assistance programs, and the United States supports Japan's efforts to open its market to developing countries' products.

International Political and Economic Coordination
The Secretary of State and the Japanese Foreign Minister meet often to consider global issues. The United States and Japan have consulted on the invasions of Afghanistan and Cambodia and the imposition of martial law in Poland. Economic coordination has often been accomplished through institutions such as the International Energy Agency (IEA), the World Bank, and the International Monetary Fund (IMF).

Mutual Security
Although the Japanese Constitution and government policy preclude an assertive military role in international relations, Japan's cooperation with the United States through the 1960 bilateral Treaty of Mutual Cooperation and Security has been crucial in maintaining peace and stability in East Asia. U.S. bases and facilities in Japan enable the United States to maintain its commitments to Japan and other allies in the region. Japan has significantly strengthened its self-defense capabilities. It will undertake to defend its sealanes to a distance of 1,000 nautical miles, providing a credible deterrent to Soviet adventurism in Northeast Asia. Japan's expanded defense role will also allow us more flexibility in responding to emergencies in the Southwest Pacific and Indian Ocean.

Taken from the GIST series of Jan. 1986, published by the Bureau of Public Affairs, Department of State. Editor: Harriet Culley. ■

An Agenda for the New GATT Round

by Clayton Yeutter

Address before the U.S. Chamber of Commerce on September 10, 1986. Ambassador Yeutter is U.S. Trade Representative.

Next week, one of the most momentous international economic conferences of the past 40 years will take place in Punta del Este, Uruguay. Secretary of Commerce Baldrige and Secretary of Agriculture Lyng will join me in a meeting with ministers of 91 other countries to launch a new round of multilateral trade talks under the auspices of the General Agreement on Tariffs and Trade (GATT).

What we do there will have major repercussions for decades to come. I am not exaggerating when I say that the future of the international trading system hinges on the outcome of this ministerial meeting.

Nearly 40 years ago, representatives of 23 nations met in Geneva to negotiate what eventually became known as the GATT. Imagine what those negotiators saw as they scanned the four tumultuous decades preceding their meeting. In their lifetimes, they had witnessed the two most destructive wars in history; a Great Depression that, propelled by a plague of protectionism, had eroded the very fabric of their societies; the rise of aggressive totalitarian regimes, stimulated in large part by economic unrest; and a dramatic increase in economic and political isolationism that had turned their world into chaos.

The lessons of that earlier period must have been crystal clear—that the nations of the world, as interdependent members of the international community, need rules and codes of conduct to facilitate their economic relationships.

The creators of GATT applied these lessons as they developed a new trading system. The General Agreement on Tariffs and Trade became a set of principles and disciplines to promote global economic growth through expanded trade. The signatories promised to disavow the protectionist practices of the 1930s when nations had tried in vain to prosper at the expense of each other. Rejecting the beggar-thy-neighbor approach, which had succeeded only in impoverishing everyone, the GATT members adopted a system in which all nations could grow and prosper together.

It is important to note that the GATT members called themselves contracting parties and still do so. Each GATT member is a party to a contract with binding obligations. These obligations, which require each nation to forswear protectionism, are the foundation of the modern international trading system.

As we survey the 40 years since the GATT was founded we can view it as an enormous achievement. Membership grew from 23 to 92 nations. All nations have benefited from the lower tariffs and reduced trade barriers that GATT generated, and international trade expanded dramatically. As trade increased, so did economic growth. Expanded trade has provided rising prosperity for developed and developing nations alike. Some have become prosperous beyond all their hopes.

As an institution, GATT has arguably done more over the past 40 years to promote the cause of peace and prosperity than any other international body. Yet like all institutions, GATT must change or risk becoming obsolete.

When GATT was founded, the major trade problem was high tariffs. Seven rounds of trade negotiations have lowered tariff barriers substantially. But new, non-tariff barriers have sprung up to take the place of high tariffs, and GATT must adapt to the new challenge these measures present.

. . . GATT must address the chaos in trade in agriculture.

As currently constituted, GATT does not address many of the realities of modern trade. It has been 13 years since we launched a new round of GATT talks and much has changed in the international economy since then. We live in a world that is becoming more sophisticated every day. Our international institutions, such as the GATT, must serve that world. They too must be sophisticated, and they must be dynamic. If they remain static in the face of change, they will fade into oblivion.

Protectionist Trends

Unfortunately, we've all slipped somewhat from the commitments of 40 years ago. Protectionist practices are resurfacing throughout the world. Part of this is in reaction to the economic shocks of the last 15 years—the tremendous fluctuations in energy prices, the abandonment of fixed exchange rates, the periods of soaring inflation, the ups and downs of interest rates, and the enormous debt burdens of some developing nations.

Yet, to be candid, much of this creeping protectionism is simple opportunism. There are those who would prefer not to compete internationally, those who want only to export, and those who think trade barriers will give them the edge. In short, the beggar-thy-neighbor approach is making a comeback.

This is an alarming trend. It has a corrosive effect on the system because one protectionist action begets another. It is naive to expect otherwise but sometimes nations engage in wishful thinking—and in self-destructive actions. International trade as measured by GATT rose only 3% in 1985, down considerably from the 9% growth rate of 1984. If nothing is done to reverse this trend, the trickle toward protectionism could become a flood, and we could return to the Depression days of the 1930s.

Already in the United States, there is a reaction against GATT because some think the privileges of a free and open trading system apply only to our competitors—that others are free to trade in the United States but foreign markets are closed to us. Many Americans look at our $150,000 million trade deficit and at the growing use of subsidies, nontariff barriers, and other GATT-illegal practices throughout the world and wonder why we are still a signatory to the GATT. They want us to take matters into our own hands and roll back imports through quota programs or require specified reductions in bilateral trade deficits through the use of surcharges.

Further, those U.S. interests that are still outward looking are losing faith in the ability of existing rules and institutions to effectively address new issues that are increasingly important in international commerce—services,

investment, intellectual property protection, and others that are on our priority list for Punta del Este.

The difficulties facing today's trading system do not affect America alone. After all, farm subsidies and agricultural import barriers are not aimed only at the American farmer. They also crush less fortunate nations, many of which have economies based almost entirely on agriculture. And the lack of rules on services does not affect American exporters only. It also prevents many less developed countries (LDCs) from achieving their full potential on trade in services.

If other nations are not truly interested in strengthening the multilateral trading system, the United States will have no choice but to defend its interests bilaterally and plurilaterally, and we will do so vigorously. The GATT as we know it today would disappear, to be replaced, we hope, by institutions that would better accommodate the world's commercial needs.

The stakes riding on the outcome of our meeting in Uruguay next week are, indeed, high. We can either agree to work together as a world community to strengthen and modernize the international trading system for the benefit of all nations or we can agree to each go our own way, accepting the consequences of that scenario.

Worldwide piracy of intellectual property has reached epidemic proportions.

For us a new round to improve the world trading system must include meaningful negotiations on agriculture and the new issues—services, intellectual property, and investment. This is not a time for caution. It is a time for leadership, a time to strike out boldly to meet the demands of a dynamic world.

There is some cause for optimism if one looks at how far we have come. A year ago, many observers questioned whether GATT members could agree even to begin talking about an agenda for a new round of trade talks. Yet we were able to establish a preparatory committee, which worked diligently for 7 months to produce a draft declaration for ministers' consideration.

The negotiators who drafted that text represent countries of all characterizations: developed, developing, and newly industrialized; northern and southern, eastern and western. Colombia and Switzerland deserve particular credit for chairing the deliberations, but all 40-plus nations that participated should share the accolades. All took political risks during this process and all will have to take additional risks if we are successfully to launch a new round. Yet if a general spirit of cooperation prevails, and if opponents of trade liberalization are not permitted to obstruct progress, a historic declaration can emerge from Punta del Este.

But let us not take it for granted that there will be a new round. Unfortunately, a small group of nations continues to hold the interests of the majority hostage to their objectives, which seem to me contrary to their own self-interest. For reasons known only to them, these nations are attempting to keep off the agenda items that must be included if we are to strengthen and improve GATT. This is not a tolerable outcome. Nations that engage in 3% or 4% of the world's trade cannot be allowed to jeopardize the future of the entire world trading system. No one has been asked to commit in advance to the outcome of the new round but simply to allow those who wish to negotiate to do so.

Negotiating Agenda

There can be no legitimate objection to a comprehensive negotiating agenda. But there is ample reason not to agree to a limited agenda. If a handful of countries block the rest of the world from negotiating on matters of great economic importance during the coming years—matters that will advance the cause of global trade—the United States will not participate in the new round.

Agriculture. Clearly GATT must address the chaos in trade in agriculture. This is an urgent, critical need. Export subsidies and endless barriers to imports have created massive disruption in farm trade and brought world agriculture to the brink of crisis. The escalating pattern of protectionism in agriculture must be reversed. Farmers of different countries are no longer competing against each other but against national treasuries.

Our agricultural objectives for a new round are clear. We want to phase out import restrictions on agricultural products, treat agricultural export subsidies the same as subsidies for industrial products, and eliminate other barriers to market access in developed and developing countries. Agriculture should be negotiated on a "fast track" basis because the crisis in agricultural trade is so severe that we cannot afford to wait 5 years or more for improvement.

These objectives should threaten no one. No nation would gain any advantage over another; we would work together to put an end to costly, confrontational policies that hurt us all.

Secretary Lyng's attendance in Punta del Este demonstrates our government's deep commitment to extending GATT rule to cover trade in agriculture. President Reagan is personally committed to this issue. At the economic summit in Tokyo last May, he raised the issue of trade in agriculture and persuaded the other heads of state of the need for immediate, substantial improvement in the conduct of agricultural trade.

Services. GATT also must begin to address the new trade challenges of the day. The definition and scope of trade have been transformed in recent years, and GATT as an institution must keep pace. For example, we must create an institutional framework that will make trade in services as open as possible. Services is the fastest growing sector of the U.S. economy and is likely to continue to be so in the future. The same is true for many other nations, yet there are no principles and procedures governing trade in this area.

Our objectives here also are clear. We wish to develop meaningful international rules with respect to government actions that affect services trade. This would not only place rules for trade in services on an equal footing with rules for trade in goods but also would facilitate trade in goods by guaranteeing that essential related services, such as transportation, communications, and insurance, are readily available on a competitive basis.

These objectives also should threaten no one. Basic rules guaranteeing nondiscriminatory treatment and equitable access would simply clarify the current jumbled system for all service providers; they would provide special advantages to

no one. Furthermore, no nation would be obligated to sign a services code, although it would clearly be seen to be desirable to do so.

Investment. A third major need is a set of rules to cover investment. GATT offers virtually no discipline in this area even through government investment policies can severely distort trade flows.

Our goal here is to provide for basic principles governing such practices as export performance requirements, local content rules, and other investment regulations that distort trade. We want to inject greater certainty into what is now a most uncertain, and often intimidating, economic environment.

This objective should not threaten other nations; indeed it should be embraced by all—especially the developing nations—as a major priority. Foreign investment, when responding to actual market conditions rather than distortive government policies, will stimulate economic growth. There is an urgent need throughout the developing world for increased foreign investment, particularly among nations that need to reduce their reliance on debt capital but need equity capital to stimulate growth. As long as there are no meaningful rules in this area, investment in those countries will remain a risky and unattractive option.

Intellectual Property. Finally, there is a need for increased protection for intellectual property such as patents, trademarks, and copyrights. Worldwide piracy of intellectual property has reached epidemic proportions. The world soon may be in danger of losing the benefits of major research and development efforts, which simply will not be undertaken if theft of the work product prevents companies from justifying the research expenditure.

Our objective here is simply to implement and enforce basic standards for intellectual property protection worldwide. This should threaten no one except the pirates who attempt to profit from their theft of others' intellectual property. For them there should be no sympathy at Punta del Este.

These issues—agriculture, services, investment, and intellectual property protection—are all mentioned as agenda items in the draft declaration supported by a majority of countries. We are hopeful that all nations will recognize that having these items on the negotiating agenda is in their own economic interest and in the interest of a healthy world trading system. Without them, there will be no standstill-rollback commitment, no reduction in tariff and nontariff barriers, no negotiation on a safeguards code, no improvement in the GATT dispute settlement mechanism, and no discipline for the "gray area" measures that so plague international trade today.

The challenge facing us in Uruguay next week is every bit as large as that which faced the founders of GATT almost 40 years ago. But we have a tremendous advantage over them. Whereas they saw only chaos as they looked back over the previous 40 years and struggled to find an answer, we have their success as an example. If we fail to grasp this opportunity, future generations will rightly indict us for depriving them of any hope for rising world prosperity.

Surely leadership and statesmanship did not disappear when the creators of GATT retired from the scene. What we must all do is summon the courage to renew our common commitment to a free and open international trading system.

Next week in Uruguay, we will discover if the nations of the world have that courage. ■

GATT Nations Agree to Launch New Round of Trade Negotiations

The contracting parties to the General Agreement on Tariffs and Trade (GATT) met in ministerial session at Punta del Este, Uruguay, September 15–20, 1986.

Following are the statement by U.S. Trade Representative Ambassador Clayton Yeutter, head of the U.S. delegation, on September 15 and the text of the declaration adopted September 20 by the 74 nations attending the meeting.

AMBASSADOR YEUTTER, SEPT. 15, 1986

This week GATT faces a historic challenge. Our task is more difficult than any that has confronted world trade since the very creation of GATT in 1947. What we do in Punta del Este will determine whether GATT remains a functional, dynamic institution serving the interests of its members or declines into a static and passive association that is irrelevant to the needs of international trade.

Our task may be daunting, but it is one from which we must not shirk. The world trading system is in trouble. All of us, to one degree or another, have slipped from the GATT ideals of free and open trade. Some have slipped considerably, making protectionism dangerously more commonplace. Many now overlook the tremendous benefits that these ideals made possible during the last 40 years. The expansion of trade can enable more individuals to participate in the world economy, thereby improving their quality of life and standard of living.

Rather than allow permanent damage to the world trading system, we must reaffirm the basic principles established by the founders of GATT. Such a reaffirmation must recognize the realities of international trade today. This means extending GATT principles to all major areas of trade. For too long, GATT rules and disciplines have not applied to many of the most important sectors of the world economy, leading to global trade distortion and economic disequilibrium that can no longer be tolerated.

The United States, with a trade deficit approaching $200 billion, is the major victim of this disequilibrium. President Reagan has forcefully resisted a tide of domestic protectionism in the face of this gigantic trade deficit but he cannot do so forever. GATT members need to work together to move the world back toward economic equilibrium—to the benefit of all. If other countries are not interested in doing so, the United States will have no choice but to defend its own interests in its own way. We are prepared to do so if we must.

The United States advocates a new round because we believe the GATT can be responsive to the rapidly-changing requirements of international commerce. We are prepared to modernize it for the benefit of every country. This will require a firm commitment by all GATT member countries to work together toward a common goal.

The vast majority of GATT members have already demonstrated such a commitment. The process for launching a new round was begun by the unanimous consensus of the contracting parties last November. During the first 7 months of this year, the preparatory committee met to draft an agenda for the new round. Out of those meetings came the text upon which we will base our discussion for the final ministerial declaration. This text resolved a number of issues, leaving others to be decided here. It was a significant accomplishment. It leaves me confident that the decision to launch a new round is within our grasp.

The negotiators who drafted that text represent countries of all characterizations: developed, developing, and newly industrialized; northern and southern, eastern and western. Colombia and Switzerland deserve particular mention for chairing the deliberations, but all 40 or so participating nations deserve credit.

The diverse composition of the drafting group demonstrates conclusively that support for a new round is widespread and not limited to one nation or group of nations. It also disproves the assertion that there is a GATT conflict between the less developed countries (LDCs) and the developed nations. Indeed the developing nations provided much of the leadership that went into drafting the declaration which received the most support at the Geneva preparatory meeting.

The contribution of the developing countries to the preparatory committee process is only the most recent example of how important the LDCs have become to world trade. The United States welcomes the growth and increasing stature of the developing nations. We buy nearly two-thirds of the goods sent from the LDCs to the developed countries, and we look forward to increasing our exports to LDC markets. We believe the United States can only benefit as developing countries become more prosperous.

By deciding to meet here in Punta del Este, the GATT has demonstrated that the LDCs are full partners in the GATT process and just as committed to GATT principles as the developed nations. Mr. Chairman [Uruguayan Foreign Minister Enrique Iglesias], I thank you for your nation's generous offer to host this meeting, and I know your able leadership will ensure its success.

Uruguay is just one of the many developing nations that understands it too has a tremendous stake in the expansion of world trade. They know that protectionism threatens developing nations far more than it does the United States. We are large enough and self-sufficient enough to adjust to closed markets, thereby limiting the damage. Resurgent protectionism would slow our economic expansion and reduce our standard of living, but it would not devastate our economy as it would smaller and more export-dependent nations.

The new round will not only help LDCs by reversing protectionist trends, it will also provide many opportunities for expanding trade. The U.S. position on such issues as agriculture, services, investment, and intellectual property is well-known, but not so widely recognized is the support we enjoy from progressive LDCs that realize they will also benefit from inclusion of these issues in the new round.

For example it is clear that the main victims of agricultural protectionism are smaller, agrarian economies that cannot compete with massive export subsidies nor penetrate import barriers that the GATT currently permits. The agricultural language in the draft ministerial declaration offers hope for change that will benefit not just U.S. farmers but others around the globe.

Similarly the lack of rules for trade in services does not restrict the United States only. Many LDCs that are competitive in services or hope to evolve into service economies find significant markets closed to them by their neighbors' protectionist policies. A services code guaranteeing nondiscriminatory treatment and equitable access would threaten no nation, expecially since none will be forced to sign such a code. Furthermore services facilitate trade in goods. The two are complementary and, as international commerce becomes more sophisticated, will forever be interrelated—in all countries.

As for investment, the lack of basic principles penalizes LDCs by creating uncertainty and risk for investors. There is an urgent need throughout the developing world for increased foreign investment, particularly among nations that need to reduce their reliance on debt capital but need equity capital to stimulate growth. As long as there are no meaningful rules in this area, investment in these countries will remain risky and unattractive.

Finally, we need better rules on intellectual property, not simply for the sake of the developed world but also for the LDCs, which benefit from research and development wherever it is conducted. The concept of protecting intellectual property is not new, but it is time to recognize that the issue affects trade and ought to be addressed by the GATT. The current lack of protection for intellectual property virtually guarantees that only the developed nations can afford to invest heavily in vital research, which will keep the LDCs from progressing as rapidly as they could otherwise.

We regard the issues of agriculture, services, investment, and intellectual property as critical to the future of all GATT members. We cannot envision—nor agree to—comprehensive new trade negotiations that do not include these four issues on the agenda. Without them, there will be no meaningful standstill-rollback commitment, no reduction in tariff and nontariff barriers, no negotiation of a safeguards code, no improvement in the GATT dispute settlement mechanism or subsidy rules, and no discipline over the "gray area" measures that so plague international trade today.

Today GATT stands at a crossroads. Regardless of what we do here, world events will go forward. We cannot stop change, but we can work to set our own destiny. If we leave Punta del Este without taking steps to strengthen and modernize GATT, we will have failed to grasp an opportunity to improve the lives of all citizens of the world for years to come. But if we act decisively, we will be worthy successors to the statesmen who created GATT 40 years ago. Let their vision inspire us as we work to invigorate GATT for future generations.

DECLARATION, SEPT. 20, 1986

Ministers, meeting on the occasion of the Special Session of Contracting Parties at Punta del Este, have decided to launch Multilateral Trade Negotiations (the Uruguay Round). To this end, they have adopted the following Declaration. The Multilateral Trade Negotiations (MTN) will be open to the participation of countries as indicated in Parts I and II of this Declaration. A Trade Negotiations Committee is established to carry out the negotiations. The Trade Negotiations Committee shall hold its first meeting not later than 31 October 1986. It shall meet as appropriate at Ministerial level. The Multilateral Trade Negotiations will be concluded within four years.

PART I

NEGOTIATIONS ON TRADE IN GOODS

The Contracting Parties meeting at Ministerial level

Determined to halt and reverse protectionism and to remove distortions to trade

Determined also to preserve the basic principles and to further the objectives of the GATT

Determined also to develop a more open, viable and durable multilateral trading system

Convinced that such action would promote growth and development

Mindful of the negative effects of prolonged financial and monetary instability in the world economy, the indebtedness of a large number of less developed contracting parties and considering the linkage between trade, money, finance and development

Decide to enter into Multilateral Trade Negotiations on trade in goods within the framework and under the aegis of the General Agreement on Tariffs and Trade.

A. OBJECTIVES

Negotiations shall aim to:

(i) bring about further liberalization and expansion of world trade to the benefit of all countries, especially less-developed Contracting Parties, including the improvement of access to markets by the reduction and elimination of tariffs, quantitative restrictions and other non-tariff measures and obstacles;

(ii) strengthen the role of GATT, improve the multilateral trading system based on the principles and rules of the GATT and bring about a wider coverage of world trade under agreed, effective and enforceable multilateral disciplines;

(iii) increase the responsiveness of the GATT system to the evolving international economic environment, through facilitating necessary structural adjustment, enhancing the relationship of the GATT with the relevant international organizations and taking account of changes in trade patterns and prospects, including the growing importance of trade in high technology products, serious difficulties in commodity markets and the importance of an improved trading environment providing, *inter alia*, for the ability of indebted countries to meet their financial obligations;

(iv) foster concurrent cooperative action at the national and international levels to strengthen the inter-relationship between trade policies and other economic policies affecting growth and development, and to contribute towards continued, effective and determined efforts to improve the functioning of the international monetary system and the flow of financial and real investment resources to developing countries.

B. GENERAL PRINCIPLES GOVERNING NEGOTIATIONS

(i) Negotiations shall be conducted in a transparent manner, and consistent with the objectives and commitments agreed in this Declaration and with the principles of the General Agreement in order to ensure mutual advantage and increased benefits to all participants.

(ii) The launching, the conduct and the implementation of the outcome of the negotiation shall be treated as parts of a single undertaking. However, agreements reached at an early stage may be implemented on a provisional or a definitive basis by agreement prior to the formal conclusion of the negotiations. Early agreements shall be taken into account in assessing the overall balance of the negotiations.

(iii) Balanced concessions should be sought within broad trading areas and subjects to be negotiated in order to avoid unwarranted cross-sectoral demands.

(iv) Contracting Parties agree that the principle of differential and more favorable treatment embodied in Part IV and other relevant provisions of the General Agreement and in the decision of the Contracting Parties of 28 November 1979 on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries applies to the negotiations. In the implementation of standstill and rollback, particular care should be given to avoiding disruptive effects on the trade of less-developed contracting parties.

(v) The developed countries do not expect reciprocity for commitments made by them in trade negotiations to reduce or remove tariffs and other barriers to the trade of developing countries, i.e., the developed countries do not expect the developing countries in the course of trade negotiation, to make contributions which are inconsistent with their individual development, financial and trade needs. Developed Contracting Parties shall, therefore, not seek, neither shall less-developed Contracting Parties be required to make, concessions that are inconsistent with the latter's development, financial and trade needs.

(vi) Less-developed Contracting Parties expect that their capacity to make contributions or negotiated concessions or take other mutually agreed action under the provisions and procedures of the General Agreement would improve with the progressive development of their economies and improvement in their trade situation and they would accordingly expect to participate more fully in the framework of rights and obligations under the General Agreement.

(vii) Special attention shall be given to the particular situation and problems of the least-developed countries and to the need to encourage positive measures to facilitate expansion of their trading opportunities. Expeditious implementation of the relevant provisions of the 1982 Ministerial Declaration concerning the least-developed countries shall also be given appropriate attention.

C. STANDSTILL AND ROLLBACK

Commencing immediately and continuing until the formal completion of the negotiations, each participant agrees to apply the following commitments:

Standstill

(i) not to take any trade restrictive or distorting measure inconsistent with the provisions of the General Agreement or the instruments negotiated within the framework of GATT or under its auspices;

(ii) not to take any trade restrictive or distorting measure in the legitimate exercise of its GATT rights, that would go beyond that which is necessary to remedy specific situations, as provided for in the General Agreement and the instruments referred to in (i) above;

(iii) not to take any trade measures in such a manner as to improve its negotiating positions.

Rollback

(i) that all trade restrictive or distorting measures inconsistent with the provisions of the General Agreement or instruments negotiated within the framework of GATT or under its auspices, shall be phased out or brought into conformity within an agreed timeframe not later than by the date of the formal completion of the negotiations, taking into account multilateral agreements, undertakings and understandings, including strengthened rules and disciplines, reached in pursuance of the objective of the negotiations;

(ii) there shall be progressive implementation of this commitment on an equitable basis in consultations among participants concerned, including all affected participants. This commitment shall take account of the concerns expressed by any participant about measures directly affecting its trade interests;

(iii) there shall be no GATT concessions requested for the elimination of these measures.

Surveillance of Standstill and Rollback

Each participant agrees that the implementation of these commitments on standstill and rollback shall be subject to multilateral surveillance so as to ensure that these commitments are being met. The Trade Negotiations Committee will decide on the appropriate mechanisms to carry out the surveillance, including periodic reviews and evaluations. Any participant may bring to the attention of the appropriate surveillance mechanism any actions or omissions it believes to be relevant to the fulfillment of these commitments. These notifications should be addressed to the GATT secretariat which may also provide further relevant information.

D. SUBJECTS FOR NEGOTIATIONS

Tariffs

Negotiations shall aim, by appropriate methods, to reduce or, as appropriate, eliminate tariffs including the reduction or elimination of high tariffs and tariff escalation. Emphasis shall be given to the expansion of the scope of tariff concessions among all participants.

Non-Tariff Measures

Negotiations shall aim to reduce or eliminate non-tariff measures, including quantitative restrictions, without prejudice to any action to be taken in fulfillment of the rollback commitments.

Tropical Products

Negotiations shall aim at the fullest liberalization of trade in tropical products, including in their processed and semi-processed forms and shall cover both tariff and all non-tariff measures affecting trade in these products.

Contracting Parties recognize the importance of trade in tropical products to a large number of less-developed Contracting Parties and agree that negotiations in this area shall receive special attention, including the timing of the negotiations and the implementation of the results as provided for in B(ii).

Natural Resource-Based Products

Negotiations shall aim to achieve the fullest liberalization of trade in natural resource-based products, including in their processed and semi-processed forms. The negotiations shall aim to reduce or eliminate tariff and non-tariff measures, including tariff escalation.

Textiles and Clothing

Negotiations in the area of textiles and clothing shall aim to formulate modalities that would permit the eventual integration of this sector into GATT on the basis of strengthened GATT rules and disciplines, thereby also contributing to the objective of further liberalization of trade.

Agriculture

Contracting Parties agree that there is an urgent need to bring more discipline and predictability to world agricultural trade by correcting and preventing restrictions and distortions including those related to structural surpluses so as to reduce the uncertainty, imbalances and instability in world agricultural markets.

Negotiations shall aim to achieve greater liberalization of trade in agriculture and bring all measures affecting import access and export competition under strengthened and more operationally effective GATT rules and disciplines, taking into account the general principles governing the negotiations, by:

(i) improving market access through, *inter alia*, the reduction of import barriers;

(ii) improving the competitive environment by increasing discipline on the use of all direct and indirect subsidies and other measures affecting directly or indirectly agricultural trade, including the phased reduction of their negative effects and dealing with their causes;

(iii) minimizing the adverse effects that sanitary and phytosanitary regulations and barriers can have on trade in agriculture, taking into account the relevant international agreements.

In order to achieve the above objectives, the negotiating group having primary responsibility for all aspects of agriculture will use the recommendations adopted by the Contracting Parties at their Fortieth Session, which were developed in accordance with the GATT 1982 Ministerial programme and take account of the approaches suggested in the work of the Committee on Trade in Agriculture without prejudice to other alternatives that might achieve the objectives of the negotiations.

GATT Articles

Participants shall review existing GATT articles, provisions and disciplines as requested by interested Contracting Parties, and, as appropriate, undertake negotiations.

Safeguards

(i) comprehensive agreement on safeguards is of particular importance to the strengthening of the GATT system and to progress in the MTN's.

(ii) The agreement on safeguards:

- shall be based on the basic principles of the General Agreement;
- shall contain, *inter alia*, the following elements: transparency, coverage, objective criteria for action including the concept of serious injury or threat thereof, temporary nature, degressivity and structural adjustment, compensation and retaliation, notifications, consultation, multilateral surveillance and dispute settlement; and
- shall clarify and reinforce the disciplines of the General Agreement and should apply to all Contracting Parties.

MTN Agreements and Arrangements

Negotiations shall aim to improve, clarify or expand, as appropriate, agreements and arrangements negotiated in the Tokyo Round of Multilateral Negotiations.

Subsidies and Countervailing Measures

Negotiations on subsidies and countervailing measures shall be based on a review of Articles VI and XVI and the MTN agreement on subsidies and countervailing measures with the objective of improving GATT disciplines relating to all subsidies and countervailing measures that affect international trade. A negotiating group will be established to deal with these issues.

Dispute Settlement

In order to ensure prompt and effective resolution of disputes to the benefit of all Contracting Parties, negotiations shall aim to improve and strengthen the rules and the procedures of the dispute settlement process, while recognizing the contribution that would be made by more effective and enforceable GATT rules and disciplines. Negotiations shall include the development of adequate arrangements for overseeing and monitoring of the procedures that would facilitate compliance with adopted recommendations.

Trade Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods

In order to reduce the distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade, the negotiations shall aim to clarify GATT provisions and elaborate as appropriate new rules and disciplines.

Negotiations shall aim to develop a multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods, taking into account work already undertaken in the GATT.

These negotiations shall be without prejudice to other complementary initiatives that may be taken in the World Intellectual Property Organization and elsewhere to deal with these matters.

Trade-Related Investment Measures

Following an examination of the operation of GATT Articles related to the trade restrictive and distorting effects of investment measures, negotiations should elaborate, as appropriate, further provisions that may be necessary to avoid such adverse effects on trade.

E. FUNCTIONING OF THE GATT SYSTEM

Negotiations shall aim to develop understandings and arrangements:

(i) to enhance the surveillance in the GATT to enable regular monitoring of trade policies and practices of contracting parties and their impact on the functioning of the multilateral trading system;

(ii) to improve the overall effectiveness and decision-making of the GATT as an institution, including, *inter alia*, through involvement of Ministers;

(iii) to increase the contribution of the GATT to achieving greater coherence in global economic policy-making through strengthening its relationship with other international organizations responsible for monetary and financial matters.

F. PARTICIPATION

(a) Negotiations will be open to:

(1) all Contracting Parties;
(2) countries having acceded provisionally;
(3) countries applying the GATT on a *de facto* basis having announced, not later than 30 April 1987, their intention to accede to the GATT and to participate in the negotiations;
(4) countries that have already informed the Contracting Parties, at a regular meeting of the Council of Representatives, of their intention to negotiate the terms of their membership as a Contracting Party; and
(5) developing countries that have, by 30 April 1987, initiated procedures for accession to the GATT, with the intention of negotiating the terms of their accession during the course of the negotiations.

(b) Participation in negotiations relating to the amendment or application of GATT provisions or the negotiation of new provisions will, however, be open only to Contracting Parties.

G. ORGANIZATION OF THE NEGOTIATIONS

A Group of Negotiations on Goods (GNG) is established to carry out the programme of negotiations contained in this part of the Declaration. The GNG shall, *inter alia*:

(i) elaborate and put into effect detailed trade negotiating plans prior to 19 December 1986;
(ii) designate the appropriate mechanism for surveillance of commitments to standstill and rollback;
(iii) establish negotiating groups as required. Because of the inter-relationship of some issues and taking fully into account the general principles governing the negotiations as stated in B(iii) above, it is recognized that aspects of one issue may be discussed in more than one negotiating group. Therefore each negotiating group should as required take into account relevant aspects emerging in other groups;
(iv) also decide upon inclusion of additional subject matters in the negotiations;
(v) co-ordinate the work of the negotiating groups and supervise the progress of the negotiations. As a guideline not more than two negotiating groups should meet at the same time;
(vi) the GNG shall report to the Trade Negotiations Committee.

In order to ensure effective application of differential and more favourable treatment the GNG shall, before the formal completion of the negotiations, conduct an evaluation of the results attained therein in terms of the Objectives and the General Principles Governing Negotiations as set out in the Declaration, taking into account all issues of interest to less-developed Contracting Parties.

PART II

NEGOTIATIONS ON TRADE IN SERVICES

Ministers also decided, as part of the Multilateral Trade Negotiations, to launch negotiations on trade in services.

Negotiations in this area shall aim to establish a multilateral framework of principles and rules for trade in services, including elaboration of possible disciplines for individual sectors, with a view to expansion of such trade under conditions of transparency and progressive liberalization and a means of promoting economic growth of all trading partners and the development of developing countries. Such framework shall respect the policy objectives of national laws and regulations applying to services and shall take into account the work of relevant international organizations.

GATT procedures and practices shall apply to these negotiations. A Group on Negotiations on Services is established to deal with these matters. Participation in the negotiations under this part of the Declaration will be open to the same countries as under Part I. GATT Secretariat support will be provided, with technical support from other organizations as decided by the Group on Negotiations on Services.

The Group on Negotiations on Services shall report to the Trade Negotiations Committee.

IMPLEMENTATION OF RESULTS UNDER PARTS I AND II

When the results of the Multilateral Trade Negotiations in all areas have been established, Ministers meeting also on the occasion of special session of Contracting Parties shall decide regarding the international implementation of the respective results. ■

Under Secretary Armacost's Interview on "Meet the Press"

Under Secretary for Political Affairs Michael H. Armacost was interviewed on NBC-TV's "Meet the Press" on September 7, 1986, by Marvin Kalb and Garrick Utley of NBC News and Strobe Talbott of Time *magazine.*

Q. You know, of course, that within a half-hour, the chief spokesman for the Soviet foreign ministry has said that [*U.S. News & World Report* correspondent] Nicholas Daniloff will be tried. What is your response to that?

A. I regret hearing that message. We have, for the past week, been trying to communicate very forcefully to the Soviet Union the importance of releasing Nick Daniloff without preferring charges. The case becomes much more complicated if they go through with the trial.

Q. What does it mean, in effect, in terms of your ability to pursue summitry, the Secretary's upcoming visit with Shevardnadze?

A. It complicates, in the first instance, the resolution of this case. The proposal that we had been pursuing was that Nick Daniloff be released without preferring charges. And we then would go back to consider, on its merits, a request that had been made by the Soviet Ambassador prior to his arrest. Obviously, if they go through with the trial, it complicates the resolution on those terms.

Q. The road to the summit has been rather rocky. The Soviets are saying there's no progress yet on the key issue of arms control. Do you think the decision to go ahead with the trial on Daniloff might be a way of trying to sabotage the summit, to get out of it?

A. I can't speak for the Soviet Union in this matter. They have been a little opaque as far as their intentions with respect to a summit is concerned. I rather suspect that they—recalling previous precedents—think they can muscle us on this issue by talking trading bait.

As I think you all have made clear, we share the view that these charges against Daniloff were trumped up. They grabbed him for motives that I think are transparent. They're related to precisely getting their man out of jail. And they may think they can accomplish that purpose without disrupting the summit.

In the private communications we've had, they have been quite consistent in expressing the hope that this will not have a disruptive effect on the wider relationship; and that, presumably, means movement toward a summit. Our response has been quite as consistent, that inevitably, an incident of this kind has its disruptive impact.

Q. Disruptive impact? Does that mean that if the trial does take place, if he is convicted and held in Moscow, there cannot be a summit?

A. Now, we haven't said that. I think actions may have to be taken to underscore the seriousness of our purpose. But we've not decided what actions. A range of possibilities exists. It is not for me on national television to describe all of those options. These are decisions for the President. I'm not going to try to narrow his options here.

But I think we've got to also remember that you can still have meetings and not be pursuing business as usual. You may recall at the time the Korean airliner went down a couple of years ago, some suggested that Secretary Shultz should not meet with Gromyko, then Foreign Minister. Mr. Shultz's decision was to meet with Mr. Gromyko but make this issue the centerpiece of that discussion. And I think the Foreign Minister went away with no illusions as to the strength of our feelings about the issue. It was not business as usual. That issue got to the top of the agenda. And it obviously diverts attention from other matters of great importance.

Q. Another comparable incident comes to mind. Back during the Carter Administration, Secretary of State Vance was preparing to go to Moscow for some very important arms control negotiations that everybody hoped would lead to the summit; in fact, did lead to the 1979 summit; when Anatoliy Shcharanskiy, the dissident was arrested, and his persecution by Soviet authorities began to escalate.

The Carter Administration and Mr. Vance came under a lot of criticism, including from many people who are now supporters of the Reagan Administration and members of the Reagan Administration, that Vance should not go to Moscow and that there should be some kind of boycott of diplomatic activity of this kind.

The impression arises that at least so far this Administration is trying to insulate arms control from this incident and unlink them. Is that fair?

A. I wouldn't say entirely to insulate them. I think it's unusual for Paul Nitze [special adviser to the President and the Secretary of State on arms control matters], who's handling various arms control matters for us, to raise an issue of this kind with his counterpart. But, indeed, in the meetings of the last 2 days, he raised precisely this question with Mr. Karpov [Ambassador Viktor P. Karpov, Soviet negotiator on strategic nuclear arms]. And the incident will intrude itself into all of our discussions with the Soviet Union if it's not properly resolved.

Q. There are also some informal discussions planned in the Soviet Union later this week. A private group is taking some Administration officials. Is it your view that the Administration officials should go ahead on this trip to the Soviet Union to a meeting in Riga that's planned if Mr. Daniloff is still in incarceration?

A. We haven't made a decision on that matter. But I think if they do go, then they ought to make this issue the centerpiece of their discussions with the Soviets. And I would hope the Soviets would honor, in that case, the arrangements which permit them to speak through television to the Soviet populace.

Q. Do you feel that the Russians are getting any of the messages that you've been sending this past week? The words have been extremely strong: outraged; no trade; let the Russians beware. Yet there is the appearance, at least, of business as usual. And they seem, with this proclamation that Daniloff will be tried, to be saying they can do what they like with impunity.

A. I hope they've gotten the message. I don't know that all doors have been closed, although Mr. Gerasimov's [Soviet foreign ministry spokesman] statement, I think, is the most discouraging thing we've heard to date. I might say that for the Soviet Union to bring charges against a journalist should not be entirely surprising. Because what we consider the normal *modus operandi* for an enterprising journalist, they tend to regard as subversive. So I suspect they can pull a book on every journalist that operates there and bring out the charges at a moment that suits them. And perhaps this is what they have in mind.

Q. Can we turn to terrorism? It's been a long, quiet summer for most of the world. Now we've had these two incidents in the last few days. What do we know about what happened in Karachi in terms of who these terrorists were?

A. We are still quite unsure about the nature of the organization which these individuals served. We expect to hear the results of the Pakistani interrogation. We've not yet heard that. Therefore, at this point, the speculation has tended to center on Abu Nidal 417 or dissidents within the 417 organization. But we don't have any basis for making a clear judgment on that yet.

Q. There's some confusion as to what the Pakistani policy was in terms of the commandos. Were they going to storm the plane? Were they going to let the plane leave? What was our attitude, our policy toward this?

A. Our policy was that these were ultimately Pakistani Government calls. We had certain advantages in this case because the incident took place in a friendly country which has very competent authorities and tough-minded authorities. The general strategy was one of stretching the incident out, tiring the hijackers. This is usually attempted. The management of this incident was affected, as you know, by the power failure on the plane, which apparently precipitated action by the terrorists.

We're not going to second-guess the Pakistani Government in this case. We thought they handled it decisively, resolutely, and I'm not going to question the manner in which they handled it.

Q. Is there any reason at all to suspect a Libyan-Qadhafi connection, which is an important question, given the challenge to American policy and possible retaliation that that would mean?

A. I wouldn't prejudge that. We haven't enough information as yet to make that determination. But obviously, we're looking very closely at that, and if that turns out to be the case, then we'll face some hard issues again. ■

Secretary's News Briefing of September 12

Secretary Shultz held a news briefing at the White House on September 12, 1986.[1]

Nicholas Daniloff [*U.S. News & World Report* correspondent] was released from Lefortovo Prison into custody of the American Charge [d'Affaires] at about 12:30 p.m. our time today. Mr. Daniloff appears to be in good health and spirits. Soviet-UN Secretariat employee Gennadiy Zakharov has been remanded into the custody of the Soviet Ambassador to the United States pending his trial on charges of espionage.

These actions, agreed to by the United States and the Soviet Union, are an interim step. In taking this step, the U.S. Government had prominently in mind the well being of Mr. Daniloff.

There can be no question of equating the cases of Mr. Daniloff and Zakharov. Mr. Daniloff is not a spy. He has never had any connection or employment with the U.S. Government nor has he undertaken tasks on instructions any U.S. Government agency. The continued detention of Mr. Daniloff on false charges is unacceptable. The United States will continue to make every effort to secure his prompt departure from the Soviet Union and safe return home.

Q. Are you telling us that we don't know whether the Soviets intend to try Daniloff or whether he will be released immediately to return home?

A. He has been charged. He has been released to the custody of our Charge on the understanding that, if called upon to appear in court, he will do so. That is the same understanding we have with Zakharov.

Q. But isn't that equivalency then? Haven't we, in effect, at least for the purposes of getting him out of prison, given in to the Soviet demand that there be equivalency between the two?

A. There is no equivalency. We have had in mind the situation of Mr. Daniloff in a prison cell, and we think he is a lot better off with his friends and his wife than he is in that cell.

As far as Zakharov is concerned, he is guaranteed by the Soviet Ambassador to be produced when called to our courts whenever he is needed to face charges of trial on espionage. That is the situation.

Q. Does what you said yesterday still hold true, that Mr. Daniloff is a hostage until he leaves the Soviet Union?

A. Of course. Why did they take him?

Q. So he is a hostage in your eyes?

A. That is my opinion.

Q. You have no further promise from the Soviets on the fate of Mr. Daniloff other than that he is now in the embassy?

A. What has changed is his physical location. That is all that has changed. And the reason for doing it is that we think, thinking of his situation, he is better off where he will be.

Q. Is the United States going to do "business as usual"? You say that Mr. Daniloff is a hostage even in the Ambassador's residence. Will the United States continue to do business as usual with the Soviets, given the fact that they are holding an American hostage?

A. Of course we are not doing business as usual. This is a difficult and different situation, although it is one of those things, in managing the U.S.-Soviet relationship, that is in a sense predictable. Their society is so different, it works on such different bases, that they do things from time to time like this that are just plain outrageous. And we have to register that fact and do it strongly, as we have been doing and as we will continue to do. And the fact that his location has changed in no way changes the unacceptability of the fact that he is being held on false charges.

Q. But are you going to go ahead with all the meetings? Are you going to go ahead with your meeting with Foreign Minister Shevardnadze next week and all the other U.S.-Soviet—

A. These meetings are scheduled; there hasn't been any change in that schedule; and, assuming this issue is not resolved satisfactorily by then, you can be sure that as far as we are concerned, as far as the President is concerned, in every meeting that we have the Daniloff case and, for that matter, other concerns of ours about human rights problems will be prominently in the picture. We feel that it is important to keep registering our point of view, not to walk away and stop talking about it.

Q. Can you please explain why this interim step, anyway, is not a trade?

A. This is an arrangement that we made with the Soviet Union obviously, as I said in my statement. It is a step that we have agreed to because we feel for Mr. Daniloff, and we think that he is better off where he is going to be than where he has been. However, the basic situation has not changed, so there hasn't been any fundamental restructuring of it.

Q. On a trade, is it still our position that there will be no trade ultimately?

A. That is our position. These two people, Zakharov and Daniloff, are in no way comparable, and we are not going to trade them off against each other.

Q. What effect has this had on U.S.-Soviet relations? Is it damaging the chances for a summit this year?

A. Of course it damages the relationship, and of course it damages the ability to move forward on other things. That doesn't change the fact, however, that there are possible things that would be in the interest of the United States to bring about, and if we can bring them about obviously it is in our interest to do so. But things like this shift the tone, shift the ability, to work problems out, without a doubt. That's just a fact of life.

Q. How confident are you that you'll be able to proceed from this interim step to some kind of final arrangement that would get Mr. Daniloff out of the Soviet Union?

A. I don't want to engage in predictions and forecasts. This step has been worked out, and we continue in our discussions with the Soviet Union, and when we have something to announce, we'll announce it

Q. What does this mean now for the official delegates to the Chautauqua Conference, to people within this Administration? Will they go to Riga?

A. Chautauqua is a private organization, an outstanding one, I believe. It's done wonderful work and John Wallach has done a great job of organizing it. And basically, it's for a private organization to decide whatever they want to decide under the circumstances. And when they have been in the State Department, they have been thoroughly briefed on our views. As far as U.S. officials are concerned, of course, some have taken a position that they drop out, such as General Rowny [Ambassador Edward L. Rowny, special adviser to the

President and the Secretary of State on arms control matters].

On the other hand, if the Chautauqua group decides to go ahead, as far as we're concerned there, go ahead. And I think what you will find is—and you can argue this one way or another but a very strong argument in favor—is that you want to go and you want to say your piece. So that insofar as you can get it known, in the Soviet Union and, for that matter, anybody else who covers a meeting like that, just what our point of view is, and why we consider this so outrageous and damaging. We take opportunities to do that.

Q. What do you say to Henry Kissinger and others who have said the Administration has been much too soft on this and has not taken a harder line, is too eager for a summit and too willing to compromise with the Soviets?

A. I'm not interested in debates with people on those subjects. The arrangement here is in response to the fact that Daniloff was detained in jail under circumstances that are not very good, and we think that it is better all around to get this unjustly charged individual into a more congenial environment while this process unfolds. And so the only thing that has changed is the location of these two people.

Q. How was it arranged? Did the President and Gorbachev get together on this?

A. This was arranged basically through diplomatic contacts, and there have been messages of various kinds. I'm not going to go into the detail of it.

Q. Is it your feeling that Mr. Zakharov should have been denied bail in the first instance he was brought into court? Do you think the United States perhaps made a mistake in its handling of that, which triggered the Soviet retaliation against Daniloff?

A. No, I don't think there's been any mishandling. The point is that Zakharov was caught spying. He is a spy. And he's been charged, and we have the evidence. And so there's that. As far as Mr. Daniloff is concerned, he is not a spy. He was set up.

Q. Do you rule out trading Mr. Zakharov with someone other than Mr. Daniloff?

A. I'm not going to get into discussions of this, that, and the other thing. Our position is very clear on this, and that's where I'm going to leave it.

Q. Did you approve the Zakharov position in advance—did you and the President approve the decision to arrest and imprison Mr. Zakharov rather than to oust him, in advance?

A. The details of what the FBI does in the arrest of a particular individual is typically not ratcheted through—every time they do something—the entire hierarchy of the government. The fact of the matter is that our policy is well-established; that if we catch somebody spying, we apprehend him and act on it.

Q. So there was nothing wrong with that decision then?

A. There's nothing wrong with arresting a man that you catch spying, and I'm surprised that you even suggest there might be.

Q. But did you approve it? That's just a statement—a question.

A. I don't personally go around approving or not approving every decision the FBI makes. They know perfectly well that if they catch somebody spying and they arrest them, that's fine, that's good. I wish there were fewer people to get caught spying.

Q. In this case when U.S.-Soviet relations were on the block, wasn't it important enough to be approved at the highest levels?

A. No. It's important that we conduct our business in a strong way, piece by piece, and if somebody is spying and caught spying, he's going to be apprehended whether it's good for the summit or not good for the summit. That's not relevant. We have to carry these things on that way.

Q. In previous cases like this, there were an asymmetry in favor of the United States, that is we got more than the person who was grabbed or set up by the Soviet Union. In this case, isn't this setting a new precedent as far as a deal or an exchange or whatever is concerned?

A. This is not an outcome really. This is only a change in the location of these two individuals, and from our standpoint, I think—I don't want to try to compare U.S. jails and Soviet jails, but if I were Mr. Daniloff I'd certainly want to be in an apartment in the embassy and not in jail. I might say that before this arrangement was consumated, it was discussed with Mr. Daniloff because, obviously, he's involved and it was not undertaken without his assent.

Q. Were there private understandings with the Soviets?

A. I might say if you want to get a graphic and very clearly, concisely stated statement of what it's like to be under investigation in the Soviet Union, you ought to read the short statement by Anne Garrels that was in *The New York Times* this morning. I thought it was a very pithy statement of the problem.

[1]Press release 175. ■

Deputy Secretary Whitehead's Interview on "Face the Nation"

Deputy Secretary John C. Whitehead was interviewed on CBS-TV's "Face the Nation" on September 14, 1986, by Leslie Stahl.

Q. I know the two sides are negotiating, trying to get some resolution for the Daniloff situation. Any breakthroughs?

A. No breakthroughs this morning. We continue to work at it, there are negotiations going on, we are continuing to insist that Daniloff be set free; he is not yet free.

Q. Are we asking that he be released along with one other person in exchange for Mr. Zakharov so that it's a one-for-two instead of a one-for-one?

A. I can't comment on the details of the negotiations, I'm sure you understand that. Our position is there will be no swap, no trade of releasing Daniloff and releasing Zakharov. Zakharov is a spy; he was caught red-handed in New York, and he will be tried.

Q. He will be tried?

A. He will be tried.

Q. No matter what?

A. As of this moment, he will be tried. Daniloff is innocent, he was entrapped, he was set up, and he must be freed.

Q. When you say he will be tried, is there any give there, if they did release someone else, for example?

A. He's been arrested, he's been indicted. Our court system requires that he be brought to trial, a fair trial under our system. And if he's tried, he will be sentenced.

Q. And then maybe released. Let me ask you if in these negotiations we are getting an impression that the Soviets really do want to resolve this, or are we getting the impression that they really want to escalate this and perhaps want to break off the plans for the summit?

A. I'm not sure. We really can't tell what the Soviets' objectives are. They are, however, willing to discuss the subject, willing to discuss the release. They have said that they want to get it settled, and we are assuming that they mean it. We want to get it settled, we want to get it behind us. But we don't want to get it behind us unless we can achieve our principles.

Q. If something doesn't break in this situation by Friday, when Secretary Shultz and Foreign Minister Shevardnadze meet, can the two of them discuss anything else?

A. You can be sure if Daniloff is not free by the time that meeting begins, that this subject will be very high on the agenda.

Q. Is there anything else to discuss if this isn't resolved?

A. We can only discuss this so far. If they refuse to set him free, the world must go on. This is an important issue, but, of course, it's not the only issue. We can only gain by discussion. If we terminate all discussions with the Soviet Union, then we cannot make progress on this case or on anything else. So I think our tendency is to want to continue discussions and to emphasize this case, along with all the other atrocious cases of deprivation of human freedom that the Soviets are responsible for. This is one more example of their lack of willingness to consider our principles and our strong dedication to human freedoms.

Q. Did we, our side, make a big mistake in arresting Mr. Zakharov? After all, we had him under surveillance for 3 years. The information that he was picked up paying for was planted by the FBI—I mean, we knew what he was getting. Why in the world did we choose to arrest a spy 2 weeks before this meeting between Shultz and Shevardnadze, as the presummit negotiations were under way? Every time we have ever arrested anyone at the United Nations in this situation, the Soviets have always gone and created a framed-up situation on their side. Why did we do it now?

A. There was nothing planned, nothing strategic about the timing.

Q. Was it a mistake?

A. No, I think it was the right thing to do. When the time comes that we can catch a Soviet spy—catch him redhanded—that's the time to act; that's the job of the FBI. To let a Soviet spy stay on the loose for another day or another week because some important meeting with the Soviets is coming up does not seem at all like the right thing to do. I think we did the right thing. The FBI acted in accordance with their instructions.

Q. But why now, why then? We have known about him for 3 years. Why then?

A. Because he was caught redhanded, because he had been spying on us. And the time to arrest him is when you can catch him. And we did so.

Q. So you are not willing to admit that there was some mistake?

A. No, there was no mistake.

Q. No mistake. Why did the President urge the Americans to go to the town meeting in the Soviet Union? If he had said not to go, it would have sent a signal: no business as usual—but it wouldn't have disrupted necessarily—would it have disrupted the presummit planning?

A. You are speaking of the Chautauqua Conference that begins this weekend. The President didn't urge people to go. He said that he would not urge them to stay home or to go, that they were free to go. This is a private conference, not a government conference. Some are not going, but most have gone.

Q. Some are saying that they got a phone call from the White House saying the President would like you to go.

A. I haven't heard that. I think that there is an opportunity for those who have gone to use the occasion as a place to set forth what we believe is the right thing to do about Daniloff and about human freedoms in general and that it's a platform for us right within the Soviet Union to talk about our beliefs on this. There are others who feel that the action is so abhorrent to us that they don't want to go. And the policy of the government has been that each person should decide for themself.

Q. Let me ask you to answer the criticism that's coming mainly from conservatives, but from other quarters as well. That is that the President caved in, that he is now too hungry for a summit, and that he has agreed to what looks like a swap and this release so far, and they sent or in some way signaled that he wanted this town meeting to go on and that he just isn't being tough enough.

A. That would be a most unfair conclusion. The President certainly did not cave in. The President has been and continues to be very tough on this issue. The release, the mutual release of the two prisoners into the hands of their embassies was a humanitarian step. You saw Nick Daniloff on television a few minutes ago and you saw him say how pleased and joyous he was to be out of the awful conditions that he was subjected to, an 8-by-10 cell, a cellmate who probably himself was a KGB agent, interrogated 4 hours a day—terrible conditions. And in a humanitarian decision, the President released him as well as our prisoner, who was imprisoned in a much more comfortable jail in New York. I believe we gained from that exchange.

But this was only an interim step, and there will be more steps to come, and those steps will not be equivalents, and there will be no swap on a one-for-one basis of these two men.

Q. Was there concern about Nick Daniloff's psychological condition?

A. I think there was concern that the pressure of being jailed like that, the pressure of that kind of interrogation, the pressure of living in close quarters with somebody who was spying on you every moment, might eventually get to him. I think none of us can be sure as to just how we would react under similar circumstances. And that it was a humanitarian necessity to get him out of there.

Q. Another incident is out there ready to become an issue, and that is the UN Soviet mission. We have ordered the Soviets to reduce the number of their people at their missions by one-third, but the Soviet Ambassador at the United Nations says they are not going to do that; we've ordered it, they are not going to do that. Is this now going to contribute to the increase in tension?

A. The size of their mission to the United States is far beyond that necessary to perform their function at the United Nations. Many of their people, including Zakharov, are used to spy

in the United States, and we have ordered them to reduce the size of their mission, and they will do so.

Q. Are you sure? He says—
A. We will insist that they do so.

Q. Could this become a big controversy?
A. I suppose it could, but we are right, and when we are right, we must stick to our principles.

Q. Do you think that there will be a Reagan-Gorbachev summit this year?
A. I continue to be optimistic. I think that the Soviets need a summit, want a summit, and we would like to have a summit. But we are not ready to pay for a summit. The world will be better off if there is a summit and if these two leaders can talk with each other. But whether there is or is not a summit will not be the end of the world, if there is not. We hope there will be, but we are not ready to pay for one.

Q. Do the Soviets want it more than we want it?
A. I think it is possibly more to their advantage than it is to us. I think possibly they need it more than we need it. But it remains to be seen. ■

Secretary's News Briefing of September 20

Secretary Shultz's news briefing following his meeting with Soviet Foreign Minister Eduard Shevardnadze on September 20, 1986.[1]

Foreign Minister [Eduard] Shevardnadze and I have concluded 2 days of serious, substantive talks that have included around an hour session with the President. Altogether between us, we have spent around 14 hours together in various ways, and we covered a full agenda.

These 2 days have indicated that considerable potential for progress exists, but the cloud that hangs over all this is the fact that [*U.S. News & World Report* correspondent] Nicholas Daniloff is not free to leave the Soviet Union. That issue was at the top of our agenda throughout these meetings. Other human rights issues also received full attention. The case of Nicholas Daniloff must be brought to a satisfactory resolution quickly if the potential that exists is to be realized.

I said that our full agenda was covered; and, as I have just said, there was extensive discussion, mostly in direct discussions between Minister Shevardnadze and me, in the general area of human rights. We had a fair amount of time devoted to regional issues in general terms and one or two specific areas. We reviewed briefly our bilateral relations, and the work program and arrangements for moving it forward were reviewed, and that seems to be in order.

On arms control, we in the United States see the potential for progress in reducing strategic, perhaps especially intermediate nuclear, forces and in some other subjects, such as nuclear risk reduction centers and chemical weapons, particularly on the problem of proliferation of chemical weapons. We made clear our interest in realistic progress on nuclear testing, and we each were in touch with our negotiators in Stockholm, wanting to see a successful conclusion of that negotiation on terms that are sensible.

If there are any questions, I will be glad to answer.

Q. If this cloud of the Daniloff case continues to hang over the relations between the United States and the Soviet Union, can there be a summit? Can there be further preparations for a summit?
A. There certainly can be preparations, and we spent a great deal of time in discussing the substance of issues that need to be worked out and worked up to make a summit meeting a successful meeting. At the same time, I think it is difficult to think of a fruitful summit without these cases being resolved because they are going to wind up consuming great blocks of the time. So I believe it is of urgent importance to resolve these cases, not just because of the summit but because of the humanitarian concern involved.

Q. Can I follow that up? Do we—do I infer correctly that the United States, for all its emphasis on this issue, made no real progress in convincing the Soviet Union of the importance to which we attach it?
A. I think they see the importance that we attach to it; and, of course, we did spend, the Minister and I, a very large amount of time talking about it. I'm sorry to say we weren't able to resolve it, but I think we certainly explored it in detail; and I hope that we will be able to resolve it as not too much time passes because it is extraordinarily important. But the fact of the matter is it remains—Nick Daniloff remains in the Soviet Union unable to leave.

Q. Do you believe that you made enough progress on arms control and other issues at these meetings so that if the Daniloff case is resolved, you would then be able to set a date for the summit?
A. There was real progress made, and I think there is the potential for good work in Geneva. Of course, we were well coordinated with our Geneva negotiators, and they are fully informed, practically as we go along, on what is said here.

So there are possibilities. As you have all heard me say many times, you don't have an agreement until you have an agreement. I'm not too big on talking about the amount of progress, but there are quite a few items that seemed to be insoluble a year ago that are working themselves out—or 6 months ago, that are working themselves out. So I think those things can be pointed to.

I believe that a meeting ought to be a well-prepared meeting, and it ought to have some significant results to it. The President has always said that, and we continue to work to bring that about.

Q. Two questions: One, did you agree with Mr. Shevardnadze on a timeframe for a followup meeting between the two of you to discuss preparations for the summit? And secondly, can you give us at least some characterization of Mr. [Mikhail] Gorbachev's letter which we were told deals extensively on arms control. Is that a basis for your saying that there has beeen real progress made in that field?
A. First of all, we didn't discuss a timeframe for some further work on our part, but we have put in place now a pretty wide-ranging set of arrangements for discussing practically any subject you can think of that the two countries are involved in, and these groups have been quite active. Of course, some are set up as negotiating groups, such as those

negotiating in Geneva; and those go forward and, I think, will have been energized by the meetings that took place this summer and also by some of the things that were contained in Mr. Gorbachev's letter and which we discussed in our meetings here in Washington.

So I think what we see is a process that continues to move along, but I don't have anything for you on the question of timeframe.

Q. Is it conceivable to you that anything could happen that could break the ice so that a summit could be held still this year, or is the time passed when that will be possible?

A. I don't think the time has passed when that's possible, but I do think it's essential to get the Daniloff case resolved. I would like to see myself some important motion on other human rights issues—and we discussed them in detail—such as emigration and some of the internal problems. But at any rate, I think that the Daniloff case hangs over this, and we need to work hard to resolve it, and are.

Q. Shevardnadze has just said at his press conference basically that the United States is—someone in the United States has tried maliciously to block progress. He talks about the United Nations and Daniloff. He seems to be taking equally as hard a position now as he did before the meeting.

Can you tell us anything about the discussions with the Soviets on both these issues, and was any progress at all made?

A. It's hard to think that progress is made as long as he is there and is not able to leave. We discussed, in a straightforward and rational way, all of the ins and outs of various aspects of this case.

Our action in expelling 25 Soviets from the UN Mission is an unrelated action. We did discuss that, and I explained the basis for it. He argued with it, but nevertheless we discussed that. So we discussed all aspects of this case. And, as I've said, we have not been able to resolve it, but we will keep working on it.

Q. I have a follow up. He suggests there will be retaliation if the 25 are expelled. Did he tell you what that retaliation might be?

A. No. I don't know what actions they'll take; but I do know this, that the President's powder is dry.

(Dept. of State photo by Ann Thomas)

Secretary Shultz's meeting with Soviet Foreign Minister Shevardnadze at the Department of State.

Q. Could I ask you to expand a bit on your statement that a series of arrangements have been made for furthering progress on arms control and other issues? Do you expect the working groups that worked in August, leading for this meeting, to continue at that sort of level? Would you expect to go to the Soviet Union for further talks? Would you expect to have a meeting next week or the week after with Shevardnadze in New York? Can you be any more specific about those arrangements, setting aside for a moment what you've obviously made plain, which is that no conclusions could be reached given the hanging of the Daniloff case at the moment?

A. As far as the nuclear and space talks are concerned, most of the people who met this summer about that are meeting in Geneva. It may or may not be useful; there's no particular plan for reconvening the somewhat enlarged group which, from our standpoint, means that the Geneva team and, in some respects, the Washington team that are working most directly on these things, met together with Soviet counterparts. It may be that that will be useful at some point, but there's no plan for it.

The negotiations, obviously, are going forward. The round has just started. And I think, given the amount of preparations and the effort put into it, perhaps the rounds will start relatively fast.

In general characterization of these rounds is that they start off, and there is a kind of leisurely pace and sparring around and taking positions that have long since been abandoned, but nevertheless, put back on the table, and so on. And you get about to the last week or so of the negotiation, and things really start to move. And our effort, deliberately and by design, with the Soviet Union has been to say, let us get these talks to start with the kind of pace that they often get in the last week or so, so that the full amount of time can be devoted a more genuine kind of negotiations. And that's what we're trying to see.

Of course, the Stockholm conference, we'll know before long, what outcome, if any, there is there. We do have in place understood arrangements for handling our bilateral relations, and we've had a continuing round of discussions and now one at the under secretary level on an overall basis on regional issues.

So all of these things are, I think, under good control organizationally. That's not the problem.

Q. No involvement for you, thought at this point, as part of those arrangements, as far as direct meetings are concerned?

A. I keep track and so does Mr. Shevardnadze. I think that if it seems worthwhile to have a meeting, we can easily arrange one.

Q. Where? In New York?

A. I might say that we have, on a personal level, I think a very good capacity to communicate. So we both work to have that on a straightforward basis.

Q. Is that a possibility—that there will be a New York meeting between you two?

A. It's a possibility, but there is no plan for it. But, certainly, if there is anything important to talk about, I'm ready to talk about it. I'm sure he is.

Q. Did Mr. Shevardnadze exhibit to you what you regard as a sincere interest in trying to find a way out of the Daniloff affair?

A. I don't like the business of "somebody's sincere, he isn't sincere," or something. You have to look at the content. We didn't get that far on the content, although we did have a real exchange on it. I don't have any doubt in my mind that Mr. Shevardnadze has approached our discussions in a good-faith way, and I've tried to do likewise with him.

Q. Did he indicate to you any flexibility on the Soviet position the slightest bit?

A. I'm not going to try to characterize the ins and outs of our discussion of this. I think it's better that way. What I can say is that all aspects of this and possible ways of getting at it were talked about by me, by him, in one way or another; and we haven't resolved the matter but it is very much under continuing review.

Certainly I hope, and I believe he hopes, that we will be able to do so because it is a cloud that hangs over this and there are potential opportunities here. It is very difficult to realize on them until we can get this out of the way. That's the fact of the matter.

Q. When you were answering Jim Anderson's questions about the effect of the Daniloff case on the possibility of a summit, you said it would be difficult to consider going ahead while these cases were pending. Could you say what other case or cases you had in mind?

A. I'm talking about the Daniloff case.

Q. And only the Daniloff case?

A. That is the principal problem. From their standpoint, they have [Soviet UN employee, Gennadiy F.] Zakharov. We think that's a totally different proposition, and there are various other issues involved here. But, at any rate, from our standpoint, it's the Daniloff case.

What I've said was, it is hard for me to think of a genuinely fruitful summit meeting under these circumstances because so much of the time, and the preoccupation, will be consumed by this case and understandably so. So I think we should get it resolved.

Q. You and Mr. Shevardnadze have in past meetings like this agreed on a set of adjectives which you use to describe your encounter. You've not done that this time, but can you tell us what adjectives you would apply to this 2 days of meetings?

A. In terms of the substance of the matters discussed in our plenary sessions, where we were talking about the types of subjects we generally wrestle with, they were serious, they were constructive, they were positive, and conducted in a straightforward way. I think I would, in other words, apply "plus" type adjectives to it.

As far as the Daniloff case and other aspects of our human rights discussions are concerned, certainly they were direct and serious discussions, and I unfortunately have to report that we weren't able to resolve the issue.

Q. In the 14 hours that you spent with Mr. Shevardnadze, approximately how much of the time did you spend discussing Daniloff? And, also, of the individual face-to-face talks, was that primarily devoted to Daniloff?

A. He requested a private meeting at the beginning, and I was glad to accede to that, because if he hadn't requested it, I think I would have. But he wanted, first of all, to tell me that he had a letter to deliver from Mr. Gorbachev to the President, and he gave me some indication of the content of the letter without going into full detail.

And then, however, we spent the bulk of our time in private meetings, and I think that all of the time in the first batch that was allocated in the morning was spent on—virtually on this question, and with the President, of course, he delivered the letter and explained a little of its contents. But the President, I think—I was there, and so I saw the President's depth of conviction and concern about this case was very evident. And from a comment that Mr. Shevardnadze made to me later on, it's clear that he could readily see how strongly the President felt about it. So there's no doubt about their knowledge of how we feel.

Q. On that point, did you detect surprise or miscalculation on the part of Mr. Shevardnadze as to the depth of the American reaction and feeling on this case that the U.S. would stop progress or movement on other issues because of it?

A. We discussed the issue on its merits, at least as I saw it, and he responded. We didn't—I don't think that they take the position now that we should regard this as inconsequential and forget about it. Nobody is arguing that, and certainly it wouldn't be worthwhile. It's not worth the time to talk that way. It's clearly a matter of genuine importance to us, and we have to get it resolved, and it's easy enough to resolve. Let him out.

Q. If you didn't have the Daniloff case, do you think we'd have—we'd be talking here about a set date for the summit, or are there other issues that would have held that up by now?

A. I, of course, can't speak for the Soviet Union on that, but from the standpoint of the United States, as you know, we have been prepared to receive Mr. Gorbachev. I do think that there are some very promising opportunities here, and so we would like to capitalize on them. But I'm not—whether the Soviet Union is prepared to set a date—I can't say that. I don't know that

Q. Conversely, you are not prepared to welcome Mr. Gorbachev at this point? Are you saying that there cannot be a summit date set until Mr. Daniloff is released?

A. I'll just repeat what I said. That we should get this case resolved, first and foremost, out of our humanitarian concern for a fellow American who's being held against his will in the Soviet Union. And, beyond that, that it is hard to imagine a fruitful summit meeting while the case is unresolved, because it's going to take up a large portion of the time and be a preoccupation in the time when it isn't being directly discussed. So it ought to be resolved, and it can be resolved.

Q. Could you tell us whether among the issues you made progress on was the question of strategic defense and whether there should be an amendment to the ABM (Anti-ballistic Missile) Treaty?

A. We discussed the subject of strategic defense at considerable length, and I can't say that we had anything to say to each other that genuinely seemed to narrow the issues. But I felt, myself, that the quality of the discourse was

somewhat more penetrating and better, and we really engaged with the subject.

So maybe that's a little bit of headway, but I would not have—and if I had an order of probability of something that's likely to be jelled soon, that would not be high on my list. But I think the discussion in greater depth of the offense/defense relationship and the meaning of the President's proposal—maybe it's just that we explained it so carefully, we thought we were being persuasive, but the genuine meaning of the President's proposal and what it's really about.

I believe they listened very carefully to it. I'll just put it that way.

Q. Did Mr. Shevardnadze at any time during the 2 days of discussions waver from his government's insistence that the Daniloff and Zakharov cases be treated on an equal basis?

A. We felt that they were distinctive; not related.

Q. Would you explain that?

A. That is, his view is that—well, I'm not going to state his side of the case. He's talking to the press and can do that. But from our standpoint, Daniloff is a hostage and is not a spy. He has not been a person employed by the U.S. Government or taking instructions from the U.S. Government or in some manner engaging in a process of espionage on behalf of the U.S. Government, as he has been accused of being, and so we believe he is innocent of that charge.

Q. How close are the two sides on any agreement on INF [intermediate-range nuclear forces] and was any progress made?

A. I think there was some progress made in INF, and that's perhaps one of the promising areas, and that's my opinion, and I think if you ask that question to Mr. Shevardnadze, he'll probably say that's his opinion. At least that's what he told me.

[1]Press release 186. ■

Secretary's News Conference of September 25

Secretary Shultz's news conference with American journalists at the UN Plaza Hotel in New York on September 25, 1986.[1]

Q. Could you give us an assessment, please, of the efforts to reach an agreement on [*U.S. News & World Report* correspondent Nicholas] Daniloff?

A. I don't want to get into that in any detail. It's under discussion. I've had, as you know, a couple of meetings with Mr. Shevardnadze [Soviet Foreign Minister] here in New York. And just where this will go, I don't know, and I don't think it particularly helps for me to speculate about it or give any detailed accounting about it right now.

Q. Are you going to meet him again before you leave tomorrow morning?

A. I don't want to discuss what kind of structured meetings might take place or what might be possible. I'm planning to leave tomorrow morning, as you know, and go back to Washington and be back here Sunday. As I understand it, he—

Q. The Soviet spokesman—

A. —he leaves the United States on Tuesday some time.

Q. Do you feel the pressure of any deadline because of that?

A. Obviously, it's desirable to get this matter settled as soon as possible, if we can settle it on the right basis. At the same time, I think we have to be prepared for the fact that that may not be possible. So we want to work hard to try to get it settled, but we have to remember that it needs to be settled properly.

Q. Do you see this Tuesday as sort of a deadline here, or a deadline?

A. There are many ways for us to talk to the Soviet Union. We have good capacity to communicate. That's never been a problem. But I think Mr. Shevardnadze and I have both worked at having a good personal capability of talking directly with each other so it's certainly useful to try to do it while he's here, and I hope it can be done. But I don't think it's good to sort of put yourself up against a deadline that just happens to reflect travel schedules.

Q. But you're not really—

A. But at the same time we try to work it out.

Q. You're not ruling out another meeting perhaps Sunday, Monday, or Tuesday here in New York?

A. I would imagine that we'll have another meeting at some point, certainly. I would hope so.

Q. Another meeting is necessary at this point before you can arrive at a settlement?

A. The matter is not settled. So that's the situation.

Q. Can you tell us a little bit about Shevardnadze in the continuum of having met him initially and how he has or has not grown in the position; how you communicate with him? You called him "my friend" in past occasions. You haven't been doing that in this particular round of things. How are the two of you?

A. I think on a personal level we have a friendly relationship, and we want to keep it that way. My wife has developed a friendship with his wife. We treat them in a courteous way, and I think that's the right way to go about it.

It has seemed to me from the beginning that it's not that he grows up; he's a grown person. After all, he became the head person in the state of Georgia which is a state of great importance in the Soviet Union, and so he's a person of talent and ability to prove it. He's undertaking this assignment and seems to handle it well, as far as I can see.

Q. Mr. Gerasimov [Soviet Foreign Ministry spokesman] told us earlier that the Soviets are asking to reconsider your order to expel the 25 Soviets. Is this a matter that can be reconsidered?

A. It's something that has been done and there it stands. We don't have any plan to change that.

Q. Is it tangling your already difficult talks on the Daniloff case, or are you able to keep it separate? Or are they trying to tangle it with it?

A. I don't think it's a good thing to get into sort of the insides of the discussion. I'm perfectly glad to say, yes, we've had discussions, and so on. But as to the nature of them, I think that's something that I prefer to keep private.

Q. Can you tell us whether the Soviet Foreign Minister, in this case, is following the format of a previous occupant of his position of negotiations of this type? Do you end up reading positions? Do you end up with a more give-and-take on a matter as narrow as this Daniloff affair?

A. In my meetings with Mr. Shevardnadze, I'd say that they're very conversational in a sense that we go back and forth in our discussion, and it depends somewhat on what's being discussed and the desirability at the moment of trying to be very careful and precise about something.

And if you want to state some position about some matter, whatever it is, and you want to do it with precision and clarity, it's usually a good idea to have a piece of paper and go through it. So he does that sometimes, and I do that sometimes. But we have a good conversational tone in our relationship.

Q. Did he ever get angry during the rather blunt talks that you and the President had with him over this case?

A. You have to ask him about that.

Q. Did he exhibit any?

A. He has good self-control, and I don't know his—I'm not going to try to read anything into that.

Q. Has he been flexible at all on this issue? Has he demonstrated any flexibility?

A. You want to try to get inside this shell that I've constructed in various ways, and I'm not going to let you do it. [Laughter.]

Q. You haven't been standing on street corners for 3 days. [Laughter.]

Q. I really don't want to ask you about his table manners. I want to ask you about the Soviet statement. There are three bumpy bumps in the road to a settlement. They say Daniloff, [Gennadiy] Zakharov, and the UN order—they don't, of course, like the word "order" because they say you can't order us about—and they say there might be a fourth one, this order which they don't want to call an "order." If it's not rescinded, they're going to retaliate.

From your perspective, how many bumps, how many of these four items, or perhaps others, are now bumps in the road to a summit? Because, after all, the summit is what possibly transcends all these events.

A. I don't necessarily subscribe to that. I think that—what are these meetings for? They are for discussing the full range of issues of interest to both sides. We have a broad agenda and so do they and so questions involving humanitarian and human issues are part of that agenda.

Now, as far as a summit is concerned, we're in the same position we've been in for some time. The President has issued an invitation, and we'd like to see it take place. We think there are important matters to discuss. On some of these matters, there seems to have been some motion in recent months.

On the other hand, I believe it is true. And perhaps what you're quoting is—which I haven't seen—but they're saying the same thing, that in the circumstances where we are now it's hard to imagine a fruitful summit because the whole thing would be dominated by discussion of this question.

Q. Do you have any specific—do you have any plans tonight for dinner? Or what are you planning to do this evening?

Q. Do you want us to follow you around or not?

A. It isn't as though I'm not getting enough to eat around here, but I do have dinner planned with some of my European friends.

Q. West European friends?

A. West European friends.

Q. Just to give us a little help. We presume then if you're going to have a meeting with Mr. Shevardnadze, it won't be until next week; is that right?

A. I've said what I had to say on this discussion, and I'm just going to leave it at that.

Q. On the question of the summit, the Soviets have been saying rather strongly right along they want a major agreement, but now their definition of a major agreement seems to be diminishing somewhat. They called the Stockholm agreement a major agreement, for example, in Shevardnadze's speech.

I'm wondering if you have any notion now of what kinds of arms agreements which you think are doable might be accomplished by the end of the year and might provide the kind of agenda that would be suitable for a fruitful summit.

In other words, does it have to be a START [strategic arms reduction talks], INF [intermediate-range nuclear forces] agreement, or could it be a combination of chemical, nonproliferation, threshold test ban, that kind of scope?

A. I don't want to try to list things, because the next thing somebody will say is that we've set out some conditions, which we haven't. We do think it's desirable. As the President has said many, many times, to have results from the meeting we don't want to get in the position and won't get in the position—and I assume they don't want to either—where we feel that because there's a meeting we've got to accept something that we don't think is right. We're not going to do that.

But I think there are a number of areas where things that at least I would consider worth doing might be done or at least precipitated by the fact of a meeting and ratified at the meeting. I think what happens at meetings like this is more that the things get worked out, and maybe sometimes the finishing touches get put on, although they're basically worked out before the meeting, and the meeting tends to ratify them and look prospectively at where we go from here.

I think that in most of the areas, it isn't as though there's a prospect of something that's completed and you tie a ribbon around it and you don't have to look at it any more; it's more in the nature of things in which it looks as though some clear-cut progress in a positive direction can be made and set in place with the understanding that there's a lot of follow-on work to do.

In the case of INF, for instance, we continue to think, and they say, that the idea is to eliminate those weapons. But I don't see a prospect of doing that in the near term, but it may be that there's a prospect of moving along that road. So that's the nature of this set of questions.

Q. To return to what Mr. Gerasimov said this afternoon, he said, "Because of many considerations, including prestige considerations, we must think of some kind of retaliatory measures. That we have said, and we must stand by it."

On Saturday you were asked, I believe, in connection with the statement by Shevardnadze about retaliation, that—something to the effect that the President would keep his powder dry.

Do you have anything further to add in light of Mr. Gerasimov's more detailed comments?

A. No, I don't.

Q. Sorry for the speech. It was a long question. [Laughter.]

A. Usually if you ask a short question, I give you a long answer. [Laughter.]

Q. When will Daniloff come home?

A. I wish I knew. The sooner the better.

Q. Can you tell us on the logistics side, do you expect when an agreement is reached with the Soviets that an announcement would be made, or is part of the negotiation how—you know, how the news will dribble out from wherever, or we just look to see when Daniloff comes home on a plane, or something like that, and then we'll know it's done? Can you help us on that score at least?

A. Of course, as far as Daniloff is concerned, it's done when he arrives here or leaves there, and that's one of the things that we're working for here. But just how the structure of this, if we do work it out, will come forward, I'm not prepared to say.

Q. Could you address the possibility of having Daniloff released without conditions, as you would like, and then having Zakharov released and some Soviet dissidents—maybe some well-known Soviet dissidents released later? Is that something that you would think might happen?

A. I just have to keep giving you the same answer over and over again, so why don't you stop asking me? [Laughter.]

Q. Could I just follow that a—[laughter]—no. It's not to ask you about the specifics of the negotiations, but just to get a sense of the back and forth in these meetings that you've had with Mr. Shevardnadze. Has there been a sense of progess beyond the two sides making their position very clear to each other? Has there been—it characterized by just an unchanging attitude on the Soviet side, or has it been an exchange of positions between the two sides? Could you at least just say that?

A. We would like to get this case resolved on a satisfactory basis, and so we're working hard to see how that might be done. I can't speak for them, but, having taken part in a variety of negotiations of one kind or another, my sense is that Shevardnadze is also trying to get it done.

But that doesn't mean that we're going to succeed in doing it. But I think there is a genuine effort going on, on both sides. But, beyond that, I think this, as is often the case in negotiations, it's hard to talk about progress or lack of progress, or optimism or pessimism, or something. You either have resolved it, or you haven't, and it's—I think it has to stay that way.

Q. Can you tell us is it in the stage where the elements of a satisfactory resolution are in principle agreed on by the two sides, and what you are working out is the precise details of timing and trials and the smaller bits and pieces? Or is there now no meeting of the minds?

A. I'm not just going to get inside this little cocoon that I've built here, or shell, or whatever I called it.

Q. An easy one for you, a piece of cake. Short question, short answer. Will the President veto the South African sanctions bill tomorrow?

A. I read that that's what Larry Speakes said he was going to do, so that must be the case.

Q. On the 25, just another question on principle: Is it your principle that 25 people will leave, and that's not negotiable, but does the composition of that 25—is that open to any flexibility?

A. I think we've stated what our position is. This basically goes back to last March, and it reflects our view that, being host to the United Nations, does not mean that we should be host to intelligence activities on the part of other nations. And the huge number that the Soviets have in their embassy beyond what anybody else has, more than the next two largest combined, and our knowledge of the background of people—many of the people in the embassy and, of course, some of the activities involved—leads us to conclude that it is being used that way.

So we have called for a gradual reduction to a size that's more in keeping with undertaking what the UN mission as such needs. While, obviously, we observe the numbers, and we know when people leave, and when they come back, we have to remember that many people have multiple-entry visas. And so knowing just who is there and not there is a problem unless they are ready to tell us, and they haven't been ready to tell us. And you remember that the Soviet Ambassador to the United Nations made—the time span escapes me here; a couple of weeks ago, I think—a rather confrontational statement about whether they were going to do this. And that led to our saying, well, we feel that in order to meet our October 1 level, you needed to have 25 people not there, and so we gave them a list.

Q. The Russians say that they've met that level already. Is a key to it whether the United States will rescind or modify its order naming specific individuals and go with what you just referred to as meeting the level by October 1?

A. I think I've described our position. That is our position. That's where it stands, and that's what I have to say on it.

Q. Is it a condition that these 25 have to leave, their number is below 218, they can then have additional people come in to the United States to come up to 218?

A. That's what we've told them.

Q. But not those 25, though. Not those named 25. They can't bring them back in.

A. That's right.

Q. Are you open to the possibility of using the procedure outlined in the headquarters act of going to the Secretary General, presenting your evidence against the 25 individuals and having them excluded in that fashion?

A. The headquarters agreement is very clear that there's nothing in our agreement to be the host that would put us in the position where we can't do the things needed to protect our security, and that's the posture that we're in, and we believe that we're on sound ground and intend to see this through.

Q. According to [UN Secretary General] Perez de Cuellar's office, if you would simply make the case of each individual, then the United Nations would have no argument, but he says that as it is now being presented, that it is not within the confines of the host agreement. Do you disagree with this?

A. I disagree with that. We think that we're on sound ground.

[1]Press release 190 of Sept. 26, 1986. ■

President's and Secretary's News Conference of September 30

President Reagan and Secretary Shultz held a news conference at the White House on September 30, 1986.[1]

Secretary Shultz. Good morning. The Eastern District Court of New York accepted the application of Gennadiy Zakharov, a Soviet citizen assigned to the UN Secretariat, to plead *nolo contendere* to all three counts of the indictment filed against him. The court has remanded Mr. Zakharov into the custody of the Soviet Ambassador to the United States for the purpose of affecting his immediate departure from this country. It is expected that Mr. Zakharov will leave the United States this afternoon.

During the discussions held over the past 10 days, Soviet Foreign Minister Shevardnadze has informed me that Yuriy Orlov, one of the founders of the [Moscow] Helsinki monitoring group and a giant of the Soviet human rights movement, will be allowed to leave the Soviet Union. Mr. Orlov and his wife will depart by October 7 and are expected to come to this country. The precise timing and means of their departure will be determined through diplomatic channels.

Yuriy Orlov, a physicist by profession and member of the Armenian Academy of Sciences, was chairman of Moscow's Helsinki monitoring group until his arrest in October 1977 for alleged anti-Soviet activity.

The Helsinki monitors, a courageous group of human rights activists, openly attempted to hold the Soviet authorities accountable to their commitments under the Helsinki accords of 1975. They maintain direct contact with Western diplomats and journalists in an effort to keep them informed of Soviet human rights abuses. Such well-known figures as Andrei Sakharov, Yelena Bonner, and Anatoliy Shcharanskiy participated in the Moscow Helsinki monitoring group, and similar groups modeled on the Moscow example sprang up in other major Soviet cities.

Orlov was a founding member and driving force behind the Helsinki monitors. As chairman of the Moscow group, he singled himself out for particular attention from the KGB, and was caught up in the first wave of arrests of group members. In 1978, he was sentenced to 7 years in a strict-regime labor camp and 5 years of internal exile. Since 1984, he has been forced to live in a remote Siberian village in extremely harsh physical conditions.

At age 62, Orlov is in extremely poor health as a result of prolonged periods of solitary confinement—up to 6 months at a time—in labor camps, and severe beatings, suffered both in camp and in exile. Orlov's wife, Irena Valitova, shared his commitment to the Helsinki process. She has maintained regular contact with Western embassies and journalists over the years since her husband's arrest, and has steadfastly worked to ameliorate the harsh conditions of his confinement.

I think the President will be here in a minute.

Q. Iceland?

President Reagan. Yes, that's what I'm here to tell you about.

Well, I am pleased to announce that General Secretary Gorbachev and I will meet October 11–12 in Reykjavik, Iceland. The meeting was proposed by General Secretary Gorbachev, and I've accepted; and it will take place in the context of preparations for the General Secretary's visit to the United States, which was agreed to at Geneva in November of 1985. And I might say the United States and the Soviet Union appreciate the willingness of the Government of Iceland to make this meeting in Reykjavik possible. So I know you'll all be on your best manners.

Q. Does this mean that the chances for an arms agreement, the fact that you're going to meet with Mr. Gorbachev before he comes to the United States—will that mean that you have something ready for signature then when you meet with him here?

President Reagan. I don't believe anything of that kind. I don't think this is going to be just a signing meeting at all. And I have no way of knowing what the outcome will be as we continue with our people in Geneva.

Q. What do you think our chances are?

President Reagan. I've said for a long time that I think the chances are better than they've been in many years for reaching an agreement on arms reductions.

Q. But why did you change your mind on this? All year you had seemed to oppose the idea of a meeting in a neutral country, and demanded that it was the General Secretary's turn to come to the United States. And is there any agenda for this meeting? Are you going to have any kind of agreements on INF (intermediate-range nuclear forces) and risk-reduction centers?

President Reagan. No. This in no way discounts the fact of what we've said about a summit. This is not a summit; this was a suggestion of his that he and I, one-on-one, meet earlier, and make that in a neutral country because we have agreed that as to the summits, that this one would be here and the next one would be in their country.

Q. No agreements at this meeting, sir? And no agreements at the meeting next week?

President Reagan. I don't know. All we've agreed upon is that we're going to have a meeting.

Q. Does this commitment still continue, though, for the General Secretary to come to the United States for a summit that would actually produce some sort of arms control agreement?

President Reagan. I hoped for that the last time we met, and I'll continue to hope for that. And our arms negotiators have continued to meet. Both sides have made proposals, and there have been differences between them, and so far those differences have not been reconciled.

Q. How would you now say the [*U.S. News & World Report* correspondent Nicholas] Daniloff affair either laid the groundwork for this special meeting or created an obstacle? What is your assessment of this whole—

President Reagan. The release of Daniloff made the meeting possible. I could not have accepted and held that meeting if he was still being held.

Q. On that subject, we believe the Soviets seized Daniloff because of our arrest of Zakharov, and they wanted Zakharov out. They are now going to get Zakharov out. What do you say to those who say that you've lost in that trade, and they got what they wanted?

President Reagan. No, not at all. There was no connection between these two releases, and I don't know just what you [to Secretary Shultz] have said so far about this, but there were other arrangements with regard to Zakharov that resulted in his being freed.

Q. Do you think the world is going to believe there was no connection when in fact Daniloff comes out one day, and Zakharov goes zip through the magistrate's the next and—

President Reagan. May I point out to you that there have been several instances over the recent years in which we have arrested a spy, convicted a spy here in this country, and in each instance, we ended up, rather than giving them board and room here, we ended up exchanging them for dissidents and people who wanted exit from the Soviet Union.

Q. Do we get any more than just Orlov? Are there other dissidents?

President Reagan. I'm not going to comment on that. Somebody else has already.

Q. When you said that Daniloff was a hostage, what message do you have for other American hostages today, for instance those in Lebanon who have not been beneficiary to these negotiations?

President Reagan. I'm glad that this is the last question, and I've looked forward to answering this one. I understand I'm scheduled soon for a press conference, and I'm going to save all the ammunition for that, so I'll see you again.

Q. When is that?

President Reagan. They'll announce the date at the proper time.

Q. Didn't you just announce it?

President Reagan. To answer this question, I understand the sorrow, the grief of the families of the hostages who are held in Beirut—we assume they are held in Beirut—because that's the kind of hostage situation this is. There has never been a direct contact with us from the holders of those hostages, the kidnappers, but there hasn't been a day since they were taken that we have not been engaged in efforts to get them out. And I can just add this, that sometimes we thought we were on the verge of doing that, and then there has been a sharp disappointment.

So as I say, I can understand the families—as if this looks at one, but look at the difference! Here we are dealing with a government with which we have diplomatic relations. In the other, we're dealing with faceless terrorists who have only, through others, issued a demand that cannot be met; and we, as I say, there is not a day that goes by that we are not bending every effort to get those people home.

Q. Come back when you can stay longer.

President Reagan. Yes, sometime soon. You let me know when the date is.

Q. Do you still say the Soviets blinked, sir?

President Reagan. Shouldn't have said that. No comment. [Laughter.]

Q. Mr. Secretary, how do you answer those who say that what this Daniloff arrangement really means is that the Soviets now have license any time they want to get out a captured KGB spy, all they've got to do is grab an American inside the Soviet Union?

Secretary Shultz. I think that we have to look at our overall objectives here, and then judge what has happened including the answer to that question, in the light of our objectives. Let me set them out for you.

First of all, in this broad range of events that are taking place—last week, this week—we need to handle them in a strong, in a realistic, in a persevering way and in a way that gets results. Second, we want to get Daniloff out. Third, we want to address your question in part by making it clear that we have run out of any patience with the idea of any country using its people in the UN Mission as a platform for espionage against the United States; and at the same time, we want to handle these matters as best we can so that the ongoing potentially positive results from our negotiations and discussions with the Soviet Union can continue and have a chance of bearing fruit. Those were our objectives.

Now, Daniloff is out. The Soviets have assured us that their numbers in the UN mission presently are less than those that we set out for October 1. As in their terms, they decided to do that for efficiency in running their mission. But at any rate, from our standpoint, the numbers are there.

Second, they have told us—and our own information confirms—that the majority of those on the list we gave them have left, and they have described to us their conception of a normal rotation process. But those people have left. They asked us, in the course of our discussions, for a grace period and that was extended by 2 weeks; and we expect to have further information by the time that expires. So we have been achieving our objectives in that sense. And we have managed in the discussions that were held here and in the response and the prospective meeting in Iceland, shows we have managed to keep the possibility of positive results in this relationship going. So overall, I think, it's been a pretty good week for us, and I hope they may feel the same way.

Q. Two weeks ago, you wouldn't take the Soviets' word for the rotation. In fact, it was treated with a little bit of almost sarcasm.

Secretary Shultz. What rotation are you talking—what do you mean by rotation?

Q. Then let me back up. It sounds to me as you've now done what 2 weeks ago you refused to do about the UN mission. You wanted to see documents; you wouldn't take their word for it that they've left.

On top of that, in a blanket accusation, allegation, the Administration said these 25 are spies. It strikes me now—and please correct me if I'm wrong—that in the negotiations the United States has given a little ground. It has agreed to take their word for it, number one, on who's left and who hasn't left. And number two, to withdraw the notion that all 25 are spies, because clearly if you're going to let them stay 2 weeks, I don't suppose you'd allow spies to hang around for an extra 2 weeks if you really knew they were spies.

Secretary Shultz. The numbers that we sought, we have attained, and we have had an explicit discussion with them about that. Obviously, we keep track of the numbers, but a reason, for example, why it's difficult for us to know precisely what their level is, is that if somebody in their mission who has a multiple-entry visa returns to Moscow, we don't know whether he's coming back or not until he comes back. So that's why we have to have a discussion about this matter—and we have had it. And so we have their estimate and description of that staffing level.

Furthermore, we've had an explicit discussion about the 25—obviously, they see it differently than we do—but from our standpoint the important thing is that most of them have left; and I believe we will deal successfully with the balance of this problem. So overall, I think that what we are seeking, namely, to make it clear to everyone—not only the Soviet Union—that the use of the UN mission as an espionage platform is out. And I think that's one of the things that has come out of this that's very strong and a very important point.

Q. Can you tell us what the agenda is for Iceland and how that works with any prospective summit meeting, *vis-a-vis* an arms control agreement or the framework of a Vladivostok-type agreement perhaps on INF?

Secretary Shultz. This is a preparatory meeting proposed as such, and accepted as such, and in a way, it's very much a part of the process that's been going on with increasing intensity over the last 2 or 3 months where we've had all sorts of special groups meeting on all the different subjects that we have under review. So this is a meeting that will give a special push, obviously, and I think it's a very good idea, a good thing.

Now, our agenda will be our regular agenda. Obviously, we're going to talk about arms control issues, and they are important, and we have made progress in a number of areas. You mentioned INF—that's one of them. We're going to talk about various bilateral problems; we're going to talk about regional issues; you can be sure that we're going to keep the subject of human rights on the agenda. So all of these subjects will, in various ways, be discussed.

I think that if we can move things to the point where, on some significant things—well, they're all significant, but especially significant things—we can see the gap closed, and the prospect of an agreement, that's all to the good. But of course, we have to look at the content, and both be satisfied with the contents. But there has been enough motion and enough sense of the importance of this that perhaps this meeting can do what is necessary to energize our own, both, negotiators, and provide for a productive meeting, summit meeting in the United States, hopefully still in 1986.

Q. Could you tell us how many of the 25, on the list of the Soviet mission, are still in the United States, and will any of them be allowed to remain in the United States after the 2-week grace period?

Secretary Shultz. I don't want to specify the numbers; we know the numbers, in discussing this issue, some questions have been raised about some members of the group; and we're willing to hear what they have to say about that. But, at any rate, we expect to see 25 people that we think have an association with intelligence activities leave.

Q. You've said this is a preparatory summit. Because after all, it is a summit; and this Administration's policy has been that summits must be carefully prepared and must have a very good chance of tangible results. If I understood the President correctly, he's not certain what's going to come out of this summit. Why did your policy change, and don't you take a risk that in fact nothing will come out?

Secretary Shultz. In the announcement that the President read, I believe he calls it a "meeting," but you're the labeler. That's the way it is described by them to us and us to them—that it is a preparatory meeting. Obviously, it's at the level of heads of state.

Now, in a real sense, it is being carefully prepared. We have been working hard on all of the different areas of subject matter for a long time, and, as I said, with great intensity this summer. We had our arms control—Geneva arms control team in Moscow for a couple of days, and theirs here for a couple of days. We've had a number of meetings on regional issues. We had an overall meeting which Under Secretary Armacost chaired. We've had a major discussion of bilateral issues. And we've also discussed the human rights area.

So there's been a lot of preparatory work. And the question now is: through a meeting of the two heads, will we be able to energize this process still further and make the summit meeting in 1986—which, as I said, we still hope there will be in 1986—make it genuinely productive?

Q. Could you please assess for us the impact that the Daniloff case has had on U.S.-Soviet relations? Some people have suggested that, in fact, instead of hurting chances for a summit, it has propelled chances for a summit as we see this meeting next week. That, in fact, it forced both sides to stop the diplomatic posturing and get serious about relations.

Secretary Shultz. I think the President put it right and said that something like the Daniloff case doesn't contribute to a summit; it tends to create a bad atmosphere and tends to make people in the United States concerned about what will happen to them if they go to the Soviet Union, and so on. So I don't think that contributes anything.

On the other hand, it was an impediment. And, as we have said, it was hard to imagine a fruitful summit while Daniloff was being held. So his release clears that atmosphere and, I think, will enable us to move forward productively.

Q. When did the Soviets propose this mini-summit? Was that in the letter that Gorbachev sent through Mr. Shevardnadze?

Secretary Shultz. The proposal of the preparatory meeting was in the letter of General Secretary Gorbachev to the President, which Shevardnadze delivered about a week ago Friday, I guess.

Q. Is Mr. Orlov and his wife—are they the only dissidents that we know of who will be allowed to leave in return for Mr. Zakharov?

Secretary Shultz. We have a continuing dialogue with the Soviet Union about a large number of dissidents—about divided families, about emigration generally—so there is an ongoing urging of them to take action in those areas. So we'll continue that. Now, that's where I'll leave it.

Q. How important do you think having this meeting is to the Soviets? In your talks with Mr. Shevardnadze, did you get the feeling that Mr. Daniloff would have been released if these plans for a meeting in Iceland had not been agreed to by the United States?

Secretary Shultz. The Daniloff case and the various other aspects of it no doubt troubled them, but they certainly troubled us; and we were not about to go, and I don't think one could have had a fruitful summit, without these matters being settled.

Now, insofar as their assessment of the need for this preparatory meeting is concerned, the fact that they suggested it in the first place shows that they felt it could be a productive contribution to this dialogue. So I assume that is their belief. As we considered it and the President considered it, we agreed; and so the meeting will be held.

Q. In the context of what you said earlier, do you think it's reasonable to expect an INF framework agreement to be reached in Iceland?

Secretary Shultz. I don't want to get into the prediction business beyond saying that there has been a great change in the negotiating positions on INF—comparing now with, let's say, a year and a half ago. So there's been a lot of motion.

And in the discussions that we have had, there are suggestions of other possible areas where agreement might be found. So I think there are reasonable prospects.

But on all of these things you never have an agreement until you have an agreement, so it's a little hard to assess just how far along we are.

Q. The order that you issued last spring to cut the Soviet Mission back to 100—I believe it's 170 people—that's by April 1988—is that order still unchanged and in effect?

Secretary Shultz. That is unchanged. And what we did was we set out various time periods. That's where the number 25 came from. It was our estimate that it took 25 to get down to the 218. And a week or so before we identified the 25 names, the Soviet UN Ambassador had issued a very confrontational statement about their willingness to meet the 218. That's what triggered off the 25. So, at least as we see it, we're getting somewhere.

Q. What assurances have you got that the next time the FBI [Federal Bureau of Investigation] picks up a suspected Soviet spy the Soviets will not pick up another American newspaperman?

Secretary Shultz. There are all sorts of problems here, and I think that the strong and resolute action by the President probably sends a pretty good message of how we feel about it and what we will do about it. So I think you have to look at all of these things as a package.

But obviously the Soviet Union can pick up people in their country, and have over a long period of time. Just look at the history of Mr. Orlov as an example.

Q. Is he the only one to come out? Is Orlov the only one?

Q. The Soviets have still not committed themselves to attending a summit in the United States. Is it your feeling that they're going to Iceland with the idea of waiting to see how that will turn out before they decide about a summit here?

Secretary Shultz. No. I think it is very clear that they recognize, as we do, that the genuine summits will be the next one in the United States and the following one in the Soviet Union. And that is in everybody's plan and that is what's referred to in the statement that the President read today. So there's no suggestion that this meeting in Iceland is a substitute for a summit. It's quite the contrary; it's a preparation for the summit meeting.

Q. What are the chances that this will push back the timing?

Q. Can you tell—what grounds did they cite for the need for this meeting in Iceland and what was our reason for accepting this notion after we had rejected the notion of the two leaders meeting on neutral territory before?

Q. And you had rejected a meeting in the fall because of the election campaign.

Secretary Shultz. We are engaged in a very important and very serious effort to try to get control of the escalating numbers of nuclear weapons and, in whatever way we can, to get a better handle on the tensions around the world that erupt out of regional problems of various kinds, human rights problems, even some of our bilateral issues.

We have worked at it very hard, and I observe that the Soviets have too. We believe—and I think they do—that a real, well-prepared, extensive summit meeting in the United States, on the one hand, and in the Soviet Union on the other, can be a good thing. We want to make it as good a thing as possible. That's why this tremendous effort that has been going on is being made.

Now, the General Secretary suggested to the President that it would help in this preparatory effort if the two of them met perhaps a little less formally than a summit meeting tends to be and see if they can't push the ball along a little bit in perhaps some of the areas that show the most promise. And, as we thought about it, it seemed like a sensible idea.

So why not? I think the name of the game here is to try to make progress toward the objectives that we are seeking, and this should help.

Q. Is Orlov the only one to come out? We had heard that there may be other dissidents.

Secretary Shultz. Whatever you have heard, you haven't heard it authoritatively. What I have said is authoritatively what will happen, and that is what we have to say on the matter.

Q. Last Thursday you told a group of reporters, in regard to the 25 Soviet diplomats—the list that you gave them—"That is something that has been done. . There it stands. We don't plan to change that." But you have changed that.

Secretary Shultz. No. It stands.

Q. You are telling us that some of the 25 might be able to stay if there is some—

Secretary Shultz. No. You were probing about the nature of our discussion. We had some discussion about a few people that Mr. Shevardnadze had found very useful to him, and we talked about that a little bit. But, anyway, our list stands and basically people are leaving.

Obviously, the Soviets say that's because of their normal rotation. Anyway, from our standpoint, if they leave that's what counts. And those that may still be here—when we get to Reykjavik, we'll talk about that. But we expect to see that fulfilled.

Q. Did you agree to the removal of two specific names from that list? Two senior intelligence officers—

Secretary Shultz. You're getting the floor by shouting, but there's somebody right there who has not asked a question.

Q. Was there any sense that Mr. Gorbachev said that if the President did not agree to an Iceland presummit meeting, that he would not be willing to come to the United States this year or soon afterwards?

Secretary Shultz. That was not the nature of this exchange, and the question of the Iceland meeting wasn't of that character at all. I think you're sort of misreading the whole thing.

The President received a letter, and it had in it commentary about a wide variety of matters. It wound up in effect expressing the importance the General Secretary attached to this whole process and made the suggestion that if there were a meeting of this kind in the near future, that might be helpful.

We thought about it, and we decided—the President decided—that perhaps it could be, and we should be willing to do those things of this sort that may help this process along.

And it's really just as simple as that. Nobody was playing toe-to-toe on this thing.

Q. Why didn't the President not tell the Soviets, in reply to that suggestion, "Okay. If you agree to a date, then certainly we want to have it in the United States?" Why didn't he use that opportunity to pin them down to a summit date?

Secretary Shultz. Because I don't think that sort of cat-and-mouse game on these sorts of things is a productive way to go about it.

We did explore carefully their conception of this meeting as a preparatory meeting and their desire, as well as ours, to have a summit in 1986 in the United States, if it's possible. And so that's what we're shooting for.

Q. Is it still your understanding of the Soviet position that the formal summit, if it's in the United States at the end of the year, will be an occasion to sign formal arms agreements? And if that is still the Soviet precondition, what are the prospects that we can do that at a year-end summit here?

Secretary Shultz. I don't think we are talking about preconditions. What we are talking about is what's desirable. And there are lots of different ways to satisfy both of our desires to have significant results from these meetings. Why not—if they're available?

It's almost as though you're saying it would be a great thing if we had this meeting and nothing came of it. I don't agree with that.

I think the object is to have these meetings and have something come of it, and both sides agree to that. So we are trying to find our way to things that will be good from our standpoint that can be part of a summit meeting. And obviously we know that they are not going to agree to something unless they think it's good from their standpoint. So that's the nature of a deal.

Q. Why shouldn't the American people not view the arrangements on Daniloff and Zakharov as exactly what you said this Administration would not do—that is, a trade?

Secretary Shultz. I think what we saw here was Daniloff released yesterday; and what I announced today was that Zakharov is being released from the United States and Mr. Orlov and his wife are being released from the Soviet Union.

I have also, in response to your question, discussed the United Nations matter; and I think this is a very significant part of the picture as we see it.

Q. On principle, the Soviets have made it clear that they wanted you to withdraw the expulsion order of October 1. From everything you've said you've done that.

Secretary Shultz. No, we haven't.

Q. But you said that they are leaving on their own, and you've given them a 2-week—

Secretary Shultz. From our standpoint, the operative fact is that most have left; and those who haven't left, in response to a request for a grace period—we will see how that stands when we meet in Reykjavik.

So we have stayed right with our position, and we are getting the results we're seeking.

Now, I don't think it is surprising that if you ask them what has happened they would say, "Well, we intended to bring those individuals that happened to have been named home anyway, and that's what has been happening." So that's what they say.

From our standpoint, what matters is to have those people out. That's the operative fact.

[1]Press release 191. ■

Secretary's Interview on "Today Show"

Secretary Shultz was interviewed on NBC-TV's "Today Show" in New York on October 1, 1986, by Bryant Gumbal.[1]

Q. Within the past 36 hours, at a dizzying pace, negotiations have resulted in the releases of [*U.S. News & World Report* correspondent] Nicholas Daniloff and Gennadiy Zakharov [Soviet UN employee charged with espionage], and the announcement of a summit that is being called a preparatory meeting. At the heart of those negotiations has been Secretary of State George Shultz who joins us in the studio this morning. First of all, tell me the difference, explain it if you will, between a summit and a preparatory meeting.

A. It is a meeting between two heads of state—a little shorter, perhaps a little less formal—and its object, as stated by each side, is to make the preparations for the planned summit meeting to be held in the United States. That's the description, and you can call it whatever you want to call it, I don't care.

Q. Are the risks attendant to either side much different than they would be for a summit?

A. The object in this is to solve problems. We have a lot of problems in the world; and whether we like the Soviet system or don't like it, whether they like ours or don't like it, there are tensions around the world in various places. There are great differences about human beings and how they are treated. And there are issues involving arms control and in particular these giant stocks of nuclear weapons that each side holds. So what we are trying to do is resolve some of those problems. And I think the problems are so important and they create so much tension that it is a good thing to try. In fact, any leader who refused to make the effort would be tragically wrong.

So that's what the President is doing. And, of course, to the extent that we find our way to agreeing with the Soviet Union on one thing or another, it's got to be an agreement that we think is in our interest. We know that. That's the spirit in which we are going into it.

Q. One former Secretary of State, Henry Kissinger, last night expressed some concerns that a meeting planned with such short notice couldn't be totally prepared for and that you ran the risk by making this a meeting of heads of state and not a summit; that you ran the risk of reducing what are very serious differences to differences of personality. Are those valid concerns?

A. Everybody can be concerned about everything, and no doubt they're valid concerns. But it's certainly not the case to say that this hasn't been carefully prepared. We have been working with great intensity, particularly over the last 2 or 3 months, on all of the issues involved. So there's been a terrific amount of effort to go into this. Now we hadn't explicitly thought about a meeting between the two heads in preparation for the U.S. summit meeting, but Mr. Gorbachev proposed it, and as the President thought about it and as we talked about it, we thought well, this could be a good idea, maybe we can accomplish something.

The name of the game here is to solve problems, and that is what we are trying to do.

Q. That's wonderful in a perfect world. You and I both know things don't operate that way as always.

A. It is important to try to solve problems.

Q. You're not concerned at all that it comes as it does just 3 weeks before an election?

A. That was not a factor in this at all. It is picked for a weekend so that from the standpoint of the President's schedule he doesn't interrupt his campaigning.

Q. Who's going to be part of the U.S. assemblage in Reykjavik?

A. It hasn't been decided, but no doubt the President's key advisers. We'll have a strong team of people there who have all of the expert knowledge at their fingertips.

Q. Will the Defense Department be represented?

A. I would assume so. At least, I would hope so. Mr. Perle [Assistant Secretary of Defense for International Security Policy Richard N. Perle] has been in our delegations when I went to Geneva and negotiated with Gromyko [former Soviet Foreign Minster]. He was there on other occasions and performed with great ability.

Q. The President noted yesterday that this meeting could not have come about had Nicholas Daniloff not been released by the Soviets. As we sit here this morning, can you say that Nicholas Daniloff was released unconditionally?

A. Oh yes. There's no string. He's here.

Q. Unconditionally?

A. I don't know what you are getting at.

Q. I guess what I'm getting at is, whatever the Administration is calling it, and you're calling it an arrangement, the headlines that we are seeing this morning are saying "The Swap." Is that a perception that you're going to have to live with?

A. I suppose so. What happened are the following things, in line with our objectives:

First, Daniloff was released with no strings; he left the Soviet Union before anything else happened.

Second, we announced that Zakharov would be released after going through the process here that is part of our court process; and that Mr. [Yuriy] Orlov and his wife, two heroic people and leaders in the dissident movement, would be released from the Soviet Union.

And **third**, and quite important, one of our basic objectives in all this was to make the point that the use by the Soviet Union, and other countries for that matter, of their UN delegations as a platform for espionage would not be tolerated. And so we have told them about reducing their numbers here; we have explicitly identified people that have to go. The numbers are in line with what we set out, and the process of the people leaving is well under way. So that's an important objective.

But it is also important that we maintain our ability to discuss the problems, the answers to which may be of great importance in the world, and we have done that.

Q. First off, Daniloff did arrive home yesterday, as we know it. Unfortunately it happened on the same day that Zakharov left here. Which at least suggests—

A. Not unfortunate, it's the way it—

Q. It does at least suggest equivalency.

A. I think the fact that Daniloff was released a day before doesn't suggest equivalency. I think the fact that Orlov was released, was announced to be released, at the same time that Zakharov was suggests maybe that was what was arranged.

The fact that we are getting our objectives as far as the UN arrangements are concerned suggests something about our objectives. But most important here, also, we are in a position, I hope, to make some progress on these problems that I think all of us would want to see resolved if it is possible to do so.

Q. But even with regards to the 25 at the Soviet mission, a couple of weeks ago it was all 25 had to leave and it was a blanket accusation they were spies. Now an extension has been granted, the numbers have been tampered with a little bit. Isn't that an accommodation of some kind?

A. The numbers haven't been tampered with. They asked for a grace period, and the President granted it. And we will discuss further—this whole issue of the UN mission and its use—no doubt in Reykjavik, or I will with Mr. Shevardnadze [Soviet Foreign Minister].

Q. I don't want to let you go without talking a little bit about South Africa because I know you went up to Capitol Hill to try to see what kind of votes you could muster to sustain the President's veto. Do you have enough?

A. I don't know. We are working on it very hard.

Q. What do you think?

A. I think it is very important that the Senate sustain the President's veto, first and foremost on the merits, because it seems to me this country wants to make a strong, clear, unequivocal statement about our attitudes and abhorrence of apartheid and our desire to see something changed so that we will have a kind of government where everybody can take part and where basic human dignity and rights are respected. That's what we want. And we are willing to help in all sorts of ways to bring that about. We want to make that clear, and what the President proposes in his Executive order, will do that.

We don't want to take steps that confuse a drive at apartheid with what amounts to a deprivation of jobs to the people who are the victims of apartheid. We are going to make them unemployed as well. I don't see that that makes any sense. Furthermore, what the Senate bill, the Congress bill, will do is cause the United States in effect to withdraw from South Africa. If we're going to have an impact, we ought to stay there, and we ought to be part of the effort to solve the problem.

Q. If the decision to override the veto, and if things remain as they stand, carries through in the Senate, is that going to force a reassessment of South African policy inside the White House, or are we going to have a two-track policy?

A. You can't have a two-track policy. The Congress takes over the policy. There is no way they can manage it. And there is nothing, it seems to me, good to be said for withdrawing from South Africa.

Q. Senators would say that they aren't withdrawing, that instead the White House forced their hand by inaction.

A. There's no inaction. There is a tremendous amount of effort going into not only our policy in South Africa, but southern Africa generally. I wonder where these people are who don't seem to have thought about the problems that some of the countries around South Africa will have if the Senate is successful in bringing the South African economy to its knees. What's going to happen to those people? There has been very little thought given to that.

Q. Let me go back again if I might, in the final 2 minutes we have left, to Reykjavik. As the President and you noted on Tuesday, this was a meeting proposed by General Secretary Gorbachev. How do you read his motivations in this?

A. We can speculate about that, but I think what we have to do is consider a proposal of that kind from our standpoint and ask ourselves, is this a good idea, given the amount of preparatory effort that had taken place, particularly through the summer, and given the importance of the problems, given our desire, as theirs, to see the summit meeting in the United States be a productive meeting? The President has always said that.

As the President thought about it and as we talked about it, we thought well, it's a good idea, so let's go and grapple with these problems. I think the world expects its leaders to go and try to resolve these problems.

Q. One of the side effects of all this—and we've got less than a minute left; I'll have to caution that—has been that you spent over 20 hours within the past week with Foreign Minister Shevardnadze. How much better is your one-on-one relationship with him than it was say, a month ago?

A. As you say, we've spent a lot of time together and we have on a personal level a good, straightforward relationship so that we sit down and we converse and argue about these things.

Q. Would you give him any better marks in statesmanship than you would have before?

A. We worked it out together, and I think that it is a good result from the standpoint of the United States. I hope he thinks it's good from the standpoint of the Soviet Union. And maybe we can go on and see something good accomplished in Iceland and in the United States.

[1]Press release 193. ■

Secretary's News Briefing of October 2

Secretary Shultz held a news briefing with American journalists in New York City on October 2, 1986.[1]

Q. You have described Daniloff [Nicholas Daniloff, *U.S. News & World Report* correspondent] as a hostage—you and the President both have used that precise word—and you have negotiated with the Soviets about his case, among others.

Two questions: What does that do to the U.S. policy of never negotiating for hostages; and (2), do you think that is going to be a precedent that is going to come back to haunt you?

A. We are ready to discuss with anybody the situation of our hostages in Lebanon, and we are doing everything we can to secure their return. But that doesn't include paying a bribe or trying to get the Kuwait Government to release convicted murderers and terrorists from jail, which is what—at least, it's alleged—the people holding our hostages want.

Of course, we are frustrated in our efforts to know exactly who it is that does all those. So our discussions have an indirect kind of aspect to them, but we work hard to try to free those hostages.

In the case of Daniloff, let me try to set this whole series of events in its full perspective, because obviously we don't like the precedent of seizing an American whether he's a journalist or a businessman or whoever he may be and charging him with something that he's not guilty of and then demanding something in return. That's a very unattractive arrangement. We resist it.

So here is the way I think of this case and here's the way it's unfolding. For a long time, in the United States, we've been concerned about the size of the Soviet mission in the United Nations and the use by the Soviets of that mission for espionage purposes. That goes through a number of Administrations.

The President decided—we decided in this Administration—we're going to do something about it. So last March we told the Soviets that they had to reduce the size of their mission. We gave them a number, by April of 1988, and specified tranches, the first one of 25, with a series of dates, and the first date was October 1.

Last August we arrested Zakharov in an act of espionage but this was after being on to him for sometime, so there was a great deal of information that the FBI has about his violations of our law. This is just that particular thing that happened when he was seized, so it's a very solid case.

Subsequently, the Soviet Union seized Daniloff and charged him. Meanwhile—I forget the exact day and the sequence is somewhere in between—the Soviet Ambassador in the United Nations made a very defiant statement about their unwillingness to comply with our statement that they had to reduce the size of their mission. You can look up the words, in fact; we've got them around somewhere, but it was a very confrontational statement.

We, of course, knew that, in fact, the size of their mission had been reduced because when somebody leaves the country, we know it. But unless we have a conversation with them, we don't know whether a person who leaves and has a multiple-entry visa is intended to be brought back or not so we can't be sure of the size without a discussion with them of what their plan is. And this defiant statement and the lack of any communication or willingness to communicate made it hard for us to know for sure just what was happening, but we had a general idea.

Now, after his defiant statement, we decided, all right, it took 25 to get from where you were down to our number, so here are 25 names, get them out by October 1.

In the discussions that have taken place, there has been a sequence of events in which Daniloff was first released, without trial, and he's back, he's free. Zakharov was released after pleading *nolo contendere*, which anyone charged is entitled to do if they want to through our system, and has been allowed to return to the Soviet Union. And Orlov [Yuri Orlov, Soviet physicist and human rights activist] and his wife will be allowed to leave the Soviet Union by the 7th of October.

Meanwhile, through our discussions, we have been assured by the Soviets that their numbers in the mission—the number I was given by Mr. Shevardnadze—was lower than the number that we required of them although there may be some ambiguities because of who you count, who they count, who the United Nations tends to count, and who we count. But, at any rate, it's clear that they have gotten that number down to the number required, so we have that assurance.

Insofar as the 25 are concerned, our requirement that those named individuals leave stands. They provided some information about the whereabouts of some of them, some eight that were not in this country; they were in the Soviet Union. So I said, well, what is the intent? Is it your intent to have them come back or not? I was told that the answer was not, and others who were in the process of leaving, and they asked for a grace period which the President granted.

Of course, we keep very careful track of who leaves the country. So when somebody on this list leaves the country, we know it. That person may have a multiple-entry visa so we don't know whether there is any intent to

return. However, it is within our authority, if somebody leaves under those circumstances, not to permit that person to return.

I have the number, the precise number, that according to our observations and the FBI, they believe have left but just out of care, not to be more precise, than I feel really comfortable with, I'll stay with the statement I've made: That the majority of those in the 25 have left. Our information on that comes from our information about names of people who took off.

Putting this into the perspective of things, our object, in what in a sense started all this round was our determination to get at this use of the United Nations as an espionage platform. We have succeeded in getting numbers down, we have succeeded in getting named people out, and we will persevere in that.

I think from the standpoint of the message of what happens when we take action against espionage, we have done something that is more fundamental. That is, we are in the process of reducing the number of people who have intelligence affiliations of some kind who are stationed in the mission, in the first place. And, as you know, there's a difference between the way a person who is in their regular diplomatic mission, say, in Washington, and has diplomatic immunity, is treated when that person is found commiting espionage and the way a person who doesn't have that immunity is treated.

When we catch a UN-affiliated person, that person is then held here, charged, tried, and so forth. When a person in their Washington mission is found conducting espionage, the person is expelled. And when they allege that they have a case against somebody in our mission, they expel them and that takes place.

But we feel that the existence of the United Nations, and the United States as a host country for it, cannot be allowed to, in effect, create an asymmetrical situation and provide this asymmetrical intelligence opportunity.

What I'm trying to get across to you is that beyond the ins and outs of Daniloff and Zakharov and Orlov, there is this broader question and the broader effort on the part of the U.S. Government to get at this broader question, and we have taken specific action, and we are being successful in it. So that's the basic way in which we're addressing this problem.

That's a long answer to your very good question. It's a good question and it's a difficult question, but this is the way we have addressed it.

Q. If that's the case, why don't you knock back the number of Russians at the Embassy in Washington? Considerably more Russians are there than Americans in Moscow.

A. The numbers of Americans and Soviets in our regular missions is not the same now although we have been building up the number of Americans and our plans for providing the right kind of security in our mission call for us to expand the number.

We have, historically not only in the Soviet Union but throughout the world, hired people from the host country—the Soviets never do—to do certain kinds of tasks. Basically, what you're allowed is to perform certain functions. If you want to perform them with host country nationals, you can. If you don't want to, you don't have to. So we're changing the structure of our employment for, I think, very good reasons and that's something that's underway.

I think the answer to your question is that we do want to see an equivalence in that regard.

Q. You've had quite a week of negotiating with the Soviet Foreign Minister and most of that in absolute total secret, which must have delighted you because you've often said that you think that's the way negotiations should be conducted.

Now that that phase is concluded, I wonder if you can tell us some details of the sessions, especially when you believe that the situation began to be clarified and you began to think there really was a chance this could be settled and negotiations got serious? And if you could just share with us as many details as you can about how the deal was put together, and also your impressions of your counterpart.

A. I've just finished describing in some detail how we have thought about this problem, going back to last March, and what we have been doing about it, and I don't want to go into the ins and outs of how we tried to arrange it so that we got what we think is a satisfactory outcome.

Obviously, this is an on-going problem because the espionage problem is on-going here, and we continue to bear down on it.

Q. Can you at least deal with the turning points, the letter, and the effect that had on you in the decision to put—I gather the decision to put Iceland on the table with a stipulation that without Daniloff, no Iceland? Or the 40-minute rushed meeting over here at the United Nations at the Soviet request—can't you put any of those into perspective as to the roller-coaster that you've been on?

A. It's hard to do it because I don't know what affects somebody else and what doesn't. And to a certain extent, when you're engaged in this kind thing, you are engaged in an exchange and you are, of course, trying to make assessments of that kind, but I don't want to go into it too much.

I do think that the President, himself, made a major impact on the day of the first meeting that Foreign Minister Shevardnadze and I had. I had arranged it with the President that if I thought—and it was my call—it would be useful to bring him over to the Oval Office to meet with the President, I would be able to call. We knew the block of time when the President would be free and able to meet with him.

I felt that it was timely so I called, and we went over. At that meeting Shevardnadze presented the letter from Gorbachev and its various proposals. And then the President told Shevardnadze his view of this question and of their behavior in their seizing of Daniloff and what he thought about it. In fact, that the President was absolutely sure he wasn't a spy because we knew that Daniloff was not being paid by the U.S. Government, he was not engaged in espionage in that sense, and that's the way we defined the term.

The President—as you know, he's very genial and pleasant and is the guy people would most like to sit next to at a dinner party and he's gregarious and good humored and everything, but he can also be very tough.

He was crystal-clear. I know that it must have had some impact because in our next meeting Mr. Shevardnadze opened up by saying, "The President is really worked up about this isn't he?" [Laughter] And I said, "You better believe it." So I think if they had any doubts in their minds that this was very serious and there was no way things were going to go forward as long as Daniloff was held in the Soviet Union, they were convinced. I'm not saying that they didn't know that beforehand, but that was one point in all of this that was quite pronounced.

Q. There had been reports that two of the people regarded most seriously as Soviets spies are being allowed to stay here—Mr. Savchenko and Mr. Skvorstov. Can you comment on those reports and tell us what we know about what those two men do?

A. As far as we're concerned, we gave a list of 25. The list stands. Most have left, according to our information. I understand that some Soviet spokesman said otherwise, and so there's a difference of opinion. Our information is based on knowing who gets on an airplane and takes off, so it sounds like pretty good information to me.

But, at any rate, our list stands. I don't know where are the sources about stories or names; I haven't heard any names. The origin, to me, of any comment about two or three people is simply that in our discussions, Shevardnadze commented to me that there were two or three people who had been essential to him as he performed his duties here at the United Nations. And, as you know, he, just as I do, meet a great stream of people in your shifting from one part of the world to another, and so on. So you have people who prepare papers and help you get briefed, and so on. So you can't get along without good staff help.

I said, well, I can understand that. On the other hand, you're going to be leaving Tuesday so you won't need them. So there were two or three people. I don't know whether he intended that to mean that he wanted to discuss some people or not.

At any rate, undoubtedly, we'll come back to this issue at Reykjavik, the two of us. But as far as we're concerned, we have (a) given a number, and they are meeting that number; (b) given a list of 25. Most of those are out and the list stands, subject to the grace period. (c) We have told them that if that number brings them below the number that we specified, then they're free to build back up to that number during the period before the next tranche if they wish to, but not with people who have intelligence affiliation.

Q. Just to follow up and clarify one point on what you just said. The way I read what you just said, you are saying that those—at least the fate of those two or three, and perhaps others whom you have not discussed, are up for further discussions between you and Shevardnadze at the Reykjavik summit and that the fate of those people may yet change; they may not have to leave the United States, depending on what discussions you have at the summit with Shevardnadze. Is that correct?

A. We have a list of 25—that stands—and I violated my rule of not telling you about the insides of these things, but I just related something that he said to me, and what I said to him. But if that goes anywhere or not remains to be seen.

Q. Could you talk about the Iceland meeting? In other words, a couple of questions in my mind. The Administration, of course, has been making a point of wanting to get a firm date for the meeting in the United States. It seems extraordinary to me that you would agree to this meeting in Iceland unless you had some assurances ahead of time that at the meeting you would get a date on the U.S. visit. Otherwise, I don't see the point of this meeting. I mean, can you discuss what you're hoping to get out of the meeting?

A. First of all, while we believe that meetings between the heads of state are basically desirable, we think that their usefulness over the long term and, for that matter, immediately is much greater if they are well-prepared and have significant results associated with them. That has been the President's position from way back. It hasn't changed.

We think that a meeting in 1986, which was agreed to in Geneva, is a good idea according to those criteria, and presumably they think it's a good idea because they, accordingly, too, have been engaging with us in an extensive and intensive preparatory process through which in regular fora and elsewhere the differences on quite a variety of issues have been narrowed, clearly identified, sometimes eliminated. We are in the process in our negotiations in Geneva of trying to push that further.

In the Gorbachev letter to the President, he made the suggestion that a brief, less formal meeting between the two at this juncture could make a contribution to that preparatory effort for a U.S. summit. There hasn't been any suggestion that they're backing away from the United States, and the President thought about it, we talked about it, and we thought, well, maybe it could help, so we should give it a try. And so the President accepted the idea of a meeting in a third country. Of course, we said that while we would be ready to do this in principle, we didn't see any point in trying to set dates and be specific about it as long as Daniloff was in the Soviet Union, because you couldn't really imagine a fruitful meeting under those circumstances.

That's the background of it, and what we hope to accomplish is some further illumination of the issues and clarification of them, perhaps narrowing of them, and the energizing of our respective delegations to try to find agreement.

How much influence it had, I don't know, but it is the case that the meetings that I had with Shevardnadze—that is, the plenary ones where we weren't talking about Daniloff and we weren't talking about various other human rights issues which I always have on my agenda with Soviet leaders, absolutely always. In the plenary sessions, we discussed, among other things, the CDE [Conference on Confidence- and Security-Building Measures and Disarmament in Europe] conference which was then in its final stages, and we gave—what should I call them—impulses to our respective delegations. And whether that helped to bring it to a final conclusion, I don't know, but I don't think it hurt any. Sometimes these things do help, and I hope that that is the case. We felt that it was worth the effort to try. That's what leaders are for: to try to come to grips successfully with these issues that are of great and enormous concern.

Q. But do you have any assurances that they will then agree at Iceland to a date in the United States?

A. We've talked about this as preparatory to the planned U.S. summit. And through my discussions with Shevardnadze, we can see that that may still be possible in 1986; and it's very clear that they also have very much in mind their desire to have the President visit the Soviet Union in 1987. So that's basically the rhythm of what was established in Geneva, and I can't say for sure that that's the rhythm that will be followed, but I think that seems to be the basic track we're on.

Q. There's a published account today of a meeting in mid-August—I think August 14th—attended by you, Mr. Poindexter [Vice Adm. John M. Poindexter, Assistant to the President for National Security Affairs], and some others in which a decision was reportedly made to launch a disinformation campaign concerning Libya—reports that information was made available to newspapers, including *The Wall Street Journal*, that produced

stories indicating more concern about Libya than the intelligence reports actually caused. Can you comment on these? Did this happen? Is there a disinformation campaign against Libya?

A. I never comment on classified material or meetings of that kind. But I will say this: That Qadhafi has involved Libya in numerous acts of terrorism which have killed many people, including some Americans. We think he is basically an outlaw. We have taken action against him. We have been glad to see that others have also found a great deal of intelligence about what he's doing and have also taken actions.

It was a very good thing that this was recognized at the Tokyo summit, and Libya was indentified by name. And it was also very interesting that when we took our action against Libya, contrary to the expectations of many, the Arab world did not rally to his side. And that probably had something to do with the very evident unease and sense of dislocation, from all of our intelligence, Qadhafi exhibited.

Insofar as he is concerned, we think he's a menace, and we want to see the activities of Libya stopped. Exactly what we are and intend to do about it, I don't think it's appropriate for me to say. But we have shown that we're willing to take direct action. We have shown that we have applied a very broad range of sanctions to his activity. We do have various things going on that are difficult for him to know exactly what they mean that perhaps keep him off balance. And, frankly, I don't have any problems with a little psychological warfare against Qadhafi.

It's very easy, and you people in the news business enjoy not allowing the United States to do anything in secret if you can help it. So if the fleet moves from one place to another, you're bound and determined to report it. Even though we might want to have it operate secretly, it's very difficult for that to happen.

We can absolutely bank on the fact that if the fleet does something or other, you'll scream. And Qadhafi will hear it. And the fleet may or may not be getting ready to do something. So that's about what I'm going to say on that subject.

Q. What about the AIDS quote? Can you just clear that one up?

A. The what?

Q. You were quoted as saying in a joking way that you hoped Qadhafi could get AIDS.

A. I have no comment on statements that somebody who probably wasn't there may incorrectly attribute to somebody who was there. And I think the business of talking about meetings, and so on, is a despicable thing that people in the U.S. Government do, and I'm not going to consider it.

Q. Was there any sign of increased Libyan terrorist activity in August; and, number two, are you denying that this meeting took place, or are you not commenting? I mean, this is a very serious charge that you had a meeting where you decided to mount a disinformation campaign.

A. Why is that a charge? If I were a private citizen, reading about it, and I read that my government was trying to confuse somebody who is conducting terrorist acts and murdering Americans, I'd say, "Gee, I hope it's true." I don't see why you think this is a charge.

Q. I think there's a problem. The issue is there is a deliberate program of misinformation, and it's not only Qadhafi who gets confused but the American people who get confused.

A. Without being able to be precise, it's difficult to plot whether there is an increase or not an increase. There is a disposition toward it by Qadhafi and Libya. For quite a period of time, it was clear he was thrown way off, not only by our action but by the actions of the Europeans in expelling all these people as they found information.

So there was a relatively quiescent period. We felt that it was beginning to change for various reasons. Precise intelligence right now is not altogether clear, but there have been a number of terrorist incidents recently—or incidents isn't the word—tragedies, horrors—and I don't rule out that Libya was involved, for example, in the Karachi—I'm not saying they are, but I wouldn't rule it out.

So, yes, there has been some increase in sort of the volume of what you see from various intelligence sources. Different people might evaluate it in different ways, but, nevertheless, there is substance there.

Q. You had a conversation with the Syrian Foreign Minister yesterday, in which we were told—went into considerable detail about the hostages in Lebanon. Is there any progress being made on that issue?

A. I hope so, and we work on it constantly, but there's no progress worth reporting except that they become free. They're either free or they aren't free. And so we work at that from every conceivable angle. I never miss an opportunity to talk to the Syrians about the subject.

How much influence they have is the question. What they have done is they have been a country to which hostages have seemed to come, and out of which they were released. And they have handled that aspect of it very well. That's different from being the party responsible for getting them released.

Q. I would hate to see this finish without a clarification on the issue of disinformation. Let me pose it a different way. It seems to me as a journalist that if the government is knowingly misinforming or lying to further a foreign policy goal, that causes me problems. What you are saying is, as long as it furthers a foreign policy goal, that is okay?

A. I know of no decision to have people go out and tell lies to the media. I think, however, that if there are ways in which we can make Qadhafi nervous, why shouldn't we? And I described one of them. That is not deceiving you, but just using your predictable tendencies to report things that we try to keep secret, so we will label it a big secret, and you will find out about it, and you will report it. We know that. The higher the classification, the quicker you'll report it. So you're predictable in that sense.

But I don't believe in telling lies, myself. I would call your attention, however, to—and this is—I probably shouldn't even say this, because you'll give the wrong interpretation, but there's a wonderful book which you might read that was written about World War II. And the title of it is a quote from Winston Churchill who said, "In time of war, the truth is so precious, it must be attended by a bodyguard of lies."

And the book is about the very great effort to deceive the Nazis and to float reports of one kind or another that would make them think something was about to happen that wasn't about to happen, and so on.

Q. There was a declaration of war at the time.

A. And I think that insofar as Qadhafi is concerned, we don't have a declaration of war, but we have something pretty darn close to it.

---

[1]Press release 200 of Oct. 3, 1986. ■

Prospects for the Vienna CSCE Follow-Up Meeting

by Warren Zimmerman

Statement before the Commission on Security and Cooperation in Europe on September 11, 1986. Ambassador Zimmerman is head of the U.S. delegation to the Vienna follow-up meeting of the Conference on Security and Cooperation in Europe (CSCE).[1]

I welcome this opportunity to meet with you, and the other members of the Commission on Security and Cooperation in Europe to discuss the Vienna follow-up meeting of the Conference on Security and Cooperation in Europe (CSCE) which opens on November 4, 1986. This will be the third such meeting. The first was held in Belgrade in 1977–78 and the second in Madrid from 1980 to 1983.

As you know, I am no stranger to the CSCE process, having served as deputy chairman of the U.S. delegation to the Madrid follow-up meeting from 1980 to 1981. I am, thus, more aware than most of the crucial role which the commission and its staff have played over the past decade in advancing the goals of the CSCE process, especially in the field of human rights. The U.S. delegation to the Vienna meeting will, once again, draw heavily upon your expertise; indeed, the commission will be represented on the delegation itself at the level of deputy chairman as well as by members of your very experienced staff. I look forward to a close and productive relationship.

As at Madrid, we will also have a group of distinguished Americans serving on the delegation as public members, which we hope to announce soon. And we will continue to stay in close touch with nongovernmental groups which also have made an indispensable contribution to the CSCE process.

The CSCE process began in Helsinki in 1975 with the signing of the Final Act by President Ford and 34 other leaders. This basic document sets out a statement of principles governing the conduct of states toward each other and toward their own citizens and provides a framework for discussion of the security, economic, and human rights problems which underlie the unnatural division of Europe. Last March, Under Secretary [for Political Affairs Michael H.] Armacost briefed you at some length on the Administration's approach to the Helsinki process, which remains its position.

Today I will briefly assess the Helsinki process and then outline our basic objectives for the Vienna meeting, as well as those of our West European allies and the Soviet Union.

The Helsinki Process

The question of "who won and who lost?" in Helsinki has been roundly debated during the past decade. In fact, that is the wrong question. Everyone must have gotten something out of CSCE, since all 35 CSCE states remain interested in having the process continue. I would rather rephrase that question to "who gained the most and who gained the least?"

In my view, the Soviet Union has clearly gained the least, both at Helsinki and in the evolution of the CSCE process.

With regard to the Helsinki Final Act, Soviet objectives were basically to legitimize the division of Europe, highlight the central role of the state *vis-a-vis* the individual, and focus CSCE exclusively on the Soviet vision of pan-European security. While the U.S.S.R. succeeded in recording a principle on the inviolability of frontiers, even this principle was tempered by language that frontiers could be changed by peaceful means and by agreement. In fact, the Final Act much more clearly reflects the Western agenda in CSCE. It looks toward the peaceful reunification of Europe, opening the door for increased East-West contacts. It underscores the rights and freedoms of individuals, establishing standards of government conduct *vis-a-vis* its own citizens. Finally, it provides a balanced focus in which human rights are recognized as a fundamental element of genuine security in Europe.

The Soviets totally failed to foresee the consequences of the commitments they assumed in Helsinki. They no doubt felt they could simply ignore these commitments, as they had those in the UN Charter and the UN Declaration on Human Rights. In fact, they were confident enough to publish the complete text of the Final Act in *Izvestia*, thus making it available to every Soviet citizen for the price of three kopecks. The Helsinki monitoring groups that grew up in both the U.S.S.R and Eastern Europe were a major unwelcome surprise to the Soviet regime.

Yet another blow was the fact that the follow-up meetings in Belgrade and Madrid focused on exposing Soviet human rights abuses. The effect of this persistent publicity about the true nature of the Soviet system is even now insufficiently understood, in particular regarding the role it played in the reversal of the Soviet image in Western Europe in the early 1980s. The period of the Madrid meeting (1980–83) witnessed a dramatic decline of the pro-Soviet left in France, a West German decision to deploy U.S. intermediate-range nuclear missiles on German soil, and sustained popular support in Britain and Italy for governments committed to strong security ties with the United States.

The Madrid concluding document also made a significant contribution in advancing the fundamental goal of the Helsinki process of increased openness. In a statement before the Madrid conference, Secretary of State Shultz praised the addition of "important new commitments with respect to human rights, trade union freedoms . . . free flow of information, and measures against terrorism as accomplishments of Madrid.

Madrid also provided an important opportunity to advance our goal of finding concrete ways to increase confidence and security in Europe. The mandate adopted in Madrid for the Conference on Confidence- and Security-Building Measures and Disarmament in Europe (CDE) both expanded the zone defined in the Final Act to cover Soviet territory west of the Urals and codified key Western criteria that measures adopted should have military significance and be verifiable.

Despite early Soviet efforts to turn CDE into a forum for empty, propagandistic declarations, the West has been highly successful in keeping the Stockholm conference focused on its own agenda. The United States is working hard to achieve a successful conclusion, by the September 19 adjournment date, which will enhance stability and security in Europe through adoption of such measures as mandatory notification of military activities at a significantly reduced threshold, mandatory observation, and an annual calendar of planned activities. Adoption of certain CDE measures, such as mandatory on-site in-

spection on Soviet territory, could also have a favorable impact on other U.S. arms control endeavors.

Despite these gains, it is true that overall Eastern, and in particular Soviet, compliance with CSCE obligations, especially in the human rights area, remains seriously flawed. Andrey Sakharov and Elena Bonner remain under house arrest in Gorki, and Yuriy Orlov, Anatoliy Marchenko, and other Helsinki monitors are either in prison or internal exile. Also the number of Soviet Jews permitted to emigrate fell from 51,000 in 1979 to barely more than 1,000 last year.

The record of Soviet violations has led some observers of the Helsinki process to argue that the United States should abandon it altogether. I accept the good faith with which that argument is made, and I share the frustration with Soviet violations which has kindled it. Nevertheless I believe it is wrong. That argument, in my view, is akin to urging that we scrap the criminal code because there are people who break the law. I firmly believe that the Helsinki process has been and remains very much in the interests of the United States.

We must preserve that process in order to keep faith with those who struggle to realize the goals of Helsinki. I have personally asked a number of Soviet dissidents and "refuseniks" in Moscow and other parts of the Soviet Union if they felt CSCE was a waste of time. I never found one—and this includes Anatoliy Shcharanskiy with whom I discussed this subject last spring—who told me he wanted the process closed down. They felt rather that, despite the U.S.S.R.'s poor compliance record, the publicity generated by the review meetings on Soviet human rights abuses did, indeed, help them.

The Vienna Follow-Up Meeting

Our approach to Vienna will be governed by two overarching objectives. First, we must secure improved Eastern compliance with commitments already undertaken in the Final Act and the Madrid concluding document, particularly with regard to human rights. As promised in President Reagan's statement on the occasion of the 11th anniversary of the Final Act: "We will work to ensure that the upcoming meeting in Vienna will mark a step toward making the promises of Helsinki's first decade a reality in its second." Second, and equally important will be our efforts to pursue balanced progress across the board in Vienna to insure that human rights are given at least equal weight with other CSCE elements such as security.

In addition, I believe we will have an opportunity in Vienna to strengthen the relevance and effectiveness of the Helsinki process. In this context, we will consider whether shorter and more frequent follow-up meetings might not provide a greater stimulus for progress. We will also strive to lengthen the period of time devoted to implementation review and increase the openness of the process as much as possible.

To achieve our key objectives, we will seek a thorough review of implementation as well as balanced and constructive steps forward. In order to build pressure for improved compliance, as well as identify steps that can help bring that about, we need to concentrate attention on the East's record. That will mean devoting a substantial amount of time in Vienna to implementation review in order to establish a clear record of specifics and individual cases where CSCE commitments have been abused. Where productive, we intend to cite specific names and events in plenary session.

As always in CSCE, basket 3 and principle VII issues will be a central focus of our attention. As in the past, the emphasis will be to bring about improvements in the lives of individual, ordinary people. Our vigorous pursuit of human rights improvements will be consistent with the approach taken by the President with General Secretary Gorbachev at the Geneva summit; that is, emphasizing the need for concrete results.

Western ideas developed during the experts' meetings at Ottawa, Budapest, and Bern provide a wealth of material for us to consider in developing positive steps which could lead to real progress in improving the lot of individuals, reducing barriers, and broadening human contacts. Notwithstanding the frustrations we have encountered at experts' meetings, we believe these are worthwhile endeavors and should be part of the post-Vienna agenda. But overall, our proposals will be focused on and directed toward achieving better compliance with existing commitments.

Maintaining balance will be a central challenge for the Vienna meeting. This concept of balance ties the various strands of the CSCE together, based on the recognition that the humanitarian, security, and economic elements of the Helsinki process are interdependent. It is unrealistic to believe that real, enduring progress can take place in East-West relations without progress on human rights.

In Vienna we will have to weigh the results of the CDE, and the other experts' meetings, as well as the achievements and problems in all aspects of CSCE. If the Stockholm conference concludes successfully, security questions will probably receive prominent attention in Vienna. In the June 11 Budapest appeal, the Soviet Union and other Warsaw Pact states declared their interest in pursuing negotiations on disarmament from the Atlantic to the Urals. At their ministerial meeting in Halifax, the United States and its NATO allies established a high-level task force to examine ways to strengthen stability and security in Europe, through increased openness and the establishment of a verifiable, stable balance of conventional forces at lower levels. The task force will issue an initial report in October and a final report to ministers in December. While we cannot yet predict the outcome, the results of the task force study will no doubt have an important bearing on our work in Vienna.

The Soviets totally failed to foresee the consequences of the commitments they assumed in Helsinki. . . they were confident enough to publish the complete text of the Final Act in* Izvestia, *thus making it available to every Soviet citizen for the price of three kopecks. The Helsinki monitoring groups. . . were a major unwelcome surprise to the Soviet regime.

In determining our approach to security questions, we must be careful to insure that the security component is not allowed to dominate other aspects of the CSCE process. On the other hand, we must also remember that Soviet interests in security and economic questions will provide important leverage for us to secure our central human rights objectives. And we must bear in mind that important U.S. security interests are engaged in the CSCE process.

West European Objectives

With regard to the Atlantic alliance, the CSCE process has fostered and reinforced allied unity. The Soviets and others have worked very hard to use the CSCE process to split the United States from its NATO allies. Not only have they failed in these efforts, but I believe that CSCE has been a historic monument to alliance cooperation. In turn, alliance unity—in insisting on compliance with CSCE undertakings and on balance between security and human rights goals—has been essential to the progress we have made thus far. We must thus continue to present a united front if we are to make progress on issues of importance to us.

I believe that strong U.S. leadership and skillful alliance management both at NATO and Vienna will allow us to achieve that objective. Based on discussions I have had at NATO and in allied capitals earlier this year, I can assure you that our allies fully share our basic goals for the Vienna meeting. It is often forgotten in this country that, at the outset of the Helsinki negotiations in the mid-1970s, the West Europeans showed a stronger and deeper interest in CSCE and foresaw much earlier the importance of the human dimension than did the United States.

Since the 1977 Belgrade follow-up meeting, expressions of Western concern over Soviet human rights abuses have become increasingly frequent and specific. This approach has found considerable resonance among West European publics and has increasingly been endorsed at the highest political level. Thus, for example, during General Secretary Gorbachev's visit to Paris in October 1985, French journalists on both the right and the left grilled Mr. Gorbachev on Soviet failure to live up to the standards enshrined in the Final Act. Also during that visit, President Mitterrand insisted that movement in basket 3 of the Final Act take place at the same pace as in the other areas of CSCE. During President Mitterrand's visit to Moscow this July, he again raised the issue of human rights, focusing on family reunification and increased dialogue on individual rights.

Nevertheless, we need to recognize that our allies, for a variety of reasons, will pursue somewhat different approaches toward achieving our common objectives. They may not, for example, be as vocal as the United States in citing specific cases of noncompliance. Some may tend to emphasize the importance of CSCE as a process rather than as a negotiation. In my view, this diversity of approach will not weaken the impact of our combined efforts to achieve our mutual objectives of increased compliance and continued balance in the CSCE process.

Soviet Objectives

For years the Soviets sought to deflect human rights criticism by hiding behind the principle of "noninterference in internal affairs." The hollowness of this defense, however, has been exposed at successive CSCE meetings during which the Soviets have been forced to confront the facts of their poor record. The Soviets have begun to show sensitivity to such criticism, particularly when it adversely affects the image Moscow wants to cultivate in Western Europe.

Under the leadership of General Secretary Gorbachev, the Soviets appear to be changing their tactics. On the one hand, they have taken the offensive in charging the West with abuses of social and economic rights, and we can expect a long litany of allegations against the United States at the Vienna meeting. This change of tactic, however, concedes the legitimacy of raising human rights issues involving another country. We will, therefore, welcome the debate and will engage in it energetically.

Mr. Gorbachev has also indicated a greater willingness to talk about Soviet performance with regard to human rights. We can thus expect a more active Soviet effort in Vienna to refute

CSCE Follow-Up Preparatory Meeting

DEPARTMENT STATEMENT, SEPT. 23, 1986[1]

The United States, Canada, and the 33 other European states which participate in the Conference on Security and Cooperation in Europe (CSCE) begin a 2-week meeting today in Vienna. This meeting will prepare the agenda and working program of the third CSCE follow-up meeting which opens there November 4.

The U.S. delegation, headed by Ambassador Warren Zimmerman, will seek to assure that the practical arrangements adopted at this organizational meeting will facilitate achievement of our substantive goals for the follow-up meeting itself.

As at previous follow-up meetings—in Belgrade in 1977–78 and Madrid 1980–83—this one will address the full range of issues covered by the Helsinki Final Act which represents a framework for seeking to resolve the humanitarian, economic, and security issues that divide Europe. The Vienna meeting will review the results of various subsidiary CSCE meetings held since Madrid. These include meetings on human rights, human contacts, and culture, as well as the outcome of the Stockholm Conference on Confidence- and Security-Building Measures and Disarmaments in Europe (CDE).

The Stockholm conference, which reached an accord on confidence-building measures Monday [September 22], is an integral part of this broader CSCE process which recognizes the interrelationship between peace and freedom in Europe.

The follow-up meeting in November will take stock of the promises made and the promises kept and weigh the balance among the various dimensions of the CSCE process. The United States and its allies will seek improved compliance by the East with all the principles and provisions of Helsinki and Madrid. We will also seek to promote balanced progress among the different dimensions of the CSCE process. In particular concrete steps by the East to resolve problems in the areas of human rights and humanitarian cooperation are needed. The question of the future of the CDE will be addressed at Vienna in this broader context.

[1]Read to news correspondents by Department deputy spokesman Charles Redman. ■

Western efforts to record and correct Soviet abuses. We will also have to guard against allowing the Soviets to gain credit for this increased willingness to discuss human rights as a substitute for actual, concrete performance on the human rights front. In this regard, we must continue to insist that words and promises be backed up with specific deeds.

The Soviets have also indicated a strong interest in progress on security and economic issues. While we will have to examine any Soviet proposals in each CSCE basket in the context of Western objectives and proposals in these areas, I believe that they can help us, via the principle of balance, to advance our goals with regard to improved compliance on human rights.

Conclusion

We have been working closely with the commission in developing and refining our strategy for the Vienna follow-up meeting. I look forward to continued close collaboration as we enter the final stages of preparation. As in Madrid, we will rely heavily on your skills, expertise, and judgment.

Given the Eastern record on human rights issues, the Vienna meeting is likely to be a difficult conference. Nonetheless, I am confident that progress is possible. As President Reagan noted in his statement at the close of the last review meeting 3 years ago: "Dialogue, when based on realistic expectations and conducted with patience, can produce results. These results are often gradual and hard won, but they are necessary buildingblocks for a more secure and stable world."

[1]The completed transcript of the hearings will be published by the commission and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

A Discussion on U.S.-Soviet Relations

Following is an interview with Ambassador Paul H. Nitze, Special Adviser to the President and the Secretary of State on Arms Control Matters, and Mark Palmer, Deputy Assistant Secretary for European and Canadian Affairs, by broadcast journalist Nelson Benton on June 16, 1986.

Introduction

Mr. Benton: Hello, I'm Nelson Benton. Welcome to the State Department's program on U.S.-Soviet relations. Today, we will examine U.S. policy toward the Soviet Union; what it is, and how it got that way, and what the prospects are for improved relations. Figuring heavily in this equation is the complex issue of nuclear arms.

In November 1985 President Reagan met in Geneva with Soviet leader Mikhail Gorbachev, seeking a better relationship between the two countries and ways to reduce the nuclear arsenals of both sides.

Over the past two decades, some Soviet-American agreements have been reached; some treaties have been signed. But international tension has always clouded the quest for improved Soviet-American relations.

In 1981 President Reagan initiated new negotiations. Their objective: to bring about deep reductions in nuclear weapons. Today, that quest goes on.

Interview

Mr. Benton: What are the prospects for improved relations with the Soviets? How can we solve this complex problem of nuclear weapons? To discuss these issues from the perspective of the U.S. Government, we have with us today two distinguished diplomats.

Ambassador Paul Nitze is a giant in the world of diplomacy, a man who has served as adviser to Presidents since Harry Truman. He is recognized as the expert in arms control, a principal negotiator of the 1972 Anti-Ballistic Missile (ABM) Treaty, present at the Kennedy-Khrushchev summit in Vienna in 1961. He has dealt with the Soviets across the table throughout four decades. Today, he is special adviser on arms control to the President of the United States and to Secretary of State George Shultz.

Mark Palmer is a Deputy Assistant Secretary at the Department of State. He has played a key role in U.S.-Soviet relations for 5 years. He's worked on Soviet affairs for over two decades. He has served in the Soviet Union and was a Senior Assistant to Secretary Shultz in planning the Reagan-Gorbachev summit in Geneva. He holds the personal rank of Minister-Counselor and has been nominated by President Reagan to be the next U.S. Ambassador to Hungary.

Mr. Nitze, let me ask you first. You have negotiated with the Soviets throughout the postwar period, what have you learned about their negotiating techniques over that long time?

Ambassador Nitze: The Soviet Union goes at the negotiations in a way which is much more closely designed to get the better of the other side in a negotiation. Therefore, they go into a negotiation with very extreme demands—very self-serving to their position. Then the second point is that they use every outside influence that they can develop to bring pressure on the other side to make the concessions that they want. They really don't believe that anybody in the West is going to give them some concession because they're fair and equitable. Then, finally, when they think that the situation has become ripe for some kind of negotiation, then they offer a rather small concession for and, they insist, for at least an equal concession on the other side. But if you start from unequal positions, then obviously that leads to a position of advantage to them in the negotiations. And, finally, they also believe that it is important to ensure that the final negotiations take place against a deadline. They think they're in a better position to get a better deal if there's a deadline.

Mr. Benton: Let me ask you, Mr. Palmer, do we have a comprehensive, long-range policy toward the Soviet Union? What are its components?

To obtain a videotape of this interview please contact:

Bureau of Public Affairs
Special Projects Staff
U.S. Department of State
Washington, D.C. 20520

(Tel.: 202–647–2353)

Mr. Palmer: We look at the great sweep of our relations since the Second World War, and we have to recognize that it is a difficult relationship. The norm over the last 40 years or so has been problems, not successes; not cooperation but difficulty and antagonism. And I think realistically one has to recognize that the Soviet world view is profoundly different than ours and their system is profoundly different. Therefore, it's no use sort of saying let's have some simple solution, let's just talk to them a little bit more, smile a little more, and the relationship will be transformed; it won't. And if you proceed that way, you're bound to have very sharp vacillations of rising expectations, and then something like the Korean airliner or Afghanistan will come along and your strategy will be in a shambles.

So we believe we should proceed steadily, recognizing, being realistic about the nature of the differences. Secondly, we believe that given the size and scale and power of the Soviet Union, it's important to recognize that they will only respect us and deal with us on a basis of equality if we're strong—strong not only militarily but also strong in terms of politics—recognizing that the struggle in the final analysis is a political struggle, that the Soviets believe that history is moving in their direction. But the third element of our approach is, of course, negotiations and engagement.

And with all the difficulty, I think it's important not to despair. Results are possible. We have had times when things have been achieved which have been valuable for them and for us and for the world. And President Reagan has a very ambitious, perhaps the most ambitious agenda of negotiations that we have ever had. He wants to do away with all nuclear weapons; he wants to have an unprecedented scale of people-to-people exchanges. It's those kinds of bold ideas that we think are important, and that's our agenda. We want to touch all of the key areas: arms control; regional problems like Afghanistan, Middle East, southern Africa; human rights, a very important part of our agenda; and all this broad scope of bilateral things from trade to people-to-people programs. That's our agenda.

Mr. Benton: What about the problem of dealing with human rights and the Soviet Union. Can we have a practical effect on the human rights practices of the Soviet Union?

Mr. Palmer: Within certain limits we can have, historically we have had. There've been periods in which things have happened: large numbers of emigrants have been permitted to come out of the Soviet Union; prominent dissidents have been released from jail. And, in the context of this last summit, we did see some results. I went to Germany to greet Mr. Shcharanskiy when he came out. One of the most exciting moments of my life was seeing this marvelous, courageous, funny, moderate human being finally released after a terrible ordeal in the Soviet Union. One of the reasons why you didn't hear more at the time of the summit is that the President believes that the most practical approach is for him to develop a quiet relationship with Mr. Gorbachev on this issue, so that while we as a people and a government will continue to speak out about human rights very vigorously, he wants to have this special ability, as President Nixon had that special ability, to produce practical results in the human rights field.

Mr. Benton: Mr. Nitze, why has President Reagan decided that we will no longer be constrained by the limits of the SALT II [strategic arms limitation talks] Treaty?

Ambassador Nitze: The President started off feeling that the SALT II Treaty was a flawed treaty, but he also thought that negotiations with the Soviet Union were important. And he thought it would help the process of negotiations if, at least for a certain period of time, the United States were to restrain itself, exercise restraint with respect to its programs so it stayed within the limitations of SALT II—which have never been ratified and which would have expired by 1985—provided the Soviets did the same and provided there was time, they were prepared seriously to negotiate. Now that decision he made in 1982. So that, you know, a number of years have gone by since that 1982 decision. He has said, however, that he will feel himself, the United States, not to be constrained by those limits—because of the passage of time, because of the fact that the Soviets have not restricted themselves to the restrictions of SALT II.

Mr. Benton: The role of summitry—summitry and arms negotiations at this point seem so totally tied together. What is the role of summitry and the linkage to arms control negotiations?

Mr. Palmer: One American who's dealt with the Soviets since the time of Lenin said to me that they are a system—that everybody is afraid of the man next above him, until you get all the way up to the very top. And it's only the very top man who really can make decisions on anything of any importance. And I would say that is the critical reason for summitry. You've got to, when you want to do something big and ambitious, you've got to get to that man. Everybody down below is more or less a nervous bureaucrat and isn't willing to take that kind of big step.

So the President has outlined, as you know, a three summit agenda which is unprecedented, I think; we've never had a proposal and a concept for three summits in very rapid succession in order to bring about these kinds of big agreements. So I would say that, if one approaches summitry in the right way, it is necessary to get the kinds of things we want.

Mr. Benton: Given the fact that General Secretary Gorbachev is new in his job, isn't a summit from pure internal political purposes very much to his advantage in establishing his power in the Soviet Union?

Mr. Palmer: I think that's absolutely right if it goes well. If it goes badly when you're still trying to consolidate your power, of course, it can go very badly from your own personal point of view. And I think that's what we're seeing now—a little uncertainty on his part about whether he wants to go ahead with a commitment that he made in writing to a summit this year in Washington and a summit next year in Moscow. My sense, however, is that he still sees some advantages. And that, as the President has said, we're very committed, and we hope very much that the process will go ahead.

Mr. Benton: Let's get back to arms control policy if we could for a minute. How do you respond to critics who say that the Administration does not have an agreed-upon arms control policy?

Ambassador Nitze: The President has wished from the very beginning to set up the preconditions, the conditions in the world under which the total elimination of nuclear weapons would be possible. You can't do that overnight. A lot of things have to be done to make it possible. One of the things that he thought would lead in the direction of such a world was, for instance, limitations on conventional arms. He's been interested in the mutual force reduction program, MBFR [mutual and balanced force reductions], in Europe. Another thing is the limitation and the ban on the

production and deployment of chemical weapons. He's been working on that; we've been working on that hard. The main thing, of course, is the limitation of nuclear weapons and, in that field, part of that problem is a problem in Europe and that has to do with the intermediate-range nuclear forces, which are deployed in Europe and some in the Far East.

We've been working hard on that with respect to the total elimination of that entire class of nuclear weapons. I, myself, was the head of that delegation which works—has been working for years trying to get that done. He's been working hard on the question of the strategic nuclear weapons, those which are weapons of intercontinental range, which affect primarily the United States and the U.S.S.R. There, he'll again wish to see that there would be meaningful and strategically important reductions in weapons of this type—an increasingly deep reduction so that this would end up leading toward the possibility of the total elimination of nuclear weapons. It was this same drive, this same interest, which caused him to suggest that our technical people look to see whether or not it might not be possible to develop defensive weapons which could contribute to a situation in which the abolition of nuclear weapons would be feasible. So, that's what we've been trying to do, and I think all parts of the U.S. program have been consistent with those objectives. There have been differences within the Administration as to the best way to approach some of these points. But they've been differences about the techniques, so forth and so on, the minor parts of it. The principal objectives have not been in controversy within the executive branch.

Mr. Benton: With SDI (Strategic Defense Initiative), some are concerned that this may violate the Anti-Ballistic Missile Treaty.

Ambassador Nitze: It clearly does not violate the Anti-Ballistic Missile Treaty. In the first place, the Anti-Ballistic Missile Treaty never mentions the word research. It was agreed by both the Soviet side and by our side that research was not to be limited by that treaty, and it is not limited by that treaty. The Soviets have tried to suggest now that purposeful research is somehow or other limited under the treaty. But, it isn't mentioned, it isn't limited under the treaty. There's no way in which you could verify what is going on in the minds of researchers in laboratories, and so forth and so on.

Mr. Benton: Secretary Shultz has called for less use by the Soviets of highly publicized proposals, particularly arms control proposals. Why is that important, Mr. Nitze?

Ambassador Nitze: Any indication that the Soviets are really prepared for confidential negotiations would be important. That is where one really does the business of coming to conclusions which would take into account not only Soviet interests but our own.

We believe that the place for those confidential negotiations is in Geneva, where Max Kampelman [head, U.S. delegation on arms control negotiations and U.S. negotiator on defense and space arms] and a very competent team are negotiating with a very competent team on the Soviet side. Those people in Geneva are in a position where they could take into account not only the broad principles which are of interest to the public but also the specific details which would make it possible to translate those principles into reality—something that you could count on, something that would be verifiable, something which would do what is intended.

Mr. Palmer: Since Lenin's time, the Soviets have believed that the best thing to do was to go around governments and to affect people's peace movements—front groups to affect the context within which political leaders in other societies make decisions. And that has been such a strong stream in Soviet diplomacy, such a relatively novel approach to diplomacy because it means not going to the foreign ministry but to the press, in a certain sense, that in the 1970s Suslov—who was then head of the ideological part of the Soviet Central Committee—Suslov complained that they had, at that point, shifted too much in the direction of serious negotiations on arms control, the Middle East, and other areas with the United States and that they needed to resurrect more of the ideological propaganda, going to the people approach. And Arkady Shevchenko, one of the senior Soviets who's come over to the West, reports about that in his book. This remarkable phenomenon of trying to fine tune the distinction between serious talks with the West and propaganda.

Ambassador Nitze: What I look for is indications of a decision by the Politburo, that the Politburo has come to the conclusion that the time is now ripe for a deal, that they want a deal—is one of the best indicators, I think, is when they seriously wish or indicate that they want the important negotiations to be confidential. At the time when they are making public statements as to their position, then it's perfectly clear that they have not reached a stage where they want the negotiations really to reach that final phase.

Ambassador Semyonov [head of Soviet SALT I delegation], once told me during one of the negotiations—I felt we weren't making the progress that I had hoped for—and Ambassador Semyonov said, "Oh, Mr. Nitze, don't be discouraged, you know in a serious negotiation of this kind, one gets perhaps 30% of the business done in the first couple of months—each side establishes its position. But then it takes some years for the next 30% of the business to be done. And the final 30% is done in the last 20 minutes."

Mr. Benton: What do you see happening in the next 2-3 years down the road with Moscow?

Mr. Palmer: Well, we have a sense that Mr. Gorbachev has given a green light to people-to-people programs, and I think most Americans welcome that. We've been inundated with ideas from American private initiative in this field—everything from the Dallas Cowboys and the Washington Redskins playing a game in Lenin Stadium to hosts of high school students who want to go over there and study. We've had an average of 100 calls a day with new ideas in this field. So, I think we'll see an expansion in people-to-people programs. I think we're going to see a regularization of the discussions on critical wars that are underway today—Afghanistan, Cambodia, Angola, Ethiopia, Nicaragua, the whole of the Middle East. We've begun to move into a systematic set of talks at senior levels, and I think that's going to continue, and that's good.

Ambassador Nitze: It is my own view, this is my personal view, that the Soviet economy is not in deep difficulty. It isn't an efficient economy, but it does continue to grow, because it started from a low, very low level and they've got an enormous country and enormous resources and a very large body of talented people. So there's no reason why it shouldn't continue to grow. But, as I see it, they are beginning to meet the phenomenon of rising expectations on the part of their populace, that means that you have to enter the modern world. You have to enter the world in which there is communication, the world in which there is a greater freedom on

the part of individuals and enterprises in the Soviet Union to do the intelligent thing, to enter this modern world.

If they want to get into the modern world, then I think it is in their interest to reduce the burden of armaments, which is immense in the Soviet Union. I would think that if they really want to make this transition into the modern world and, to some degree, meet these expectations of their populace, they should be interested in arrangements which would take into account, not only their strategic interests but those of the West as well.

Mr. Palmer: I'm mildly encouraged. I think that the Soviet Union has some incentives now for dealing with us. We have restored our military strength to a considerable degree. There's still much to be done, but there is now a greater recognition in Moscow that what they call the correlation of forces is not, at the moment, ineluctably moving in their direction. So, they have some incentives now to deal with us. There has been, in some of the arms control fora, a little bit of an indication on the part of the Soviets of seriousness. As Paul mentioned, when they start to go quiet on something, you start to get a little more encouraged, and there have been a few quiet things lately—modest, not to exaggerate their significance, no breakthrough, but a little bit there to work with. So I'm—within the rather cautious longer term context, I think that we have some opportunities now. I know that's the President's and Secretary Shultz's view that we should pursue these opportunities vigorously, and I'm confident that that will be done by this Administration.

Mr. Benton: Our time is up. Mr. Nitze, Mr. Palmer, thank you very much. And thank you for joining us. I am Nelson Benton at the State Department. ■

28th Report on Cyprus

MESSAGE TO THE CONGRESS, SEPT. 9, 1986[1]

In accordance with Public Law 95–384, I am submitting to you a bimonthly report on progress toward a negotiated settlement of the Cyprus question.

Since my last report to you, the United Nations Secretary General has continued his initiative. He has made clear his commitment to his good offices mission and to helping the two Cypriot sides move forward toward an overall solution. In this regard, he will be meeting with Mr. Denktash on September 16 and with President Kyprianou later in the month. We will give the Secretary General our full support and encourage the parties to cooperate with him and carry forward the work that has been accomplished since the inception of his initiative.

Among other developments in Cyprus of note, Turkish Prime Minister Ozal visited northern Cyprus from July 2 to July 4. During that period, movement through the primary crossing point between north and south Cyprus was blocked by demonstrations on the Greek Cypriot side. On July 4, Turkish Cypriot authorities announced the closure of all crossing points on their side of the U.N. buffer zone and did not reopen them until July 12. We made clear to all concerned our view that actions that could exacerbate tensions and complicate the search for a peaceful settlement should be avoided.

Sincerely,

RONALD REAGAN

[1]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Richard G. Lugar, chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of Sept. 15, 1986). ■

Religious Persecution in the Soviet Union

Following are statements by Edward J. Derwinski, Counselor of the Department of State, and Richard Schifter, Assistant Secretary for Human Rights and Humanitarian Affairs, before the Subcommittees on Human Rights and International Organizations and on Europe and the Middle East of the House Foreign Affairs Committee on July 30, 1986.[1]

COUNSELOR DERWINSKI

Thank you for giving me the opportunity to testify today on the subject of religious persecution in the Soviet Union. On September 11, of last year, I devoted my remarks to the persecution of the Soviet Jewish population. Today my testimony will cover the general situation of religion in the Soviet Union and Soviet persecution of non-Jewish religious groups and organizations.

As I noted in my appearance last September, Soviet authorities have largely succeeded in crushing the political and nationalist human rights organizations which sprang up during the 1960s and 1970s. The last surviving Helsinki monitoring group was forced to disband in the face of heavy repression in late 1982. With the mainstream human rights movement in the Soviet Union effectively destroyed, Soviet authorities have brought increasing pressure to bear against the largest remaining center of organized dissent in the Soviet Union—the religious community.

The Soviet regime regards religion as a hostile ideology and is openly committed to the creation of an atheist society. Its attitude was summed up by a Byelorussian party official who wrote a 1984 article in *Kommunist Belorussii* that "religion in our country is the only legal refuge alien to socialism in ideology and morals." How Soviet authorities understand freedom of conscience is revealed in Soviet constitutional provisions, legislation, administrative regulations, and extralegal pressures applied against believers.

Soviet Law and Religion

Article 52 of the U.S.S.R. Constitution defines freedom of conscience as the right "to conduct religious worship or atheist propaganda." This formulation in effect makes illegal the conduct of "religious propaganda"; i.e., to engage in public discussion or refute atheist propaganda.

The 1929 Law on Religious Associations circumscribes believers' rights still further. Soviet authorities interpret the law's requirement that primary religious associations must register with local authorities as giving it the right to grant or withhold registration. In practice, this allows the state to limit the number of religious associations, to reduce their number gradually, and even to deny legal status to an entire religious denomination (as has been the case with the Ukrainian Catholic Church and the Jehovah's Witnesses). In short, the state can and does prevent Soviet citizens from practicing the faith of their choice. Soviet constitutional provisions on the separation of church and state and the obligations of the Soviet Union as a signatory of international human rights covenants are, in practice, contradicted by the law's many Draconian restrictions on religious groups.

Religious groups do not have the status of independent public organizations under Soviet law or the juridical status of a person-at-law and, therefore, cannot own property or inherit funds or property. "Cults"—as they are referred to officially—have no specific legal right to maintain seminaries, publishing facilities, or other institutions such as monasteries; those that exist, exist precariously by special permission. The law is structured to prevent the clergy or hierarchy from exercising effective control over church affairs. At the same time, it allows state officials to manipulate church activities and policies by giving them a role in determining the membership of primary religious groups and the selection of their leaders and clergy. The lengthy list of restrictions and regulations imposed on religious associations and clergy prevents them from engaging in any activity except the performance of religious rites. They cannot proselytize or provide religious instruction to children; engage in charitable, social, or "political" activities; or organize prayer or study groups, libraries, mutual aid societies, kindergartens, or cooperatives.

The regime enforces its policy through the Council for Religious Affairs attached to the U.S.S.R. Council of Ministers. The council monitors religious activities and is responsible for the enforcement of laws pertaining to religion. Its administrative regulations thus impose an additional level of restrictions on religious liberty. According to official documents of the council and unofficial reports reaching the West, the council supervises religious activities and senior church officials in minute detail; censors religious publications; passes on personnel selections; and even monitors sermons and biblical passages used in religious services. Clergy cannot legally practice their calling without the council's approval. Whenever possible, the council places the clergy in the position of acting against their direct responsibilities by forcing them to implement policies designed to weaken and in time destroy religion: by closing churches "voluntarily," keeping silent when believers are harassed, and ignoring violations of law by the authorities. In general, the regime aims at compromising the integrity of clergy and religious institutions and at rendering organized religion and individual believers incapable of defending their interests.

Repression of Activities

Believers who refuse to register or comply with state controls become subject to a wide range of sanctions. Repeated violations of the Law on Religious Associations can lead to criminal charges. Articles of the Russian Soviet Federative Socialist Republic Criminal Code used against believers include those aimed specifically against religious activists as well as those used against political dissidents: Articles 142 (violation of laws on separation of church and state and of church and school), 143 (obstructing performance of religious rites), 227 (infringement of person and rights of citizens under appearance of performing religious ceremonies), 190.1 (slandering the Soviet state and system), or 70 (anti-Soviet agitation and propaganda). In addition, articles involving general criminal violations are also used frequently, such as hooliganism, drug and weapons possession, engaging in prohibited trades, and parasitism. Cases against believers are often fabricated.

Soviet law and penal practices single out religious activists for especially harsh treatment. Those convicted under the criminal code for "religious crimes" are sentenced to strict regime labor camps and designated—together with political activists—as "especially dangerous state criminals," a category

that disqualifies them from amnesties or leniency. Indeed, the provisions of amnesties promulgated in recent years demonstrate that authorities regard religious activism (such as organizing religious classes for children or circulating a petition) as a more serious crime than assault, robbery, or rape. Even if convicted for lesser crimes, believers rarely qualify for early release or parole because, as "prisoners of conscience," they usually refuse to provide the required expression of remorse or admission of guilt. Believers who are incarcerated in psychiatric hospitals face an especially agonizing choice, since they are often promised immediate release if they renounce their belief in God. Others face deprivation of their parental rights under provisions of the Soviet Family Code that obligates parents to raise their children as "worthy members of socialist society."

One-third of the approximately 900 known Soviet prisoners of conscience are religious believers. The percentage of the actual total may be even higher. Current estimates are that there are up to 10,000 prisoners of conscience in Soviet labor camps and psychiatric hospitals. A substantial percentage of these are thought to be religious believers, many from closed or remote areas of the Soviet Union where accurate information is difficult or impossible to obtain.

In addition to incarceration, a variety of social pressures are used against believers, including public "exposure" by atheist activists, vilification in the Soviet media, exclusion from high education, and discrimination in professional advancement. Young people, especially, are subjected to heavy pressures and face life as second-class citizens if they become known as practicing believers.

Eyewash for Foreigners

The regime, while militantly antireligious, seeks to portray the Soviet Union to the outside world as an enlightened, humane, and democratic society. It also recognizes that Soviet religious groups can perform useful functions to advance Soviet interests: to demonstrate to foreigners the existence of religious freedom in the Soviet Union; to support Soviet interests abroad; and to bolster morale and patriotism in time of war. The pursuit of conflicting objectives generates internal contradictions and policy fluctuations; more often, it opens up a huge gap between propaganda claims and the realities of Soviet life. To make its propaganda credible, the regime must exercise tight control over religious activists (to prevent independent initiatives or public protest) as well as visiting foreigners to ensure that they receive the best possible impression of religious life. When details of its antireligious repressions do leak out, the regime brands them as "malicious slander."

Soviet spokesmen typically respond to foreign criticism of their religious policies by citing allegedly positive impressions of Soviet religious life by visiting U.S. religious leaders. The regime also relies on Soviet religious leaders (especially the Russian Orthodox hierarchy) to support official policies when attending religious conferences abroad or receiving foreign guests. The display of restored churches and religious services to tourists, moreover, provides a steady source of badly needed hard currency.

In spite of regime policies, popular interest in religion has increased significantly during the past decade, according to authoritative official sources, unofficial reports, and knowledgeable foreign observers.

Against the backdrop of these general remarks, I would now like to discuss the specific situation of some of the major religious groups and organizations in the Soviet Union, beginning with the Russian Orthodox Church.

The Russian Orthodox Church

The Russian Orthodox Church occupies an anomalous position as the establishment church of an atheist regime. It is the largest single religion in the Soviet Union, with an estimated 35–40 million believers. As the church of the U.S.S.R.'s dominant cultural and ethnic group, it enjoys privileges that set it apart from other denominations: representation abroad (including membership in the World Council of Churches, attendance at international conferences, and the staffing of parishes and bishoprics outside the U.S.S.R.), three seminaries and a theological academy, a modern publishing center, and a plant for the manufacture of religious goods. Its senior hierarchs live well and enjoy perquisites comparable to those of the Soviet elite. The regime accords the church a prominent role in furthering Soviet foreign policy objectives, such as involvement in peace campaigns in Western Europe.

The Orthodox Church attained its present status after harsh repression during the 1920s and 1930s, a period of stabilization and official recognition as a result of its patriotic role during World War II, and a renewed period of repression under Khrushchev. To survive, the institutional church paid a heavy price: it became an obedient regime supporter and surrendered its ability to defend its interests or protect believers from regime pressures. Even worse, the Patriarchate permits the regime to compromise the church in the eyes of believers by forcing it to act against its own vital interests. Internal documents of the regime's Council for Religious Affairs reaching the West in recent years have documented how authorities supervise the institutional activities of the church in minute detail and interfere in every aspect of church life.

The church's loss of institutional integrity poses a personal dilemma for many Orthodox believers, clergy, and members of the hierarchy. One result has been to create two distinct cleavages within the church: a vertical division of church life and individual behavior into "official" and "unofficial" sectors (a characteristic of all Soviet life) and a horizontal estrangement between the hierarchy on the one hand and individual believers and lower parish clergy on the other. A small group of Orthodox believers—the True Orthodox Church—rejects any contact with the regime or the official church which is considered as irredeemably compromised; it leads a clandestine existence and is regarded by the authorities as an illegal sect.

Efforts by individual priests and believers to organize religious activities outside regime or hierarchy controls are systematically repressed by the authorities and find little or no support within the heirarchy, which takes the position that the Soviet Constitution guarantees freedom of conscience and that believers are not prosecuted for their faith but only for violating Soviet laws. Since October of last year, a number of activists have been sentenced to terms in labor camps, psychiatric hospitals, or internal exile. They include Boris Razveyev, sentenced to 3 years in labor for "anti-Soviet agitation"; Mikhail Bombin, held for over 2 months in a psychiatric hospital; and well-known writer Feliks Svetov, who was sentenced to 2 years of internal exile for "anti-Soviet slander."

The resurgence of unofficial activity in the church is by no means confined to dissent and protest, however. Its most significant feature has been the revival of faith, especially among young people and intellectuals, who are joining the church in increasing numbers—a fact

conceded by Soviet atheist literature. The regime has reacted by stepping up atheist propaganda, arresting Orthodox activists, destroying unofficial groups such as the Christian Seminar and the Christian Committee for the Defense of Believers Rights, and suppressing Orthodox *samizdat* publications.

The Ukrainian Catholic (Uniate) Church

Another large Soviet denomination, the Ukrainian Catholic (Uniate) Church, is one of the most systematically persecuted religious groups in the U.S.S.R. today. Its treatment flows from a combination of Moscow's general anti-religious policy, the church's ties to Rome, and Uniate identification with Ukrainian national aspirations. Formally outlawed in 1946, this church and its followers have been subject to official harassment, arrests, and other forms of discrimination ever since. Its underground nature makes it particularly difficult to determine the number of believers. Estimates run from 65,000 all the way to 3–4 million.

The Uniate Church has a long and complex history that reflects Eastern Europe's frequent border changes, and it is intimately tied to Ukrainian national aspirations. The church has its roots in the 1596 Union of Brest—hence the name—by which the Vatican sought to end the bitter resistance of Ukrainian Orthodox congregations to forced conversion to Catholicism by the Polish authorities who had recently occupied western Ukraine. The Vatican's solution was to subordinate the Uniate congregations directly to Rome but to allow them to retain their liturgy, language, and distinctive practices rather than adopt Latin-rite Catholicism. This, in turn, divided western Ukrainians from their conationals in the east who, being under Russian rule, retained their allegiance to Moscow and to Russian Orthodoxy.

Initially, in order to resist further polonization of the Ukrainian community, the Uniate Church allied itself with and became a spokesman for Ukrainian national goals. When these communities subsequently fell under Russian rule and were pressured to rejoin the Orthodox Church, the linkage between religion and nationalism was further strengthened. During World War II, the Uniate Church actively cooperated with the Ukrainian national resistance to the U.S.S.R.'s occupation and eventual absorption of the western Ukraine. For that and for alleged collaboration with the Germans, the church's hierarchy was condemned to the *gulag*.

Having effectively decapitated the Uniate Church, the Soviet authorities in 1946 convened a synod in Lvov to repudiate the Union of Brest and reincorporated the 4 million Uniates of the western Ukraine into the Russian Orthodox Church. For many Ukrainians, this forced merger only strengthened the attractiveness of Uniatism as a symbol of Ukrainian nationalism and resistance to Moscow. Consequently, although the Soviets were able to take nominal control of the parishes still operating—even today, nearly one-half of all churches open in the U.S.S.R. are located in the western Ukraine—the affected congregations continued in many cases to look to Rome and to Uniate communities among Ukrainian emigres abroad. In addition, many Uniates were actively involved in the armed resistance to Soviet power in the Ukraine which lasted into the early 1950s.

Since that time, the Soviet authorities have unremittingly attacked the sect with propaganda and occasional arrests, the persistency of which testifies to the continued strength of Uniatism in the Soviet Union. The latest effort to destroy the Uniate Church has been a proposal by the authorities to legalize the Uniates, if they will break with Rome. Such a provocation has been tried before. Acceptance would only bring the Uniates out into the open where they would be subject to even greater abuse. Now they are successfully operating their own underground monastery which since 1981 has managed to ordain over 80 parish priests.

During the past 2 years, Uniate activists have also begun to publish an underground *samizdat* journal entitled *The Chronicle of the Catholic Church in Ukraine*. This journal has effectively catalogued the many abuses which Uniate believers are subjected to by Soviet authorities. In 1985, two of the moving forces behind the journal—Iosif Terelya and Vasily Kobrin—were sentenced to long labor camp terms. Despite this, the *Chronicle* has continued to appear.

Soviet Protestants

The Protestant community in the Soviet Union is divided into two camps. There are registered groups of believers, which adhere to the restrictive Soviet laws on the practice of religion, and illegal unregistered groups, which refuse to adhere to these laws.

Registered Protestants. Currently three main groups of Soviet Protestants are registered with Soviet authorities. Two of these are Lutheran—the Evangelical Lutheran Church of Latvia, which has a membership of 400,000 and the Evangelical Lutheran Church of Estonia, which has a membership of 250,000. The third group—the All-Union Council of Evangelical Christians and Baptists—is an umbrella organization of 545,000 registered Evangelical Protestants throughout the Soviet Union. These registered Protestant groups share the same basic problems faced by the Russian Orthodox Church and all other registered groups of religious believers in the Soviet Union. They must limit the practice of their religion to conform with Soviet law, they are discriminated against in employment and education, and they are targets of official antireligious propaganda in the Soviet media. Their official representatives are forbidden from criticizing Soviet religious policies and are frequently forced to publicly support Soviet foreign policy initiatives.

Unregistered Protestants. Unregistered Evangelical Protestant groups represent a particular problem for the Soviet authorities. Even under repressive Soviet conditions, they are growing rapidly, particularly among Soviet young people. Although unregistered Evangelical Protestants are gaining converts among most major national groups, they are especially strong in Ukraine, the northern Caucasus, and the Pacific coast area.

Reform Baptists. Among unregistered Evangelical Protestants, most is known about "reform" or "initiative" Baptists. According to reform Baptist pastor Georgy Vins, there are currently 2,000 reform Baptist congregations, representing about 100,000 adults or 300,000 including family members, in the Soviet Union. Reform Baptists represent one of the oldest organized human rights groups in the U.S.S.R., dating back to 1962 when the group split away from the registered Baptist community. In terms of numbers of believers incarcerated in labor camps and psychiatric hospitals, they are also the most repressed religious group in the Soviet Union. The particular intensity of the treatment meted out to them is revealed in the fact that fully 20% of all known Soviet prisoners of conscience are Baptists. There are also reliable reports that Soviet authorities have taken children away from unregistered Baptist

parents to prevent the parents from raising them in the Baptist faith.

There are three main reform Baptist organizations—the 12-man pastors' group, the Council of Churches (10 members of which are currently imprisoned; its chairman, Gennady Kryuchkov, has been in hiding for 15 years); the secret "Christian" press which prints religious literature, including the Bible in many languages of the U.S.S.R. (19 reform Baptists are currently imprisoned for their religious *samizdat* activities); and the 12-woman Council of Baptist Prisoners' Relatives, which reports on the situation of reform Baptist prisoners of conscience. Two of these groups has its own *samizdat* publication printed by the "Christian" press—the Council of Churches monthly journal, *Fraternal Leaflet*, and its quarterly journal, *The Herald of Truth;* and the monthly *Bulletin of the Council of Baptist Prisoners' Relatives*. No group of religious believers in the Soviet Union has suffered so much or persevered in the face of intense repression with such courage and tenacity as Soviet Baptists.

Seventh-Day Adventists. Another large group of unregistered Soviet protestants are Seventh-Day Adventists. Some unregistered groups of Adventists split from registered Adventist churches as early as 1929. These reform Adventists have formed their own church known as the "True and Free Adventists of the Seventh Day." This Adventist group rejects any state control over religion, basing this view on religious commandments and the separation of church and state. Although less is known about this group than some other unregistered Protestant groups, their number is estimated to total approximately 40,000. Their governing body is known as the All-Union Council of Churches of Faithful and True Adventists of the Seventh Day and they produce an underground publication called the *Faithful Witness*. Accurate statistics regarding the total number currently imprisoned do not exist. Unlike the reform Baptists, there are no Adventist representatives in the West, but 50 would seem to be a reasonable estimate based on the meager information available.

Reform Pentecostals. Pentecostals constitute another large group of unregistered Soviet Protestants. Although a few Pentecostal groups have registered in recent years, most Pentecostals continue to choose the risks of the unregistered religious life. It was not until 1980 that unregistered Pentecostals formed a central organization, known as the Brother's Council, which represents nearly 200,000 adults, or about 1 million people, including families. Many thousands of Soviet Pentecostals, despairing of their situation in the Soviet Union, have applied to emigrate. On May 15, 1980, 18 Pentecostal activists organized the Emigration Council for Christian Evangelical Protestants; at least six members of this council have been imprisoned. Of the 30,000 Soviet Pentecostals who have applied to emigrate, only a handful have succeeded, most notably the two Pentecostal families—the Vashchenkos and the Chmykhailovs—who took refuge in the U.S. Embassy in Moscow.

Recently a community of approximately 170 ethnic German Pentecostals living at Cheguevka in the Soviet Far East has come in for particularly harsh treatment from Soviet authorities. Denied permission to emigrate, community members have turned in their internal passports, undertaken hunger strikes, and taken their children out of schools, the latter action reportedly due to the harassment and beatings the children were subjected to at school. Since December 1984, 10 elders of the community have been sentenced to labor camp for up to 5 years for not possessing internal passports or for conducting unauthorized religious services. Every adult member of the community has been fired from his or her job. To survive the families forage in the woods for food. Additionally a number of families have been repeatedly threatened that they may lose custody of their children for having taken them out of school. While an extreme example, this mistreatment is characteristic of the particularly harsh attitudes Soviet authorities have toward Evangelical Christian believers in the Soviet Union.

Jehovah's Witnesses. Another Soviet Protestant group, the Jehovah's Witnesses, share with the Ukrainian Catholic (Uniate) Church the distinction of being totally banned by Soviet authorities. As a result and due to the small numbers of believers, there is not much information available about them. Judging from attacks in the Soviet media, they seem to be active in Moldavia, the north Caucasus, in southern and eastern Ukraine, and in the Stavropol and Krasnodar regions. *Samizdat* sources reveal that Jehovah's Witnesses, who are imprisoned in large numbers, continue to practice their ministry in Soviet labor camps.

Lithuanian Catholic Church

Religious faith is particularly strong in Lithuania where, as in Poland, Roman Catholicism remains central to national life. More than 75% of the population remains faithful to the church, and in large measure because of this, the church there has been subject to special attacks by the Soviet authorities. Due to Soviet restrictions on training, nearly one-fourth of the 640 parishes extant do not have a priest, and more than half of the republic's 696 priests are beyond retirement age. While these figures are significantly better than those for other religions in the Soviet Union, they are a far cry from those of the thriving Lithuanian Church before the forcible incorporation of that republic into the U.S.S.R. during World War II. Antireligious propaganda and general harassment of believers, up to and including the murder of priests (murders whose perpetrators are never brought to trial), have been regular features of Soviet policy there. In 1983, for the first time since 1971, the authorities arrested and imprisoned two leading priests, a move that sparked mass protests in the republic. Despite these protests, arrests have continued. In 1985 Father Jonas Matulionas was sentenced to 3 years in labor camp for "disrupting public order." The charge reportedly stemmed from his having led an All Saints' Day procession to a cemetery, a violation of Soviet laws on religion. A young Catholic student was arrested with him and sentenced to 2 years in prison.

That the Soviet authorities have not moved even further to employ the full range of repressive measures at their disposal does not reflect some new found commitment to human rights but rather a grudging recognition of the support the church commands among Lithuanians and of the real difficulties involved in the suppression of such a broadly based and militant group.

Muslims

The second largest religious group in the Soviet Union—after the Russian Orthodox—and the one with potentially the greatest foreign policy implications, Soviet Islam has been frequently attacked, and on occasion protected, according to the needs of Soviet domestic and foreign policy. The exact number of Muslims in the Soviet Union is unknown. Most estimates are based on some fraction of the approximately 45 million people who belong to nationalities where Islam predominated prior to 1917. Soviet

scholars estimate that between 10% and 25% of this group are still religious in some sense; Soviet Islamic leaders and some Western observers have suggested that the share of Muslims in this group is closer to 100%. Part of the reason for this divergence is to be found in the nature of Islam: it is nonclerical and noncongregational and defines a way of life as well as a set of beliefs. In any case, the Islamic nationalities of the U.S.S.R. are the fastest growing segment of the Soviet population and will represent approximately one-quarter of the total number by the year 2000.

The overwhelming majority of Soviet Muslims are Sunni, except in Azerbaijan where approximately two-thirds of the population traditionally belonged to the Shi'ia branch of the faith. In addition, there are followers of various *sufi* orders. These illegal and mystical sects range from the contemplative to the activist and play some role in unofficial Islam. The Soviet authorities have organized four spiritual directorates to run Islamic religious affairs—at Tashkent, Ufa, Makhachkala, and Baku. The first three are Sunni, the last mixed Shi'ia and Sunni. They have no central body and report directly to the state's Council of Religious Affairs.

A limited number of *mullahs* are prepared each year at the medressah in Bukhara and at the Islamic Institute in Tashkent. In addition—and in contrast to other faiths in the U.S.S.R.—some Soviet *mullahs* attend foreign Islamic schools such as Qom in Iran and Al-Azhar in Cairo. In 1984 there were by official Soviet claim approximately 1,100 "working" mosques in the Soviet Union and an only slightly larger number of *mullahs*. Obviously, even if one accepts the low Soviet estimates of the total number of Muslims in the U.S.S.R., this number of mosques and *mullahs* cannot satisfy the religious needs of the population.

Like all other religions in the U.S.S.R., Islam also has an "unofficial" side, one that exists but is not sanctioned by the authorities. Being nonclerical, *mullahs* have no sacral functions: anyone who can read the Koran and say prayers can act as one. Thus determination of an Islamic community is difficult. While exact figures are impossible to come by, there are a vast number of unofficial Islamic communities in Central Asia and the Caucasus; large unofficial publishing operations in both regions; and frequent pilgrimages to local holy places, an obvious substitute for the nearly impossible *haj* to Mecca. (At present, only about 60 Soviet Muslims are able to make the *haj* each year, and they have clear foreign policy tasks assigned to them.)

Soviet Islam has been subject to periodic campaigns against it by the Soviet authorities. Like Uniatism in the Ukraine and Catholicism in Lithuania, Islam is closely linked with local national traditions and opposition to Russian rule. This has made it especially difficult to wipe out, for any attack on it has been perceived as an attack on nationality, something the Soviets want to support because it divides the Islamic peoples in the U.S.S.R. Furthermore, the Soviets have wanted to showcase Soviet Islam to the Third World in order to gain support there. This strategy had some success in the 1960s and 1970s and led to an easing of the Soviet assault on Islam. Now, however, out of a fear that events in Iran and Afghanistan might find some resonance among Soviet Muslims, Moscow has renewed its crackdown against them, forcing increasingly large numbers into unofficial, technically illegal activities. A young *mullah*, Akverdy Eshkulov, was sentenced to 2 years in labor camp last year for serving without official sanction. The Soviet press has also reported other arrests of Muslims for religious activities, including printing and distributing religious books.

Although these are the largest religious groups in the Soviet Union, there are other, smaller denominations which have also suffered under intense persecution from Soviet authorities. One such group, the small, but growing Hare Krishna movement, is a prime example. Although the total membership is still quite small, more than 20 believers are currently in Soviet labor camps or psychiatric hospitals, thus illustrating that no religious organization in the Soviet Union is too small or insignificant to merit persecution from Soviet authorities.

Conclusion

The U.S. Government is deeply concerned at the systematic violation of religious freedom in the Soviet Union outlined in this testimony. We must say quite candidly that we have seen no improvement in the religious situation there since General Secretary Gorbachev came to power. If anything, conditions for religious believers have continued to deteriorate. We have catalogued Soviet religious persecution in our annual *Country Reports on Human Rights Practices* and in our semiannual reports on *Implementation of the Helsinki Final Act*. We have raised the subject of Soviet violations of religious freedom forthrightly and in detail at the Conference on Security and Cooperation in Europe (CSCE) human rights experts, meeting in Ottawa and in subsequent meetings in Budapest and Bern. We will continue to raise the issue in appropriate public forums, such as the upcoming Vienna review conference. We strongly believe that calling public attention to these abuses of human rights puts pressure on the Soviet Union to change its restrictive policies. While change cannot be expected overnight, we believe that the pressure of world public opinion over time can and will achieve results. In this regard, we encourage Members of Congress and representatives of nongovernmental organizations to add their voices to ours in condemning Soviet abuses of religious freedom. We believe it is particularly important for brethren churches in this country and in other countries around the world to speak out on behalf of their suffering coreligionists in the Soviet Union.

In addition to our own public efforts, we have raised and will continue to raise our concerns over Soviet abuses of religious freedom directly with Soviet authorities. We continue to make clear to them that these and other human rights abuses are serious obstacles to the overall improved relations with the Soviet Union that the United States seeks. As I stated in my testimony last September, we cannot and will not lessen our commitment to the defense of individual human rights, a commitment rooted deep in American tradition.

ASSISTANT SECRETARY SCHIFTER

As this is part two in a series of hearings on the subject of religion in the Soviet Union, I would like to start out by setting forth my understanding of the significant difference between the subject matter of the first hearing and the subject matter of the present hearing.

The first hearing focused on the treatment of Jews in the Soviet Union. Jews, in the Soviet scheme of things, are viewed not as a religious group but as an ethnic group or, to use Soviet terminology, as a nationality. Jews suffer discrimination in the Soviet Union because anti-Semitism—discrimination based purely on ancestry—has become state policy. Whether a Jew attends services in a synagogue or in other ways practices his religion makes a marginal difference at best.

The situation is vastly different with persons who practice the Christian faith and, perhaps to a lesser extent, also with Muslims. Soviet citizens born into ethnic groups that historically have adopted Christianity or Islam as their religion have the opportunity of rising to the very top of the Soviet Union's governmental pyramid, provided they don't identify themselves with the religious faith of their ethnic groups. If they do, they limit their opportunities for advancement. The severity of these limitations is proportional to the extent of the person's religious involvement.

In recent years, to be sure, we have heard eye-witness reports from highly respected American religious personalities as to the tolerance of religious observance in the Soviet Union. These visitors to the Soviet Union reported accurately and fairly what they saw. They were, of course, unable to report what was hidden from their view.

What these recent visitors to the Soviet Union may have thought they might encounter was an active crusade against all forms of religion, a continuing deep, publicly manifested commitment to atheism. They were pleasantly surprised not to encounter evidence of an overt atheistic campaign. What they failed to understand fully is that a newer approach to the repression of religion had taken the place of the earlier campaign for atheistic doctrine.

The Ruling Class

Atheism was undoubtedly an important element of the ideological foundation on which the Bolsheviks erected their state. But, like other facets of that ideology, the commitment to atheism has been significantly attenuated. In this, the 69th year of its existence, the Soviet state is committed largely to maintaining in power its ruling class, "The New Class," as Milovan Djilas called it.

It is in this context that the Soviet attitude toward religion can be readily understood. To the extent to which religion can serve the ruling class, it will be used. To the extent to which it interferes with the objectives of the ruling class, it will be suppressed.

A few years ago, Jeane Kirkpatrick reminded us all of the significant difference between totalitarian and authoritarian systems. She was roundly criticized for her observations by persons who, nevertheless, were unable to disprove the validity of her thesis. The manner in which religion is dealt with in the Soviet Union offers an object lesson in the operation of a totalitarian system.

The Soviet Union's ruling class, known as the *nomenklatura*, consists of the leaders of government, the leaders of the party, the leaders of the military, and the leaders of the various governmentally operated economic, educational, scientific, and cultural institutions. What is expected of this leadership group is loyalty to each other, loyalty to the system that maintains these leaders in power. What is expected of them is, therefore, a single-minded commitment which must not be diluted by a set of potentially conflicting loyalties. The practice of a religious faith would suggest such a conflicting loyalty and is, therefore, deemed unacceptable. It follows that no known religious believer may join the *nomenklatura*.

Immediately below the leadership group is the pool of persons who have been identified as potential candidates for leadership, the lower-ranking members of the Communist Party. They, too, must in this totalitarian scheme be free of the danger of another set of loyalties. Known religious believers are, therefore, disqualified from entering the group that can qualify for leadership positions.

But then there is that great mass of people which constitutes the country's rank and file. As George Orwell suggested in his remarkably prescient outline of the future course of a Leninist state, different rules apply to the common people. In today's Soviet Union, these persons may engage in religious observance as long as that is done in a place authorized by the government, at a time authorized by the government, and in a format authorized by the government.

Regulating Religion

Under a statutory scheme first put together in 1929, religion may be practiced in the Soviet Union under the auspices of religious associations duly licensed by the government for this purpose. These licensed associations must, in order to remain licensed, act in accordance with the rules, regulations, and specific instructions of the Council of Religious Affairs, the body that supervises all licensed religious activities in the Soviet Union. The council, in turn, works through regional commissioners, with whom the religious associations must register. A commissioner can refuse to register an association or he can cancel a registration without citing any reason.

By utilizing this regulatory scheme, the Soviet Government allows the performance of traditional rituals, traditional prayers, and traditional religious practices which do not involve significant interaction among religious believers. To illustrate the point I just made: believers may pray together, may sing together, but they may not engage in discussions on religious topics.

What is true of the individual believer is also true of the clergy. The clergy may perform rituals, may lead congregations in prayer, but may not otherwise interact with believers. Moreover what is expected of the clergy is support of the state when called upon, including support of the state's foreign policy objectives at international gatherings or on visits abroad. There are some clergymen who may perform the tasks assigned to them by the state out of conviction. There are others who view these tasks as the price they must pay in order to be able to carry on their religious traditions. Beyond that, it has been suggested that the clergy has been infiltrated by the KGB and that KGB operatives might even be hearing confession.

So far I have described what in the Soviet Union constitutes the authorized practice of religion. That is what American religious personalities have been able to witness in the Soviet Union. It is a new format of an old tradition, that of creating Potemkin villages.

Unlicensed Activities

What the visitors don't see is what goes on with regard to religious observance in the Soviet Union outside the officially sanctioned ceremonial occasions. What they don't see are the unlicensed activities which are carried on illegally and at serious risk to the participants. What the totalitarian system of the Soviet Union does not tolerate is any form of association of individuals outside the duly licensed pattern. Bible study groups, religious discussion groups, religious gatherings in places not duly authorized by the government, religious meetings not authorized by the government, religious events held under the auspices of unlicensed religious groups can all lead to criminal prosecution and punishment. To make sure that the laws on this subject are enforced, a system of special volunteer spy committees has been created whose job it is to report violators. These neighborhood committees, which are called "Public Commissions for Control Over Observance of the Laws About Religious Cults," watch over their neighbors, and they report

violators to the authorities. That is how Evangelical Christians, Mennonites, Baptists, Pentecostals, as well as Lithuanian or Ukrainian Catholics get into trouble, as do those Russian Orthodox who refuse to be coopted by the state.

To the chagrin of the authorities, interest in religion on the part of the Soviet people has been on the increase in recent years. This has included not only participation in governmentally authorized religious observance but also in what in the Soviet Union are deemed illegal religious activities. Violations of the law have become too numerous to permit them to be enforced rigidly and consistently. As a result, a good many violations tend to be ignored. But when the KGB decides to move, it clamps down hard. Persons guilty of the illegal practice of religion are sent off for many years to a prison, labor colony, or forced into exile, often on trumped-up charges. In those cases in which it appears inconvenient to invoke what in the post-Stalin era has been called "socialist legality," namely a criminal proceeding, the luckless religious practioner is sent off to an institution for the mentally ill. Whether one device is used or another, a climate of fear is engendered among those whose faith requires of them religious practice other than that which the state has deigned to license.

Although the advocacy of atheism is, as I noted earlier, no longer a high priority item in the Soviet Union, it is still the prevailing philosophy in the schools. That is where efforts are made by teachers to indoctrinate children with the Soviet Union's state religion of communism and where children from believing families are held up for ridicule. This is, therefore, one more hardship imposed on the families of religious believers.

The practices which I have here described are all in contravention of the provisions of such international instruments as the Universal Declaration of Human Rights and the Declaration Against Religious Intolerance, documents approved by the General Assembly of the United Nations without objection from the Soviet Union. They are also in violation of the Helsinki Final Act, a document subscribed to in 1975 by General Secretary Brezhnev. What, we need to ask ourselves, did the Soviet Union have in mind when it acquiesced in undertakings which it had no intention of observing? The answer is that it probably considered it less embarrassing to go along with the text and then ignore it rather than to make an issue of the matter.

What we who believe in freedom of religion need to do is make it clear that such conduct is not acceptable, that it will be noted, will be publicized, and the Soviet Union will be criticized for its failure to observe the internationally recognized standards of freedom of religion.

Will that make any difference? We can't be sure. But what we can be sure of is that those persons, including religious leaders, who look the other way when religious believers in the Soviet Union are deprived of their rights, allow these repressive activities to continue. Only by pointing out that what is done is wrong, by shining a spotlight on the wrongdoers, can we hope to effect change. What this committee is doing today is to shine a spotlight on the problem. That is, indeed, a significant contribution to the cause of freedom.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

ITU Issues Report on Soviet Jamming

On September 12, the Department of State received a report from the Secretariat of the International Telecommunication Union (ITU), a specialized UN agency, detailing their findings of harmful interference—jamming—by the U.S.S.R., Czechoslovakia, and Poland of U.S. short-wave broadcasts, including the Voice of America (VOA) and Radio Free Europe/Radio Liberty (RFE/RL).

This study was undertaken following interference complaints lodged in 1984 and 1985 on behalf of the U.S. Government by Ambassador Diana Lady Dougan, U.S. Coordinator and Director of the Bureau of International Communications and Information Policy.

The ITU's convention prohibits harmful interference to radio transmissions that are in accordance with the radio regulations. Utilizing the provisions of Article 22 of the radio regulations, the U.S. Government filed formal complaints through the International Frequency Registration Board (IFRB), which is part of the ITU Secretariat. The IFRB contacted the countries involved and requested their response.

As the Governments of the U.S.S.R., Czechoslovakia, and Poland did not respond to the U.S. complaints, we formally requested the IFRB to make a study and report.

We have now received the IFRB report. It deals with jamming transmitters at specific locations operating against specific frequencies on a daily basis over a long period of time and identifies 37 short-wave frequencies on which jamming transmitters located in the U.S.S.R., Czechoslovakia, and Poland were found to be operating against VOA and RFE/RL broadcasts.

The report is based on independent monitoring data submitted by many countries, and thus the extent of jamming has been documented in a technical and authoritative way.

The IFRB requested that the offending countries take appropriate action to insure that in the future they operate in accordance with the convention and in conformity with the radio regulations.

Commenting of the IFRB report, Ambassador Diana Lady Dougan said:

> We are pleased that for the first time in the long history of Soviet jamming and the even longer history of the ITU, the United States has been able to secure formal recognition and notification of Soviet jamming from the secretariat of a UN agency.
>
> This report has added considerably to our arsenal of irrefutable facts on Soviet jamming. We hope it will increase the pressure of world opinion to get those governments to reconsider their policies, cease violating international obligations, and stop jamming once and for all. Such a cessation would improve the general atmosphere of East-West relations, comply with our mutual commitments under the terms of the Helsinki Final Act, and facilitate cooperation with those governments on a variety of issues, particularly in the ITU where such cooperation is vital.

Press release 182 of Sept. 18, 1986. ■

Visit of Brazil's President

President Jose Sarney of the Federative Republic of Brazil made a state visit to the United States September 9–13, 1986, to meet with President Reagan and other government officials.

Following are remarks made by the two Presidents at the arrival ceremony of September 10.[1]

(White House photo by Pete Souza)

President Reagan

It's an honor to welcome President Sarney to the United States and to the White House. Brazil is a vast nation of hardy people, a country which shares with us a frontier heritage and a spirit of enterprise and independence. As was true for our country, people came to Brazil from many parts of the world to make a wilderness, to better their lives, and to live in freedom. And since the early days of both our nations, our countries have enjoyed bonds of commerce and friendship. I'm delighted today to have this opportunity to meet with President Sarney, to get to know him personally, and to discuss those issues which arise between great nations.

President Sarney is leading Brazil during a time of great transition, political and economic. Its peaceful return to democracy, accomplished with the good will and cooperation of all segments of Brazilian society, has been a model which others throughout the world, but especially in this hemisphere, should follow. Indeed, freedom is the birthright of all Americans, and that means every soul from the North Slope of Alaska to the tip of Tierra del Fuego. President Sarney, we rejoice that Brazil has again joined the ranks of free nations.

And from what we can see and hear, that joy is apparent in your country also. You described it when you said: "Brazil has just emerged from a long night. Her eyes are not red from nightmares. On her lips she bears an open gesture of confidence and a song of love for liberty." Well, those words were well spoken, the words of a poet and a leader who loves his people and loves liberty. We're proud to have such a man, and such a country as lovely as yours, as our friend.

Today democracy flourishes in Brazil. The rights of each individual are protected. Freedoms of expression, religion, and assembly are honored, and the franchise to vote in fair and direct elections has been expanded. And though a powerful nation, your country threatens no one. Brazil is at peace with itself and with its neighbors.

And today Brazil is proving the fundamental relationship between human freedom and economic progress; they go hand in hand. Your countrymen are enjoying robust economic growth and an explosion of enterprise. The inflation rate is down dramatically, and it is estimated that 1½ million new jobs have been created in the past year. Your commerce with other nations is surging, and new confidence is apparent from the factory to the marketplace. Brazil has the eighth largest economy in the Western world and is gaining on number seven.

But global considerations and international obligations come with such success. There can be little doubt that Brazil is emerging as a world power and is facing new challenges and responsibility as such. As two of the world's most energetic economies, we have a stake in strengthening the world trading system, protecting the viability of international monetary and financial institutions, and promoting growth and development, especially in the Third World. The world now has a stake in Brazil, and Brazil has a stake in the world.

The free flow of commerce between countries, for example, is a vital force for progress on this planet and is of utmost importance to the economic health of our two countries. It is up to us to do our best to keep those lines of commerce open. Trade must be free, and it must be fair. And the fight for free trade must start at home. No nation can expect to continue freely exporting to others if its own domestic markets are closed to foreign competition. Prosperity must be built not at the expense of others, but on the principle of mutual benefit.

I'm looking forward to discussing this and other issues of great importance with you during our meetings today. We have just scratched the surface of cooperation between Brazil and the United States. Technology is opening potential as never imagined between the free peoples of the world. In a few years the world will not only enter a new decade but also a new century and, yes, a new millennium. Brazil and the United States stand on that threshold together, but this is nothing new.

In 1876, the United States celebrated its centennial, and there to help us commemorate our first 100 years was Dom Pedro II of Brazil. Representing your people, he, alongside President Grant, inaugurated the celebration and helped send the United States off to meet its destiny.

President Sarney, we're pleased to stand by you as Brazil is realizing the dream of those pioneers and immigrants who came before us. They came to Brazil and to the United States. They would want our peoples and the leaders of our countries to be the best of friends. We should not and will not let them down.

President Sarney

I thank you for your invitation and for your kind words which show the right regard you have for Brazil and its people. I'll talk with you about friendship and about many subjects, but my English is very broken. My effort in speaking your language is a marathon of good will. I use the word friendship again. It says everything—Brazil, the United States, our peoples, our history, our old relationship. We worked together, side by side in peace and in the last war. We will build together the construction of the present and of the future. All Brazilians feel happy with your invitation. Our meeting reinforces democracy in Brazil and in Latin America—so I see it. The only ideology

of Brazil is democracy. It guides us, and it has permitted us to overcome the trials we had to face in the recent past. We are now back on our feet. We need friends like the United States. We need a partner to grow.

President Reagan, we admire your performance, your strength, your tenacity, your statesmanship. Your qualities inspire confidence to the American people. You gave a decisive personal contribution to the relations between our two countries in a moment of a great deal of uncertainty.

Now almost 4 years after your visit, Brazil is a different country, a new country. Conciliation and changes helped us achieve a peaceful transition to a free, democratic government. We are growing fast again. We are meeting our obligations. Our people have more jobs and better wages. We believe, like you, in free enterprise as the basis for development. We know that political freedom cannot survive when economic freedom no longer exists.

You once said that Brazil was a force in favor of moderation and balance. We are proud of that record. We will dedicate all our efforts to continuing to be a force for stability and peace.

Our meeting will mark a fresh start for our relations, relations that are based on common goals and the values earned on a mutual respect for our differences.

To Mrs. Reagan, Marly and I wish to express our most friendly greetings, thanking her for the very warm welcome with which we are being distinguished.

Mr. President, in Brazil we say that the man who has a friend has two souls. Brazil and the United States—two souls on one single destiny, the destiny of friendship.

[1]Held at the South Portico of the White House where President Sarney was accorded a formal welcome with full military honors (text from Weekly Compilation of Presidential Documents of Sept. 15, 1986). ■

Brazil—A Profile

People

Nationality: *Noun and adjective*—Brazilian(s). **Population** (1985): 135 million. **Annual growth rate** (1982): 2.3%. **Density:** 14.5 per sq. km. (37 sq. mi.). **Ethnic groups:** Portuguese, Italian, German, Japanese, African, American Indian; 55% white, 38% mixed, 6% black, remainder Indian or Asian. **Religion:** Roman Catholic (90%). **Languages:** Portuguese (official), English. **Education:** *Literacy*—76% of adult population. **Health:** *Infant mortality rate* (1981)—92/1,000. *Life expectancy* (1981)—62.8 yrs. **Work force** (50 million, 1984): *Agriculture*—35%. *Industry*—25%. *Services*—40%. *Trade Union membership*—about 6 million.

Geography

Area: 8,511,965 sq. km. (3,290,000 sq. mi.). **Cities:** *Capital*—Brasilia (pop. 1.4 million, 1983). *Other cities*—Sao Paulo (8.5 million), Rio de Janeiro (5.1 million), Belo Horizonte (1.86 million), Salvador (1.5 million), Fortaleza (1.3 million), Recife (1.2 million), Porto Alegre (1.1 million), Novo Iguacu (1.1 million), Curitiba (1.0 million). **Terrain:** Dense forest; semiarid scrubland; rugged hills and mountains; rolling plains; and coastal strip. **Climate:** Mostly tropical or semitropical with temperate zone in the south.

Government

Type: Federal republic. **Independence:** September 7, 1822. **Constitution:** January 24, 1967.

Branches: *Executive*—president (chief of state and head of government) elected to a single 6-yr. term. *Legislative*—Senate (69 members elected to 8-yr. terms), Chamber of Deputies (479 members elected to 4-yr. terms). *Judicial*—Supreme Federal Tribunal.

Political parties: Party of the Brazilian Democratic Movement (PMDB), Liberal Front Party (PFL), Democratic Social Party (PDS), Democratic Workers Party (PDT), Workers Party (PT), Brazilian Labor Party (PTB). **Suffrage:** Compulsory over 18.

Subdivisions: 23 states, 3 territories, federal district (Brasilia).

Defense: 7% of government budget.

Economy

GDP (1984): $218 billion (agriculture 12%, industry 38%, services 50%). **Annual growth rate** (1984): +4%. **Per capita GDP** (1984): $1,645.

Natural resources: Iron ore, manganese, bauxite, nickel, uranium, gemstones.

Agriculture: *Products*—coffee, soybeans, sugarcane, cocoa, rice, beef, corn, oranges. *Land*—17% arable, cultivable, or pasture.

Industry: *Types*—steel, chemicals, petrochemicals, machinery, motor vehicles, consumer durables, cement, lumber, shipbuilding.

Trade (1984): *Exports*—$27 billion; manufactures 67.5%; primary products, 32.5%. *Major markets* (1983)—US 23%, FRG 5.2%, Japan 6.5%, Netherlands 5.7%, Argentina 3.0%, USSR 3.0%. *Imports*—$13.9 billion; crude oil 48%, capital goods 18%, raw materials 26%, consumer goods 4.5%. *Major non-oil suppliers*—US 16%, Japan 6%, FRG 5%, Italy 3%, Argentina 3%.

Official exchange rate (July 1985): 6.420 cruzeiros = US$1 (changes frequently).

Fiscal year: Calendar year.

Foreign Investment (registered with Central Bank, 1983): $22.3 billion. *Sources*—US $7.2 billion, FRG $2.6 billion, Switzerland $1.9 billion, Japan $1.8 billion.

Membership in International Organizations

UN and some of its specialized agencies, Organization of American States (OAS), Rio Pact, Latin American Integration Association (ALADI), International Sugar Organization (ISO), International Cocoa Organization (ICCO), INTELSAT, Group of 77.

Taken from the *Background Notes* of Sept. 1985, published by the Bureau of Public Affairs, Department of State. Editor: Juanita Adams. ■

U.S.-Brazil Relations

Background

Brazil borders on all but two South American countries and is the largest and most populous nation in Latin America. Its geographic and demographic preeminence, its rapidly developing economy, its wealth of natural resources and large industrial base, and its growing role in world affairs make Brazil of paramount interest to the United States.

Bilateral Relations

In 1822 the United States was the first country to recognize newly independent Brazil as a nation. Brazil's ties with the United States were particularly strong during World War II; Brazil protected Allied shipping lanes in the South Atlantic, and its Expeditionary Force undertook an active combat role in Italy. During the 1950s and 1960s, Brazil received almost $2.4 billion in U.S. economic assistance. Relations in the mid-to-late 1970s were troubled by frictions over human rights and nonproliferation issues. Brazil abrogated bilateral military agreements with the United States, and we phased out assistance programs.

Presidents Figueiredo and Reagan exchanged state visits in 1982, and relations improved markedly. We have welcomed Brazil's return to democracy following 21 years of military rule and have few significant political differences. However, the rapid growth of Brazil's economy and its integration into the world economy have led to bilateral strains. Brazil's large debt, roughly a third of which is held by U.S. private or official institutions, is a matter of concern. In addition, trade problems similar to those the U.S. faces with Japan, the European Community, and other advanced developing countries have been a source of friction. The most prominent of these problems has been in the area of computers and computer-related materials ("informatics"), where the United States is seeking to reduce increasing barriers to Brazil's potentially lucrative market.

Political Situation

Following nearly two decades of military-dominated government, in 1982 Brazil elected by popular vote a federal Congress, state governors, and other state and municipal officers. On January 15, 1985, an electoral college elected a new civilian president—the popular former governor of Minas Gerais state, Tancredo Neves. In March 1985, on the eve of his inauguration, Neves fell ill and died without taking office. Vice President-elect Jose Sarney became president. President Sarney has since established himself as a major political figure in his own right. A large part of his popularity arises from his boldness in implementing the sweeping economic stabilization program mentioned below.

Brazilians will go to the polls again on November 15, 1986. They will elect a new Congress, state governors, and legislatures. The new Congress will serve as a constituent assembly and will write a new constitution, which is expected to consolidate and institutionalize Brazil's democracy.

Economic Situation

As the world's eighth largest free-market economy, Brazil's performance has begun to match its potential. Brazil has recovered in spectacular fashion from its 1981–83 recession, and its 1985 economic growth of 8.3% was the world's highest. Driven in large part by the need to service its $102 billion foreign debt, Brazil's trade performance has been strong, as demonstrated by its 1985 trade surplus of $12.5 billion ($5 billion with the United States). Brazilian exports increasingly reflect Brazil's strong technological capabilities and large industrial base, often making it a competitor of the United States in third-country markets.

Domestically President Sarney attacked Brazil's chronic inflation in February with the sweeping "cruzado plan," under which prices and wages were frozen, a new currency (the cruzado) created, and the indexation of wages and financial assets halted. In July he announced further measures intended to stimulate investment and maintain economic growth. Among these was the creation of a National Investment Fund to be financed by compulsory loans to the government assessed on purchases of gasoline, automobiles, and airline tickets.

Brazil's large population (137 million), growing economy, and rich resource base present the United States with important commercial opportunities. Already a major focus of U.S. overseas investment, Brazil is an enormous potential market for U.S. goods and services.

Brazil's foreign debt of $102 billion makes it the developing world's largest debtor. Its commercial debt management has been responsible. Brazil has maintained good relations with its creditors and has refrained from taking unilateral action to restrict commercial debt payments. Relations with official creditors have not been as good. Brazil has withheld some payments out of an expectation that creditors would agree to a rescheduling on terms similar to an earlier agreement. These creditors, including the United States, have not been in a position to agree to Brazil's request.

Taken from the GIST series of Sept. 1986, published by the Bureau of Public Affairs, Department of State. Editor: Harriet Culley. ■

Cuba: New Migration and Embargo Measures

DEPARTMENT STATEMENT,
AUG. 22, 1986[1]

President Reagan has approved a series of measures to improve the effectiveness of the current U.S. embargo of Cuba. These measures will make it more difficult for the Government of Cuba to obtain U.S. dollars and American goods by unlawful means. The objective is to tighten enforcement of the embargo denying to the Castro regime economic benefits from the United States while Castro continues to ignore international obligations and to pursue policies inimical to U.S. interests.

Among the measures approved by the President are crackdowns on trading with Cuban front companies located in Panama and elsewhere which attempt to evade the U.S. trade embargo. The measures also foresee closer controls on organizations which organize or promote travel to Cuba, as well as the transmission of money or goods to Cuba. The Castro regime controls all convertible currency sent to Cuba and provides Cuban recipients only a small share of the value of the money or goods sent.

At the same time, the President is issuing a proclamation to prevent the Cuban Government from trafficking in human beings by charging citizens and

residents of the United States thousands of dollars to finance the indirect travel of their Cuban relatives to the United States through third states. One objective of this measure is to deny the Castro regime the benefits of the Mariel agreement on migration of December 1984, which the Cubans suspended on May 1985. Under the Mariel agreement, Cuban immigrants could receive visas in the U.S. Interests Section in Havana, and Cuba was obliged in turn to accept the excludables from the 1980 Mariel boatlift.

The proclamation prevents the issuance of preference immigrant visas to persons who leave Cuba and go to third countries. Preference visa processing stopped in the U.S. Interests Section in Havana after Cuba suspended the migration agreement, but the Cuban Government has exploited the loophole that allows Cubans to obtain visas in third countries. This often involves payment of bribes to Cuban and other foreign officials in an effort to circumvent U.S. policy. The proclamation will close this loophole.

These measures will not affect the existing policy of the U.S. Government to assist long-term political prisoners who are permitted by the Castro regime to leave Cuba. The United States will continue to facilitate their departure from Cuba and entry into the United States on humanitarian grounds.

[1]Read to news correspondents by Department acting spokesman Charles Redman. ■

Arrival of Cuban Political Prisoners

DEPARTMENT STATEMENT, SEPT. 12, 1986[1]

We are pleased to announce that over 100 current and former political prisoners and family members are being allowed to leave Cuba and are expected to travel from Havana to Miami on a charter flight Monday, September 15.

Many of these persons are political prisoners who were on a list which the Cuban Government communicated to the U.S. Catholic Conference. Before this, in January 1985, U.S. Catholic bishops had asked the Cuban Government to release a large number of long-term political prisoners. Some of these were on the Cuban list, but many which the U.S. Catholic Conference had asked be relcased remain in prison or have not been granted permission to leave. Some persons on the Cuban list did not wish to leave Cuba or have died or are too ill to travel. In addition the group expected on Monday contains persons whose release was requested by Jacques Cousteau [French marine explorer, writer, and film producer] and who were found ready to travel. The remaining persons are family members.

The Intergovernmental Committee for Migration (ICM) has arranged transportation from Havana to Miami, while the U.S. Catholic Conference is taking primary responsibility for meeting and sponsoring the group in the United States. We owe both these organizations a special word of appreciation for their efforts.

Assistant Secretary of State for Inter-American Affairs Elliott Abrams and Deputy Commissioner of Immigration Thomas Ferguson will be on hand to welcome them to the United States. They will be joined by Federal, State, and local officials, representatives of the Cuban-American community, and the Catholic Church.

Officials from the Immigration and Naturalization Service and the Department of State recently interviewed these persons in Havana. None of the political prisoners whom they were able to interview was denied. We expect that additional political prisoners and family members who either have not yet been interviewed or are not yet ready to travel will be admitted in the near future.

We share the joy of relatives and friends who will be welcoming these valiant individuals who have suffered so many years in Cuban prisons. The United States will continue—as has been our longstanding policy—to encourage the release of long-term political prisoners in Cuba. Those who are permitted by the Castro regime to leave Cuba and who wish to come to the United States will be considered for admission as quickly as circumstances permit.

DEPARTMENT STATEMENT, SEPT. 15, 1986[1]

The United States is extremely happy to welcome to the United States the former Cuban political prisoners and family members who arrived in Miami this morning. Many of these courageous individuals suffered for more than 20 years in Cuban prisons. Some of them were still in prison as recently as last week.

We share the joy of the former prisoners and their families and friends who have waited so long for their freedom. We extend best wishes to them all as they begin their new lives in the United States.

Assistant Secretary of State for Inter-American Affairs Elliott Abrams and Deputy Commissioner of Immigration Thomas Ferguson welcomed the group on behalf of the U.S. Government. They were joined by other Federal, State, and local officials, as well as representatives of the Cuban-American community and the Catholic Church at the early morning arrival at the international airport in Miami.

We reiterate that the United States will continue—as has been longstanding policy of the United States—to encourage the release of the long-term political prisoners in Cuba. Those who are permitted by the Castro regime to leave Cuba and who wish to come to the United States will be considered for admission as quickly as circumstances permit.

We also call on the Cuban Government to terminate its suspension of the Mariel immigration agreement which would allow the resumption of normal migration of Cubans to the United States.

[1]Read to news correspondents by Department acting spokesman Charles Redman.
[2]Read to news correspondents by Department spokesman Bernard Kalb. ■

Current Actions

MULTILATERAL

Arbitration
Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force June 7, 1959; for the U.S. Dec. 29, 1970. TIAS 6997.
Accession deposited: Singapore, Aug. 21, 1986.

Inter-American convention on international commercial arbitration. Done at Panama City Jan. 30, 1975. Entered into force June 16, 1976.[1]
Ratification deposited: Guatemala, Aug. 20, 1986.

Conservation
Convention on the conservation of Antarctic marine living resources, with annex for an arbitral tribunal. Done at Canberra May 20, 1980. Entered into force Apr. 7, 1982. TIAS 10240.
Accessions deposited: Brazil, Jan. 28, 1986; Spain, Apr. 9, 1984; Sweden, June 6, 1984.

Diplomatic Relations
Vienna Convention on diplomatic relations. Done at Vienna Apr. 18, 1961. Entered into force Apr. 24, 1964; for the U.S. Dec. 13, 1972. TIAS 7502.
Accession deposited: Qatar, June 6, 1986.[2]

Finance
Articles of agreement of the International Bank for Reconstruction and Development formulated at Bretton Woods Conference July 1–22, 1944. Entered into force Dec. 27, 1945. TIAS 1502.
Signature and acceptance deposited: Kiribati, Sept. 29, 1986.

International Court of Justice
Declaration recognizing as compulsory the jurisdiction of the International Court of Justice under Art. 36, para. 2 of the Statute of the Court. TIAS 1598.
Declaration deposited: Honduras, June 6, 1986.

Judicial Procedure
Convention on the civil aspects of international child abduction. Done at The Hague Oct. 25, 1980. Entered into force Dec. 1, 1983[1].
Extended to: Province of Saskatchewan by Canada, Aug. 11, 1986.[2,3]

Jute
International agreement on jute and jute products, 1982, with annexes. Done at Geneva Oct. 1, 1982. Entered into force provisionally Jan. 9, 1984.
Entered into force definitively: Aug. 26, 1986.
Accession deposited: Poland, Aug. 26, 1986.

Marine Pollution
Protocol of 1978 relating to the international convention for the prevention of pollution from ships, 1973. Done at London Feb. 17, 1978. Entered into force Oct. 2, 1983.
Accession deposited: Egypt, Aug. 7, 1986.

Maritime Matters
International convention on standards of training, certification, and watchkeeping for seafarers, 1978. Done at London July 7, 1978. Entered into force Apr. 28, 1984.[1]
Accession deposited: New Zealand, July 30, 1986.[4]

International convention for the safety of life at sea, 1974, with annex. Done at London Nov. 1, 1974. Entered into force May 25, 1980. TIAS 9700.
Accession deposited: Malta, Aug. 8, 1986.

Pollution
Convention for the protection of the ozone layer, with annexes. Done at Vienna Mar. 22, 1985.[5]
Ratification deposited: U.S., Aug. 29, 1986.

Postal
Third additional protocol to the constitution of the Universal Postal Union of July 10, 1964, general regulations with annex, and the universal postal convention with final protocol and detailed regulations. Done at Hamburg July 27, 1984. Entered into force Jan. 1, 1986; for the U.S. June 6, 1986.
Ratifications deposited: Germany, Fed. Rep. of, Aug. 20, 1986;[6] Korea, Rep. of, Aug. 5, 1986; Malaysia, Aug. 13, 1986; Thailand, Aug. 27, 1986; U.K., July 15, 1986.[7]

Money orders and postal travellers' checks agreement, with detailed regulations with final protocol. Done at Hamburg July 27, 1984. Entered into force Jan. 1, 1986; for the U.S. June 6, 1986.
Approvals deposited: Korea, Rep. of, Aug. 5, 1986; Thailand, Aug. 27, 1986.
Ratification deposited: Germany, Fed. Rep. of, Aug. 20, 1986.[6]

Postal parcels agreement with final protocol and detailed regulations. Done at Hamburg July 27, 1984. Entered into force Jan. 1, 1986; for the U.S. June 6, 1986.
Approvals deposited: Korea, Rep. of, Aug. 5, 1986; Malaysia, Aug. 13, 1986; Thailand, Aug. 27, 1986; U.K., July 15, 1986.[7]
Ratification deposited: Germany, Fed. Rep. of, Aug. 20, 1986.[6]

Prisoner Transfer
Convention on the transfer of sentenced persons. Done at Strasbourg Mar. 21, 1983. Entered into force July 1, 1985.
Extended to: Isle of Man by the U.K.[3]
Ratification deposited: Cyprus, Apr. 18, 1986.

Satellite Communications System
Agreement relating to INTELSAT, with annexes. Done at Washington Aug. 20, 1971. Entered into force Feb. 12, 1973. TIAS 7532.
Accessions deposited: Mauritius, Rwanda, Sept. 2, 1986.

Operating agreement relating to INTELSAT, with annex. Done at Washington Aug. 20, 1971. Entered into force Feb. 12, 1973. TIAS 7532.
Signatures: Overseas Telecommunications Services Co., Ltd. of Mauritius, Mauritius; Ministere des Transports et des Communications de la Republique Rwandaise, Rwanda, Sept. 2, 1986.

Seabed Disarmament
Treaty on the prohibition of the emplacement of nuclear weapons and other weapons of mass destruction on the seabed and the ocean floor and in the subsoil thereof. Done at Washington, London, and Moscow Feb. 11, 1971. Entered into force May 18, 1972. TIAS 7337.
Accession deposited: Jamaica, July 30, 1986.

Terrorism
International convention against the taking of hostages. Done at New York Dec. 17, 1979. Entered into force June 3, 1983; for the U.S. Jan. 6, 1985.
Accession deposited: Dominica, Sept. 9, 1986.
Ratification Deposited: Austria, Aug. 22, 1986.

Trade
Agreement on trade in civil aircraft. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9620.
Acceptance deposited: Spain, Aug. 6, 1986.

Trade—Textiles
Protocol extending the arrangement of Dec. 20, 1973, (TIAS 7840) regarding international trade in textiles. Done at Geneva July 31, 1986. Entered into force Aug. 1, 1986; for the U.S. Aug. 5, 1986.
Acceptances deposited: Hong Kong, Uruguay, Sept. 8, 1986; Japan, Sept. 2, 1986; Mexico, Aug. 25, 1986; Sri Lanka, Aug. 8, 1986; U.S., Aug. 5, 1986.

Women
Convention on the elimination of all forms of discrimination against women. Done at New York Dec. 18, 1979. Entered into force Sept. 3, 1981[1].
Ratification deposited: Finland, Sept. 4, 1986.

BILATERAL

Bangladesh
Agreement amending the agreement of Mar. 8, 1982, as amended (TIAS 10483, 10642) for sales of agricultural commodities. Effected by exchange of letters at Dhaka Aug. 28, 1986. Entered into force Aug. 28, 1986.

Botswana
Memorandum of understanding concerning the development, installation, and operation of a seismic data acquisition system. Signed at Reston and Gaborone June 16 and Aug. 13, 1986. Entered into force Aug. 13, 1986.

Canada
Agreement amending the treaty concerning Pacific salmon of Jan. 28, 1985. Effected by exchange of notes at Ottawa May 5 and Aug. 13, 1986. Entered into force Aug. 13, 1986; effective Mar. 18, 1986.

China
Agreement concerning exports of luggage to the United States. Effected by exchange of notes at Washington Sept. 8 and 9, 1986. Entered into force Sept. 9, 1986.

Colombia
Agreement extending agreement of July 1 and Aug. 11, 1982, (TIAS 10543) as amended, relating to trade in cotton, wool, and man-made fiber textiles and textile products. Effected by exchange of notes at Washington July 30 and Aug. 6, 1986. Entered into force Aug. 6, 1986; effective July 1, 1986.

Czechoslovakia
Agreement concerning exports of certain textile products to the United States. Effected by exchange of notes at Prague June 25, July 3 and 22, 1986. Entered into force July 22, 1986; effective June 1, 1986.

Dominican Republic
Air transport agreement, with annexes. Signed at Santo Domingo July 22, 1986. Enters into force on exchange of notes confirming completion of any necessary constitutional requirements.

Agreement relating to agreement of May 15, 1985, for the sale of agricultural commodities. Signed at Santo Domingo Aug. 18, 1986. Enters into force on the date of notes indicating completion of all necessary internal procedures of importing country.

European Communities
Agreement amending the arrangement of Oct. 21, 1982, as amended and extended, concerning trade in certain steel products, with attachments and agreed minutes. Effected by exchange of letters at Washington and Brussels Sept. 5, 1986. Entered into force Sept. 5, 1986; effective Sept. 15, 1986.

France
Agreement for cooperation with respect to the operation of distribution license systems. Effected by exchange of notes at Paris Sept. 5, 1986. Entered into force Sept. 5, 1986.

Germany, Federal Republic of
Arrangement extending the arrangement of July 6, 1981, for the exchange of technical information and cooperation in nuclear safety matters. Signed at Washington July 17, 1986. Entered into force July 17, 1986; effective July 6, 1986.

Guinea-Bissau
Investment incentive agreement. Effected by exchange of notes at Bissau Aug. 14 and 15, 1985. Entered into force Aug. 20, 1986.

Guyana
Agreement for sales of agricultural commodities. Signed at Georgetown Aug. 7, 1986. Entered into force Aug. 7, 1986.

Hungary
Agreement amending and extending agreement of Feb. 15 and 25, 1983, (TIAS 10666) as amended, relating to trade in wool textile and textile products. Effected by exchange of notes at Budapest Aug. 15 and 25, 1986. Entered into force Aug. 25, 1986.

Iceland
Treaty to facilitate defense relationship, with related memorandum of understanding. Signed at New York Sept. 24, 1986. Enters into force upon the exchange of instruments of ratification at Reykjavik.

India
Grant agreement for child survival health support project. Signed at New Delhi Aug 29, 1986. Entered into force Aug. 29, 1986.

Jamaica
Agreement relating to trade in textiles with annexes. Effected by exchange of letters at Washington Aug. 27, 1986. Entered into force Aug. 27, 1986; effective Sept. 1, 1986.

Administrative arrangement relating to visa and certification procedures for textile products. Effected by exchange of letters at Washington Aug. 27, 1986. Entered into force Aug. 27, 1986; effective Sept. 1, 1986.

Agreements amending the agreement of Jan. 15, 1986, for sale of agricultural commodities. Effected by exchanges of notes at Kingston May 29 and June 4, 1986, and Aug. 18 and 27, 1986. Entered into force June 4 and Aug. 18, 1986.

Luxembourg
Air transport agreement, with annex. Signed at Luxembourg Aug. 19, 1986. Enters into force on a date to be determined upon completion of all necessary internal procedures by both parties.

Madagascar
Agreement amending the agreement of Sept. 27, 1985, as amended, for sales of agricultural commodities. Effected by exchange of notes at Antananarivo July 2 and Aug. 8, 1986. Entered into force Aug. 8, 1986.

Maldives
Agreement relating to and amending the agreement of July 13, 1985, for the sale of agricultural commodities. Signed at Male Aug. 25, 1986. Entered into force Aug. 25, 1986.

Mexico
Agreement relating to the AM broadcasting service in the medium frequency band, with annexes. Signed at Mexico Aug. 28, 1986. Enters into force on the date both parties notify they have concluded their respective constitutional procedures.

Morocco
Agreement amending the agreement of May 27, 1986, for sales of agricultural commodities. Effected by exchange of letters at Rabat July 24, 1986. Entered into force July 24, 1986.

Nepal
Administrative arrangement relating to a visa system for exports of Nepalese textile products. Effected by exchange of notes at Kathmandu July 28 and Aug. 18, 1986. Entered into force Aug. 18, 1986; effective Oct. 1, 1986.

Pakistan
Fourth amendatory agreement to agreement of Apr. 13, 1982, (TIAS 10378) for agricultural commodities and equipment. Signed at Islamabad July 15, 1986. Entered into force July 15, 1986.

Fourth amendatory agreement to agreement of May 23, 1983, (TIAS 10724) for rural electrification. Signed at Islamabad, July 8, 1986. Entered into force July 8, 1986.

Peru
Agreement relating to and amending the agreement of Apr. 17, 1985, with memorandum of understanding, for the sale of agricultural commodities. Signed at Lima Aug. 11, 1986. Entered into force Aug. 11, 1986.

Poland
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies. Signed at Warsaw July 29, 1986. Entered into force Sept. 8, 1986.

Sri Lanka
Agreement amending the agreement of Oct. 23, 1985, as amended, for the sale of agricultural commodities. Effected by exchange of notes at Colombo Aug. 25, 1986. Entered into force Aug. 25, 1986.

Agreement amending agreement of May 10, 1983, as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Colombo July 29 and Aug. 4, 1986. Entered into force Aug. 4, 1986.

Turkey
Agreement amending agreement of Oct. 18, 1985, concerning trade in certain textile products, with annexes. Effected by exchange of notes at Ankara July 30 and Aug. 1, 1986. Entered into force Aug. 1, 1986; effective July 1, 1985.

U.S.S.R.
Agreement extending the agreement of Nov. 26, 1976, as amended and extended (TIAS 8528, 10531, 10532, 10696), concerning fisheries off the coasts of the United States. Effected by exchange of notes at Washington May 16 and June 17, 1986. Enters into force

following written confirmation of the completion of internal procedures of both governments.

United Kingdom
Agreement extending the agreement of Sept. 20, 1976, as amended and extended (TIAS 10213), in the field of liquid metal-cooled fast breeder reactors. Effected by exchange of letters at Washington and Risley Aug. 26 and Sept. 2, 1986. Entered into force Sept. 2, 1986.

Agreement concerning the Turks and Caicos Islands and narcotics activities, with annex and forms. Effected by exchange of letters at Washington Sept. 18, 1986. Enters into force on date U.K. notifies U.S. in writing that the Turks and Caicos legislation implementing this agreement has come into effect.

Yemen
Agreement amending the agreement of Feb. 18, 1986, for the sale of agricultural commodities. Signed at Sanaa July 26, 1986. Entered into force July 26, 1986.

Zambia
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies. Signed at Lusaka July 25, 1986. Entered into force Aug. 28, 1986.

---

[1]Not in force for the U.S.
[2]With reservation(s).
[3]With declaration(s).
[4]Applicable to Cook Islands and Niue; not extended to Tokelau.
[5]Not in force.
[6]Applicable to West Berlin.
[7]Extended to overseas territories whose international relations it assures; also applicable to Channel Islands and Isle of Man. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*168	9/8	Program for the state visit of Brazilian President Jose Sarney, Sept. 9–13.
*169	9/8	New Treaty Room suite renovation completed.
*170	9/8	Unveiling of portrait of Alexander Haig.
*171	9/8	Harry W. Shlaudeman sworn in as Ambassador to Brazil July 28 (biographic data).
*172	9/8	Otto J. Reich sworn in as Ambassador to Venezuela, May 12 (biographic data).
173	9/5	Shultz: address at Harvard's 350th anniversary convocation, Cambridge.
174	9/12	*Foreign Relations of the United States, 1955–1957: Vol. IV, Western European Security and Integration* released.
175	9/12	Shultz: news briefing, White House.
*176	9/12	Program for the official working visit of Israeli Prime Minister Shimon Peres, Sept. 14–16.
*177	9/15	Unveiling of portrait of Edmund S. Muskie.
*178	9/13	Program for the official working visit of Philippine President Corazon Aquino, Sept. 15–19.
179	9/16	Shultz: statement before the Subcommittee on Immigration and Refugee Policy, Senate Judiciary Committee.
*180	9/16	Shultz: remarks and question-and-answer session, Congressman Regula's issues symposium, the Capitol.
*181	9/16	Shultz: remarks and question-and-answer session, senior business executives conference.
182	9/18	ITU report on Soviet jamming.
*183	9/22	Herbert E. Horowitz sworn in as Ambassador to The Gambia, Sept. 18 (biographic data).
*184	9/22	Dennis Kux sworn in as Ambassador to the Ivory Coast, Sept. 19 (biographic data).
*185	9/22	Princeton Nathan Lyman sworn in as Ambassador to Nigeria (biographic data).
186	9/20	Shultz: news briefing following meeting with Soviet Foreign Minister Shevardnadze.
187	9/22	Shultz: interview on ABC–TV's "This Week With David Brinkley," Sept. 21.
*188	9/24	Regional foreign policy conference, Hartford, Conn., Sept. 30.
*189	9/25	Shultz, Mathiesen: remarks at U.S.-Iceland treaty signing ceremony, New York City, Sept. 24.
190	9/26	Shultz: news conference, New York City, Sept. 25.
191	9/30	Reagan, Shultz: news conference, White House.

---

*Not printed in the BULLETIN. ■

Department of State

Free **single** copies of the following Department of State publications are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan
Prospects for World Peace, 41st UN General Assembly, Sept. 22, 1986 (Current Policy #867).
Keeping America Strong, White House, Sept. 23, 1986 (Current Policy #869).

Secretary Shultz
Progress, Freedom, and Responsibility, 350th anniversary convocation of Harvard, Cambridge, Sept. 5, 1986 (Current Policy #864).
Proposed Refugee Admissions for FY 1987, Subcommittee on Immigration and Refugee Policy, Senate Judiciary Committee, Sept. 16, 1986 (Current Policy #866).

Arms Control
U.S. and Soviet Approaches to Arms Control, Amabassador Rowny, Council on Foreign Affairs, Baltimore, Sept. 19, 1986 (Current Policy #868)

East Asia
U.S. and East Asia-Pacific Relations: The Challenge Ahead, Assistant Secretary Sigur, Mansfield Center for Pacific Affairs, Helena, Montana, July 4, 1986 (Current Policy #859).

Economics
Tokyo Economic Summit (GIST, Sept. 1986).

Europe
A Discussion on U.S.-Soviet Relations, Ambassador Nitze and Deputy Assistant Palmer, videotape interview, June 16, 1986 (Current Policy #865).

Western Hemisphere
Central America: U.S. Policy (GIST, Aug. 1986).
U.S.-Brazil Relations (GIST, Sept. 1986).

Free **single** copies of the following publications may be obtained from the Office of Public Diplomacy for Latin America and the Caribbean, Department of State, Washington, D.C. 20520:

Selected Articles Censored from La Prensa, Oct. 1985–Apr. 1986.
Dispossessed: The Miskito Indians in Sandinista Nicaragua, June 1986.
Attack on the Church: Persecution of the Catholic Church in Nicaragua, July 1986.
Libyan Activities in the Western Hemisphere, Aug. 1986.
Crackdown on Freedom in Nicaragua and Profiles of Internal Opposition Leaders, Aug. 1986. ■

INDEX

November 1986
Volume 86, No. 2116

American Principles. Progress, Freedom, and Responsibility (Shultz) 11
Arms Control
CDE Delegations Reach Accord on Military Activities in Europe (Barry, Reagan, document) 20
Discussion on U.S.-Soviet Relations (Nitze, Palmer) 73
Keeping America Strong (Reagan) 8
MBFR Negotiators Reconvene (White House statement) 28
MBFR Talks End 39th Round (Western statement) 27
Nuclear and Space Arms Negotiations (White House statement) 26
President's and Secretary's News Conference of September 30 60
Prospects for World Peace (Reagan) 1
Secretary's Interview on "The Today Show" 64
Secretary's News Briefing of September 20 54
Secretary's News Conference of September 25 57
Under Secretary Armacost's Interview on "Meet the Press" 49
U.S. and Soviet Approaches to Arms Control (Rowny) 29
Verifying Nuclear Testing Limitations: Possible U.S.-Soviet Cooperation (message to the Congress, text of study) 32
Brazil
U.S.-Brazil Relations 86
Visit of Brazil's President (Reagan, Sarney) 84
Communications. ITU Issues Report on Soviet Jamming 83
Congress
Continuation of South Africa Emergency (message to the Congress) 19
Proposed Refugee Admissions for FY 1987 (Shultz) 14
Prospects for the Vienna CSCE Follow-Up Meeting (Zimmerman) 70
Religious Persecution in the Soviet Union (Derwinski, Schifter) 77
28th Report on Cyprus (message to the Congress) 76
Verifying Nuclear Testing Limitations: Possible U.S.-Soviet Cooperation (message to the Congress, text of study) 32
Cuba
Arrival of Cuban Political Prisoners (Department statement) 87
Cuba: New Migration and Embargo Measures (Department statement) 86
Cyprus. 28th Report on Cyprus (message to the Congress) 76
East Asia. U.S. and East Asian-Pacific Relations: The Challenges Ahead (Sigur) 38
Economics
An Agenda for the New GATT Round (Yeutter) 43
GATT Nations Agree to Launch New Round of Trade Negotiations (Yeutter, declaration) 45
Progress, Freedom, and Responsibility (Shultz) 11
Prospects for World Peace (Reagan) 1
Egypt. Vice President Bush Visits the Middle East (Bush) 9
Europe
CDE Delegations Reach Accord on Military Activities in Europe (Barry, Reagan, document) 20
CSCE Follow-up Preparatory Meeting (Department statement) 72
MBFR Negotiators Reconvene (White House statement) 28
MBFR Talks End 39th Round (Western statement) 27
Prospects for the Vienna CSCE Follow-up Meeting (Zimmerman) 70
Human Rights
President's and Secretary's News Conference of September 30 60
Prospects for the Vienna CSCE Follow-up Meeting (Zimmerman) 70
Prospects for World Peace (Reagan) 1
Religious Persecution in the Soviet Union (Derwinski, Schifter) 77
Secretary's News Briefing of September 20 54
Secretary's News Conference of September 25 57
Iceland
President's and Secretary's News Conference of September 30 60
Secretary's Interview on "The Today Show" 64
Immigration
Arrival of Cuban Political Prisoners (Department statements) 87
Cuba: New Migration and Embargo Measures (Department statement) 86
International Organizations & Conferences.
GATT Nations Agree to Launch New Round of Trade Negotiations (Yeutter, declaration) 45
Israel. Vice President Bush Visits the Middle East (Bush) 9
Japan. U.S.-Japanese Relations 42
Jordan. Vice President Bush Visits the Middle East (Bush) 9
Libya. Secretary's News Briefing of October 2 66
Military Affairs. CDE Delegations Reach Accord on Military Activities in Europe (Barry, Reagan, document) 20
North Atlantic Treaty Organization. MBFR Negotiators Reconvene (White House statement) 28
Pacific. U.S. and East Asian-Pacific Relations: The Challenges Ahead (Sigur) 38
Presidential Documents
Continuation of South Africa Emergency (message to the Congress) 19
Keeping America Strong 8
Prospects for World Peace 1
28th Report on Cyprus (message to the Congress) 76
Verifying Nuclear Testing Limitations: Possible U.S.-Soviet Cooperation (message to the Congress, text of study) 32
Visit of Brazil's President (Reagan, Sarney) 84
Publications. Department of State 90
Refugees. Proposed Refugee Admissions for FY 1987 (Shultz) 14
Science & Technology. Progress, Freedom, and Responsibility (Shultz) 11
South Africa
Continuation of South Africa Emergency (message to the Congress) 19
Secretary's Interview on "The Today Show" 64
Secretary's News Conference of September 25 57
Terrorism. Under Secretary Armacost's Interview on "Meet the Press" 49
Trade
An Agenda for the New GATT Round (Yeutter) 43
Cuba: New Migration and Embargo Measures (Department statement) 86
GATT Nations Agree to Launch New Round of Trade Negotiations (Yeutter, declaration) 45
Treaties. Current Actions 88
U.S.S.R.
CDE Delegations Reach Accord on Military Activities in Europe (Barry, Reagan, document) 20
Deputy Secretary Whitehead's Interview on "Face the Nation" 52
A Discussion on U.S.-Soviet Relations (Nitze, Palmer) 73
ITU Issues Report on Soviet Jamming ... 83
Keeping America Strong (Reagan) 8
MBFR Negotiators Reconvene (White House statement) 28
MBFR Talks End 39th Round (Western statement) 27
Nuclear and Space Arms Negotiations (White House statement) 26
President's and Secretary's News Conference of September 30 60
Prospects for World Peace (Reagan) 1
Religious Persecution in the Soviet Union (Derwinski, Schifter) 77
Secretary's Interview on "The Today Show" 64
Secretary's News Briefing of October 2 .. 66
Secretary's News Briefing of September 12 51
Secretary's News Briefing of September 20 54
Secretary's News Conference of September 25 57
Under Secretary Armacost's Interview on "Meet the Press" 49
U.S. and Soviet Approaches to Arms Control (Rowny) 29
United Nations
ITU Issues Report on Soviet Jamming ... 83
Prospects for World Peace (Reagan) 1
Secretary's News Briefing of October 2 .. 66

Name Index

Armacost, Michael H 49
Barry, Robert L 20
Bush, Vice President 9
Derwinski, Edward J 77
Nitze, Paul H 73
Palmer, Mark 73
Reagan, President .1, 8, 19, 20, 32, 60, 76, 84
Rowny, Edward L 29
Sarney, Jose 84
Schifter, Richard 77
Shultz, Secretary ...11, 14, 51, 57, 60, 64, 66
Sigur, Gaston J., Jr, ... 39
Whitehead, John C 52
Yeutter, Clayton 43, 45
Zimmerman, Warren 70

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

OFFICIAL BUSINESS
Penalty for Private Use $300

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

86/2117

LD [redacted] C
U.S. DOCUMENTS
NEWARK PUBLIC LIBRARY

Department of State bulletin

The Official Monthly Record of United States Foreign Policy / Volume 86 / Number 2117

December 1986

1.3:

Department of State bulletin

Volume 86 / Number 2117 / December 1986

Cover: President Reagan and General Secretary Gorbachev at Reykjavik.

(White House photo by Bill Fitz-Patrick)

THE DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.
The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

GEORGE P. SHULTZ
Secretary of State

GEORGE B. HIGH
Acting Assistant Secretary
for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

SHARON R. LOTZ
Assistant Editor

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

DEPARTMENT OF STATE BULLETIN (ISSN 0041-7610) is published monthly (plus annual index) by the Department of State, 2201 C Street, NW, Washington, D.C. 20520. Second-class postage paid at Washington, D.C., and additional mailing offices. POSTMASTER: Send address changes to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE: Most of the contents of this publication are in the public domain and not copyrighted. Those items may be reprinted; citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. Permission to reproduce all copyrighted material (including photographs) must be obtained from the original source. The BULLETIN is indexed in the Readers' Guide to Periodical Literature and in the PAIS (Public Affairs Information Service, Inc.) Bulletin.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

CONTENTS

FEATURE

1 President Reagan and General Secretary Gorbachev Meet in Reykjavik (*President Reagan, Secretary Shultz*)

The Secretary

22 Reykjavik: A Watershed in U.S.-Soviet Relations
26 Human Rights and Soviet-American Relations
29 Interview on "Meet the Press"
32 Interview on "This Week With David Brinkley"

Africa

35 Economic Sanctions Against South Africa (*President Reagan, Message to the Congress, Message to the House of Representatives, Letter to the Congress*)

Arms Control

37 West Urges Acceptance of Verification at MBFR Talks (*U.S. Statement*)
39 Nuclear and Space Arms Talks Open Round Six (*President Reagan*)
40 Review Conference Held on Biological and Toxin Weapons Convention (*Donald S. Lowitz, Final Declaration, U.S. Documents*)

Department

47 The Fiscal Threat to U.S. Foreign Policy (*Ronald I. Spiers*)
50 Toward a More Representative Foreign Service (*Ronald I. Spiers*)

East Asia

52 The Philippines and the United States (*Michael H. Armacost*)
55 Visit of Philippines' President Aquino (*Corazon C. Aquino, President Reagan*)

Europe

57 U.S.-Soviet Relations: Coping With Conflicts in the Third World (*Michael H. Armacost*)
60 Departure of Soviet Espionage Agents (*Department Statement*)
61 U.S.-Soviet Relations: Background and Prospects (*Jack F. Matlock*)
65 NATO Nuclear Planning Group Meets in the U.K. (*Communique*)

Food

66 World Food Day, 1986 (*Proclamation*)

Human Rights

67 The Systematic Repression of Soviet Jews (*Roger Pilon*)

Middle East

70 Supporting U.S. Interests in the Middle East (*Richard W. Murphy*)
73 Visit of Israeli Prime Minister Peres (*Shimon Peres, President Reagan*)

Pacific

74 Compact of Free Association With Pacific Islands (*Executive Order*)
75 The Strategic Importance of the Emerging Pacific (*Gaston J. Sigur, Jr.*)

Refugees

78 U.S. Refugee Policy and Programs for FY 1987 (*Robert L. Funseth, Jonathan Moore*)

Western Hemisphere

81 A Spotlight on Cuba (*Kenneth N. Skoug, Jr.*)

Treaties

84 Current Actions

Press Releases

87 Department of State
88 USUN

Publications

89 Department of State
89 Foreign Relations Volumes Released
90 Background Notes

Index

(White House photo by Bill Fitz-Patrick)

President Reagan and General Secretary Gorbachev at Hofdi House.

President Reagan and General Secretary Gorbachev Meet in Reykjavik

President Reagan and Mikhail S. Gorbachev, General Secretary of the Central Committee of the Communist Party of the Soviet Union, met in Reykjavik, October 10–12, 1986.

White House Statement, Oct. 3, 1986[1]

The United States approaches the Iceland meetings with a deep sense of serious purpose. Our goal in Iceland is to narrow the differences that separate the United States and the Soviet Union. The President believes that face-to-face private discussions with General Secretary Gorbachev are the best way to seek progress at this critical juncture in our relationship. The President's goal is that both sides will gain a better understanding of each other's position at this time and move forward toward a summit in the United States. We will be satisfied with the Iceland meetings if we accomplish better understanding.

Arms control is important to both nations, indeed, to the world. We will be diligent in our efforts to seek a common ground that can provide the basis for progress at Geneva, but our agenda is broader than arms control. On regional issues—the tensions in Afghanistan, Africa, the Caribbean, the Middle East, and Southeast Asia contribute to tensions between the two superpowers and build mistrust that makes an arms buildup a dangerous fact of life in today's world. Elimination of regional tensions will go to the cause of mistrust between the United States and Soviet Union.

On human rights—as Americans we share with freedom-loving people everywhere a deep concern over human rights on a worldwide basis, and human rights in the Soviet Union is a major cause of concern to the President.

Bilateral relations—improving government-to-government and people-to-people exchanges in the fields of arts, education, and science can improve understanding among the citizens and contribute to the cause of peace.

The President believes that this is not the time for public rhetoric, but, instead, for private talk. The President goes to Iceland with a continuing commitment to seeking understanding that hopefully can lead to agreements that will benefit both the United States and the Soviet Union.

President's Remarks to Human Rights Advocates, Oct. 7, 1986[2]

I welcome this opportunity to talk with you about a most important subject of my upcoming meeting with General Secretary Gorbachev: human rights. And I know your interest in that. And with me, as you know, is Yuriy Orlov and Mrs. Orlov. Yuriy is a founding member of the independent Soviet Helsinki monitoring group, a man who has done more to inform the world of current Soviet human rights violations than any man on Earth—as I said yesterday, a hero for our time. The West owes him a profound debt, both for his courage and fortitude under unspeakable conditions and for reminding us how precious are the freedoms that we sometimes take for granted.

As you all know, there has been much speculation that our upcoming meeting in Reykjavik will focus on arms control. But true peace requires respect for human rights and freedom as well as arms control. We go to Iceland in pursuit of peace, but it's important that the world and our adversaries understand what we mean when we speak of peace. Peace is not simply an absence of war, it's the presence of justice. Human rights, human freedom are its indispensable elements. These fundamental values and beliefs are matters on which we Americans cannot and will not compromise. So, our agenda for the Reykjavik meeting will deal not only with arms reductions but Soviet human rights violations, military intervention by the Soviets and their proxies in regional conflicts, and broadening contacts between our two peoples.

This meeting is not to sign agreements, but to prepare the way for a productive summit. A real improvement in the Soviet Union's human rights record is essential for such a summit.

We will not sacrifice fundamental principles or vital U.S. interests to get a summit. I'll make it amply clear to Mr. Gorbachev that unless there is real Soviet movement on human rights, we will not have the kind of political atmosphere necessary to make lasting progress on other issues.

There is much room for improvement—the religious persecution, long divided families, suppression of emigration, and harassment of ethnic and cultural activists. We are realistic about the Soviet Union and have no illusions about the difficulty of making progress on these key issues, but I see no alternative to our twin policy of strength and dialogue.

Secretary's News Conference, Oct. 7, 1986[3]

A couple of weeks ago the Soviet Foreign Minister [Eduard Shevardnadze] delivered to the President a letter from the General Secretary [Mikhail Gorbachev] and at the end of it came the suggestion that as part of the preparatory effort before the planned summit in the United States, it might be constructive for the two leaders to get together less formally, briefly, to advance the preparations to make the planned U.S. summit as fruitful as possible. The President thought about that, discussed it with some of us, and felt that it was a good idea and that we should do it.

So we go to Reykjavik, having in mind the importance of trying to advance matters along the following lines.

First of all, as the President has said, and he said it to the General Secretary in Geneva—he seemed to agree—that the fundamental problems are problems of distrust, problems of tension, that come about because of the differing nature, differing interests, of the two countries. And so, for that reason, we believe it's important to discuss the tensions that arise in various regions of the world and try to move the ball forward on those regions toward something more constructive—the President made a suggestion for how to do this a year ago in his UN speech—and, if not to move the ball forward, at least to remind the Soviet leaders of how critical and how important these problems are, and of how much damage they do.

So we will want to explore the various regional issues. They have been discussed a great deal over the last year or so, but I'm sure the President will want to probe into them once more.

Similarly, perhaps nothing expresses the difference between our societies more vividly than the differences in our attitudes toward individual human beings, and so we want to discuss this subject. We've had a dramatic example of it in the Daniloff [*U.S. News & World Report* correspondent Nicholas Daniloff] case recently. We have made progress with the Soviet Union in discussing what we both call "humanitarian issues," basically involving divided families.

But there is a crying need for more observance of freedom of religion, more readiness to accept the fact that people can be critical without having to be thrown in jail, and more readiness, if people want to leave a country, to let them leave. So these issues will get an important share of attention.

Of course, there is a wide range of bilateral matters that we have under review, lots of things that have been settled and are underway, some things under negotiation. On the whole, these matters have gone along pretty well. No doubt the two leaders will want to probe into them a little bit, but I don't see that they need to spend a great deal of time on these issues, because they're moving along in a reasonable channel in a good way.

Beyond these issues, there are important matters in the field of arms control, and no doubt these issues will get and deserve a great deal of attention at this meeting. They range from confidence-building measures—and I think it's appropriate for the two leaders to take some satisfaction from the agreement reached a couple of weekends ago in Stockholm—to review possibilities in such areas as nuclear risk reduction centers, possibilities in the field of proliferation of chemical weapons, nuclear nonproliferation. And then, of course, there are the talks going on in Geneva, and I'm sure and hope and expect that these subjects will be addressed at considerable length.

Let me say something about each one of them. It has been said by spokesmen for both sides, including those up at the top, that in the field of intermediate-range nuclear missiles, there seems to be more opportunity for agreement than perhaps in others in an immediate sense. I hope that's true. It may or may not be true. It is a fact that the particular differences have been winnowed out and are pretty well understood, so that basically decisions have to be made about them.

Nevertheless, it's also true that, as in most negotiations, the issues that come at the end tend to be among the most difficult. So just because there are only a few left doesn't mean it's a piece of cake by any means.

At any rate, no doubt there will be a discussion in this area, with the hope that out of it can come some additional impulse and guidance to our negotiators in Geneva to see what they can do toward an interim INF [intermediate-range nuclear forces] agreement.

From our standpoint, and judging from the nature of the joint statement that was made at the conclusion of the Geneva meeting, top attention needs to be paid to radical reductions of strategic nuclear arms. It's this gigantic arsenal of armaments, particularly ballistic missiles, which are the source of the greatest concern and the greatest potential damage and instability.

So that's got to be the focus of attention. The President has spoken about this for as long as I've been listening to him, long before he was President, and at least we can say at this point that the agenda is the agenda of reductions, and the question is how much and in what weapons categories, and so on. But that's the agenda, and that's an important agenda that we want to push.

Of course, the third area, the space defense area, is also of very great importance. We hope and we expect to engage in, we hope, fruitful discussion in this area.

The principal point here is that there is a relationship, obviously, in military terms, security terms, between offense and defense, and that is what the President's Strategic Defense Initiative (SDI) is about—in changing the mix of offense/defense in the concept of deterrence so that the deterrence is more stable and more secure.

And we want to probe into that and develop that, and the General Secretary has said that he wants to discuss SDI; he no doubt has a different approach. But, at any rate, we'll want to engage.

In particular, I think, we'll want to bring out what is the guts of the President's most recent proposal—namely, the proposal that strategic ballistic missiles be eliminated. And as he has put it, if you eliminate these ballistic missiles, then the problem of defending against them is drastically shifted, as compared with a situation where there are lots of them, and you come down to having to defend yourself against possible cheating on agreements, or the possible coming into the hands of somebody of a few of these missiles, and so you need an insurance policy. That's a different need than the kind of defense you need when there are thousands and thousands of such strategic missiles.

So the guts of the President's proposal and the idea that all along has been to get rid of the threat that is imposed on both of us—and on mankind generally, for that matter—by the existence of so many of these very powerful, accurate, strategic nuclear ballistic missiles. At any rate, that is a subject that will be engaged in heavily, and that is broadly the agenda, as we see it anyway—and I'm sure that they expect to discuss these issues as well. That's understood between Shevardnadze and me in our discussions.

And our hope is that the discussions that will take place in Reykjavik will make a contribution to what the negotiators in their various fora can work out so that, as the meeting in the United States takes place, as the meeting in the Soviet Union takes place, we will see a process of progress in developing a more constructive relationship, and seeing things settle down more around the world and seeing human rights honored more greatly, and in seeing a safer world due to the fact that there are fewer nuclear weapons in it.

Q. What is the minimum you expect out of this meeting? I mean, we've been given these lower expectations now for about 4 days. Are you going to get anything out of it except the dialogue?

A. I'm not going to make the same speech I've just made over again. But you can see that there are many important—the idea is not to try to reach—we're not trying to reach a final agreement on something or other. We're trying to, in a sense, formulate propositions that will be of maximum assistance and direction to our respective negotiators, so that they, as the people who are spending all their time on the full detail and scope and subtlety of these subjects, can advance toward an agreement. That's what we're pointing toward in all of these areas.

Q. Can you give us some idea of what the decisions are that still await calls from both sides on INF? Are we talking numbers or verification, or all of the above? What are the problems there?

A. There are many, but there are four in principle. There are some additional ones in addition to those that I list but—

First of all, we insist that any agreement be global in nature, so that it affects Europe and Asia deployments similarly, and we think we're making progress on that, but it's still to be seen how the Soviets are willing to address questions involving Asia, and that's an essential ingredient as far as we're concerned.

Second, there are the problems of verification, and there are some important issues there, and clearly, it's so that adequate verification has to include some means that are, relative to the past, intrusive in examining what is taking place. So that's a subject that has to be addressed.

Third is the problem of duration, although I think a formulation in one of the Soviet earlier drafts that this agreement stands until it is replaced by something mutually agreeable, or something like that, is an adequate way to handle it. But at any rate, duration is an issue. And then there are the questions of missiles that are shorter in range than the principal ones being talked about, and which are of concern and need to be addressed in some fashion.

Now, I think beyond that, it is to be noted that, of course, we have had the position all along that what's needed is the complete elimination of this class of weapons—and both sides, in principle anyway, agree on that. So in that sense, any agreement, if it is less than that, is an interim agreement; it's a step. And so we would want to see explicit provision made for the reconvening of the negotiating groups and continued work toward subsequent steps that get us to the goal we're seeking.

Q. You're at this point not only negotiating with the Soviets but also with Congress, and specifically House Democrats, about their restrictions, arms control restrictions. Where does that stand at this point? And would the Administration be willing to accept a provision requiring continued observance of the SALT [strategic arms limitation talks] Treaty until next spring when all these issues will come up again?

A. I think that such a provision would be quite unhelpful as we go into these sessions. And, it is a continuing problem in this country that the things we are talking about and bargaining about with the Soviet Union, get, in a sense, taken away by the Congress, and that tends to undermine the position of our negotiators.

Now, I think that the Members of the Congress appreciate that, and I think there are some pretty good indications that as they see these meetings coming up, and everybody recognizes their importance and the importance of going as a country in a unified way, that perhaps something will be worked out that will be mutually satisfactory. But I'm not going to go into it further than that.

Q. Talking about the guts of the President's proposal to eliminate ballistic nuclear missiles, and then [inaudible] that would change the defensive need, haven't you once again outlined the so-called grand compromise in which, if the Soviets will agree to sharp reductions in ballistic missiles, the President could agree to a lower SDI-type defense?

A. What I said, I think, is something quite obvious: that if you have no ballistic missiles to defend against, the problem is very different than if you have several thousand. So that's the kind of thing we want to talk about—what is the relationship between offense and defense? And the whole idea of the Strategic Defense Initiative from the

outset has been to make obsolete, so to speak, these strategic ballistic missiles. And, of course, the surest way to have them obsolete is to have them non-existent. But since you never can be sure once they have been invented, you better have an insurance policy around.

But at any rate, the guts of the whole thing has always been to obviate the threat of the strategic ballistic missile, and that's the guts of the President's proposal.

Q. It may seem obvious, but every time the question is put the other way around, that is, "Can we make the kind of reductions in strategic ballistic missiles, and therefore, make some sort of trade-off in reduction of SDI?" Administration spokesmen say, "No, no. SDI is sacrosanct." You seem to be outlining a much more reasonable view of the negotiation.

A. I think that it is absolutely essential for the United States to pursue the SDI program fully and seriously, because we hope that these negotiations will come to something, but we don't know, so we must look to our "hole card" and be ready to defend ourselves.

Furthermore, I think it's quite clear that the way to have the maximum chance for these negotiations to come to something is for it to be clear that there is, more and more in prospect, the genuine possibility and capability of defense against ballistic missiles.

Q. Can you say which is the most promising and which is the most dangerous regional issue that you will be discussing?

A. We've had extensive discussions of all of the regional issues, and they have, I think both sides would agree, have been useful discussions in clarifying the issues somewhat, perhaps in a kind of damage-control sense so that we try to keep them from being explosive in the sense of leading to a superpower confrontation in a direct way. But beyond that, they really haven't gotten that far.

Now, it is said that there is the possibility of some movement on Afghanistan—and I hope that's true. We understand and we see a lot of preparations for what looks like a kind of publicized event of the withdrawal of some Soviet forces from Afghanistan, maybe even timed for the Reykjavik summit—I don't know. But that would seem to be a situation where you're talking about a very, very small proportion of the total forces, and there is a little puzzlement about it, but it almost looks as though new forces are coming in as some are being withdrawn, so it's kind of a puzzling situation.

But leaving that aside, if there is some progress to be made on Afghanistan, that would be fine; if there is some progress to be made in southern Africa, that's always seemed to me an area where possible discussions might get somewhere.

Leaving aside the areas that the President has referred to in his speech that we have discussed with the Soviets—the Iran-Iraq war, a number of times—and I think it is fair to say that both of us would like to see that war come to an end without a victim and without a vanquished. And it may be that something useful can be done on that.

Q. One suspects deliberately you've given us very few benchmarks on which to judge the success or failure of the meetings in Reykjavik. Would you imagine that a firming up of the General Secretary's commitment to come on a date certain to Washington is one way of judging?

A. I think it's going to be hard to judge it. Of course, I have to go about judging it from the standpoint of the insides of it and the substance of it and whether or not, in one way or another, it seems to me to advance matters. So I'll give it my own grade, which is probably not one that I'll be able to pursuade anybody of—it's just my own internal way of appraising it. But I don't know—but what the best way of appraising it may be to see whether or not there is some progress in these other negotiations, or in some—one of the issues at some subsequent time. In other words, I don't know that it's going to be possible on Sunday afternoon to say A, B, or C.

Q. On the short-range missiles, are you seeking some sort of commitment that they should be dealt with perhaps in a parallel negotiation with INF, or folded into INF? And on START [strategic arms reduction talks] would it be useful, to, at least, since you're so close on numbers of warheads, to reach some conclusion, some commitment to specific numbers of warheads and [inaudible] direct the negotiators to work out supplement to the mix?

A. You're too sophisticated for me with all those—such a question. But at any rate, on the short-range systems, that issue has been on the table; it hasn't been addressed as strongly as the other systems have. And I think it's one of those things where, as one item becomes less important, another that was not as important when something else was up there looms greater in and of itself, and I'm sure that it needs to be addressed. And particularly insistent on that are the countries which are within range of the shorter range system, and particularly here, of course, Germany is involved.

Insofar as START is concerned, you're right. There has been a narrowing; the concept of warhead as at least an important unit of account is being talked about, and the numbers are a little closer than they have been in the past, so that's a measure of some progress.

As I said in my opening statement, I think in broad terms the real name of the game over a period of time is to get radical reductions in these kinds of forces. That's what we're trying to bring about.

Q. You said last week that the issue of the 25 Soviet diplomats will also come up again in Iceland. Do you foresee any possibility that, as a result of the talks there, we are going to change on the names that we submitted to the Soviets?

A. We don't have any plan to change. We have given a list and the only thing that was done since we gave the list, that is, one thing happened, quite a few of the people on the list left, but not all. The President granted an extension to the—I think it is the 14th of October, by which the balance must leave, and that's where the matter stands.

Q. What exactly do you need to nail down a firm date for a summit in the United States?

A. As far as we're concerned, we believe that it's something that should be gone ahead with and we're ready to establish the date. It's the Soviet Union that has been reluctant.

(White House photo by Bill Fitz-Patrick)

President Reagan and General Secretary Gorbachev open their meetings at Hofdi House on October 11. U.S. interpreter Dimitry Zarechnak sits to the left of President Reagan; Soviet interpreter Nikolai Uspenskiy is to the left of General Secretary Gorbachev.

Q. What do you need? What's it going to take?

A. Their agreement.

Q. All right. But they have established some conditions for that—

A. It has been rather elusive and floating conditions. We'll just have to see.

Q. How close are you to it?

A. I don't know. I've always believed that you're not there until you're there, and optimism and pessimism, closeness, progress, and so forth, are very elusive words in this kind of a field.

Q. The one issue that you didn't mention at all is probably at the top of Gorbachev's agenda, which is the moratorium on nuclear testing. Could you give us some idea of whether either on verification or reducing the number of nuclear tests or the size of those tests, there might be some progress made at this meeting, or is that something that as far as the United States is concerned is not even on the agenda as far as any hope for progress?

A. As far as we're concerned, we'd like to see progress on the subject of testing, and we think the way to go about it is to walk before you try to run. And the way to walk is to put into place the known measures of verification that will enable us to have increased confidence by orders of magnitude about the size of the tests conducted under the 150 kiloton limit, and under those conditions, to ratify those treaties. That gets you in business, so to speak.

Under provisions of the Threshold Test Ban Treaty, it provides that the two sides will then start in further negotiations and discussions with the ultimate aim of a comprehensive test ban.

Now, it is our view, and I think it is almost an obvious proposition, that as long as you have nuclear weapons, you have to conduct tests, and so you put the cart before the horse if you say, "Let's stop tests." The horse is the nuclear weapons, and we say, "Well, let's get rid of them." And when we get rid of them, and perhaps to some extent as we get rid of them, if we see a schedule that's actually being implemented, then you are in a position to do something about tests in various ways. But let's be sure we get the cart and the horse in the right order. But we think that progress can be made, and we have described in broad terms a way of making it. Just to

all of a sudden stop testing, we don't think would be a wise idea from our standpoint.

Q. You seem to be saying that if SDI is not the bargaining chip that some of us thought it was in the past, that at least the size of SDI and the frequency of nuclear testing are bargaining chips dependent on the size of the reductions that the Soviets might [inaudible].

A. If I can use a sort of image from geometry, if you think of a graph and it has on one axis the numbers of nuclear weapons and on the other axis some measure of testing, and can you imagine a straight line, a direct function of one or the other, no. What I said was that if you—you are not going to say, let's eliminate one nuclear weapon, we'll eliminate one-quarter of a nuclear test, or some ridiculous proposition like that. But if what we see is radical reductions in nuclear weapons and a genuine prospect for their disappearance, then that makes it more sensible to talk about testing. And, of course, if there aren't any more, then you don't have to test them. That's obvious.

Q. Does that also include foreseen in reductions in SDI, in the size and scope of SDI?

A. Just to repeat what I said, I tried to really call your attention to what, at least to me, is the guts of the President's most recent proposal, namely to say eliminate ballistic missiles and then that changes radically what you need to do to defend against them, and I think that's a pretty obvious proposition. It doesn't eliminate entirely the desirability of being able to defend against them, because you don't know about some being retained in some fashion, or somebody coming up with one, or whatever, so you still have to worry about it once something like this has been invented. But your problem is very different if you ever get to that point.

But in the meantime, the thing we must have in our country, we have to look to our security and the security of our allies, and to the maximum extent possible, we want to have it depend on what we do, not what somebody else does. And if we can learn how to defend ourselves against ballistic missiles, that is a measure of safety and we believe that if you had that in operation on both sides, you would have a more stable pattern of deterrent than the pattern you have now, which is wholly dependent upon offense, and an offense that has greater and greater elements of elusiveness in it as these weapons become more powerful, more accurate, and more mobile.

Q. On the regional conflicts, in southern Africa, how would you envision Soviet involvement in that area? Would you envision a kind of joint superpower approach to settling the problems of the region?

And, secondly, I guess a related but somewhat different question is how does the death, or the reported death, of the Americans in Nicaragua affect the discussions on Central America?

A. Insofar as southern Africa is concerned, I think one set of problems involves what's going on in Angola, where there is a big Soviet-Cuban presence in the form of troop levels in the midst of a civil war, and where some process of reconciliation among Angolans, with the leaving from Angola of all foreign forces—Cubans, South Africans, any foreign forces—might lead to—or ***would*** lead obviously to a better situation in Angola, and I think could be followed on by implementation of UN Resolution 435 on the independence of Namibia.

So that's one kind of goal to be worked at, just to take an example. I think that's what I have in the front of my mind. And I don't say that because I think there is something in the offing immediately, but it is just an obvious sort of point if the parties there feel that it's time to try to work out their problems.

Q. There is nothing in the offing?

A. I don't have any particular thing in mind other than in response to a question about examples of things that could be worked on. This is an example.

Q. What about Nicaragua with the death of the Americans?

A. I don't see that that has any particular Reykjavik spinoff to it. The people involved were not from our military, not from any U.S. Government agency—

Q. CIA [Central Intelligence Agency]?

A. —CIA included, so it's—these are private citizens, and it's not a governmental operation.

Q. On the Iraq-Iran war, you said that—in your meeting with the GCC [Gulf Cooperation Council] countries—that the Soviet Union is not cooperating with you to stop arms for Iran. How can you—what means will you try to work out with the Soviets to convince Iran to come to the negotiating table?

A. We think that in the current situation, it's Iran that seems to be the recalcitrant party in trying to get together and come to some resolution. And so a way to change the situation, insofar as Iran is concerned, is to make it difficult for them to buy arms, and we've been trying to do that, not with complete success but with some success. And an awful lot of the arms come from states with whom the Soviet Union has, we think, great influence, and so we'd like to see them use that influence and give that curtailment and that might shift the situation.

Q. Does President Reagan intend to bring any new proposals with him to Iceland on either medium-range missiles or any of these other topics you mentioned that might narrow any of the differences between the two countries? And is he prepared to negotiate on these, or does he see this more as an opportunity to talk and more fully understand the differences?

A. In a broad sense, any meeting like this is a negotiation, but I wouldn't expect that the two heads are going to get down into the nuts and bolts of these particular issues. But I think there are ways of formulating statements about key issues that would be useful to the negotiators as they try to move things forward.

So the President will be going there ready to discuss all of these issues in a spirit of the proposal the General Secretary made; namely, let us get together and see if through discussions between us we can't advance things somewhat in the interests of making the planned summit meeting in the United States be as fruitful as possible. And that's the spirit in which the President is going there.

Q. He may be carrying some new proposals?

A. We have very interesting proposals being put forward, put forward in Geneva. Those meetings have just started, and so there's a flow of discussion back and forth, and the President will be ready to engage in it, and the same is true for all of the issues that I've mentioned here.

Q. Members of the Administration have said that one of the President's primary objectives at Reykjavik is going to be to try and decouple SDI from START. You said here that you hoped to be able to flesh out the President's SDI proposals in Iceland.

The question is what precisely—or even in general terms—is the President going to do to get the Soviets to accept the concept of SDI, and to, in fact, agree to focus on strategic weapons when SDI has been such a stumbling block all along?

A. First, we think the President's proposals and ideas on this are so eminently reasonable that it's a mystery why they aren't embraced by everybody, and so we want to continue to try to explain them, and really engage on this question of offense/defense relationships.

Now, insofar as the relationship between the START area and the space defense area, that was discussed between Mr. Gromyko [former Soviet Foreign Minister] and I when we—back in Geneva when the statement that set up these negotiations started, and we both agreed at the time that there were relationships among all these areas, and if agreement were reached in one of them, then both agreed at the time that there were relationships among all these areas, and if agreement were reached in one of them, then both sides would have to consider whether you wanted to go forward with that or not, because it didn't preempt the subject of going ahead with one without going ahead with all.

Perhaps that will be possible in INF. It may not be possible in START, although, as one of the questions here suggested, there has been quite a lot of motion in the START negotiations, and so one of our purposes, of course, is to highlight that because that's where the most powerful, the longest range, the most destructive, the most quick-hitting, the most destabilizing weapons are. So, that's the big paydirt and that's what you want to dig into.

Q. If I could just follow up for just a second, Mr. Secretary, how then do you try and deal with SDI beyond repeating what you have just called the President's "eminently reasonable" position? Is there anything new you can bring to that dialogue?

A. We have put forward a strong set of ideas in the President's most recent reponse to the General Secretary, and it is—those proposals have yet to be really engaged, and we want to engage them and explain them, and find out if they don't like them, why they don't like them. And they say, both of us say, that we'd like to work to eliminate nuclear weapons, and the General Secretary made a proposal that seemed to have in it the idea that we should set a deadline of the end of the century. I know when I happened to be the person that literally was the mailman and brought that over to the President, he looked at it, and he said, "Why wait until then?"

So we're trying to find a path down. And why isn't an important step on that path the elimination of ballistic missiles, which are the most destabilizing and difficult? And, of course, if they are eliminated, that has, as I've said here several times, an important bearing on what it is you need to do to defend against them. That's an obvious point.

President's Departure Remarks, Oct. 9, 1986[4]

. . . .

I'm leaving today for Iceland for a meeting with General Secretary Gorbachev of the Soviet Union. This will be essentially a private meeting between the two of us. We will not have large staffs with us nor is it planned that we sign substantive agreements. We will, rather, review the subjects that we intend to pursue, with redoubled effort, afterward, looking toward a possible full-scale summit. We'll be talking frankly about the differences between our countries on the major issues on the East-West agenda: arms reduction, human rights, regional conflicts, and bilateral contacts. We'll be talking about how we can—while recognizing those differences—still take steps further to make progress on those items and to make the world safer and keep the peace.

Let me say here—and this is particularly fitting because this is Leif Erikson Day—how much the United States appreciates the hospitality on this occasion of the Icelandic Government and the people of Iceland. The United States and Iceland have been allies for more than 40 years—first, in the defense of freedom and democracy during World War II and, now, in working in NATO to defend peace and freedom and democracy. There can be no better testimony to the enduring commitment of the Icelandic people and government to the search for a just peace, a lasting peace, than their gracious consent to host these meetings.

At Geneva last year, Mr. Gorbachev and I made a fresh start toward improving relations between our two countries. And when I look back on the success of Geneva, I find myself feeling the real credit belongs to the American people. I knew at every step that I had our nation's unified support. I knew that Americans of both parties had said that differences stopped at the water's edge.

Last Saturday I asked again for unified national support as I head for a second meeting with the Soviet leader. And let me say now how much I appreciate the support that I have received over the years from the American people. Few things have been more gratifying or more important to our success. I'll need this same support through the negotiations of the coming year.

The world has never known a force as strong or decent as that of America when we're unified. Together we Americans settled this great continent that God put between two oceans for free men and women all over the world to find and cherish. Together we're transforming the world with our technology, making life longer with greater opportunities and more fulfilling for millions all over the earth. And most of all, together we've led the forces of freedom around the world in this century. In World War II, and still today, we've been the great friend of mankind's dreams of freedom, whether in Europe

or the Americas or Africa or Afghanistan. And together we can be true to the cause of freedom even while we're true to the cause of peace.

Last Tuesday, a group of human rights leaders reminded me of how important America's missions of both peace and freedom are. And among them was Yuriy Orlov, who was released only a week ago from Siberian exile where he was being kept for the crime of wanting his government to respect basic human rights. We didn't forget him, and we must never forget those like him. They're our inspiration, and we are their hope.

So, we go to Reykjavik for peace. We go to this meeting for freedom, and we go in hope. As a great American who knew the extremes of hope and despair, Robert E. Lee, once said, "History teaches us to hope." Today we're making history, and we're turning the tide of history to peace and freedom and hope.

I've long believed that if we're to be successful in pursuing peace, we must face the tough issues directly and honestly and with hope. We cannot pretend the differences aren't there, seek to dash off a few quick agreements, and then give speeches about the spirit of Reykjavik. In fact, we have serious problems with the Soviet postions on a great many issues, and success is not guaranteed. But if Mr. Gorbachev comes to Iceland in a truly cooperative spirit, I think we can make some progress.

And that's my goal, and that's my purpose in going to Iceland. The goals of the United States, peace and freedom throughout the world, are great goals; but like all things worth achieving, they are not easy to attain. Reykjavik can be a step, a useful step; and if we persevere, the goal of a better, safer world will someday be ours and all the world's.

White House Statement, Oct. 10, 1986[5]

As the President meets this week with General Secretary Gorbachev in Reykjavik, Iceland, he believes it is crucial that all Americans join with him in forging a strong, bipartisan consensus on a nuclear testing policy that promotes our national security interests and advances longstanding U.S. arms control objectives.

In recent weeks there has been substantial disagreement in the Congress and in the nation over the best approach to reach the goal we all seek—

(White House photo by Pete Souza)

Secretary Shultz and Foreign Minister Shevardnadze join the meetings on October 12. Other participants include (clockwise) Nikolai Uspenskiy, Soviet interpreter; General Secretary Gorbachev; Pavel Palazhchenko, Soviet notetaker; Foreign Minister Shevardnadze; Dimitry Zarechnak, U.S. interpreter; President Reagan; and Secretary Shultz.

a world in which there will be no nuclear testing because the need for it has vanished. The dispute threatened to give General Secretary Gorbachev the false impression of a divided America. The President did not believe it was in the best interests of our nation to create this impression.

U.S. policy on nuclear testing limitations is clear. Our highest arms control priority in the area of nuclear testing has been, and remains, to seek the necessary verification improvements to the existing Threshold Test Ban Treaty (TTBT) and Peaceful Nuclear Explosions Treaty (PNET).

Once our verification concerns have been satisfied and the treaties have been ratified, and in association with a program to reduce and ultimately eliminate all nuclear weapons, we are prepared to engage in discussions on ways to implement a step-by-step, parallel program of limiting and ultimately ending nuclear testing.

We remain committed to the ultimate goal of the total elimination of nuclear testing, but only when we do not need to depend on nuclear deterrence to ensure international security and stability; and when we have achieved broad, deep, and verifiable arms reductions, substantially improved verification capabilities, expanded confidence-building measures, and greater balance in conventional forces.

In order to make progress toward our goals, encourage the Soviet Union to negotiate verification improvements, and ensure the necessary national consensus for our objectives, the President has decided to take two new steps.

First, the President will inform General Secretary Gorbachev in Reykjavik that if the Soviet Union will, prior to the initiation of ratification proceedings in the Senate next year, agree to essential TTBT/PNET verification procedures which could be submitted to the Senate for its consideration in the form of a protocol or other appropriate codicil—the President will, as a first order of business for the 100th Congress, request the advice and consent of the Senate to ratification of the TTBT and PNET. However, if the Soviet Union fails to agree to the required package of verification improvements prior to the convening of the 100th Congress, the President will still seek Senate advice and consent, but with an appropriate reservation to the treaties that would ensure they would not take effect until they are effectively verifiable.

Second, the President will inform the General Secretary that, once our TTBT/PNET verification concerns have been satisfied and the treaties have been ratified, the President will propose that the United States and the Soviet Union immediately engage in negotiations on ways to implement a step-by-step, parallel program—in association with a program to reduce and ultimately eliminate all nuclear weapons—of limiting and ultimately ending nuclear testing.

The congressional leadership has responded to the President's decision in a bipartisan spirit and is supporting the President's proposal. The President is grateful for this show of unity. As a result, the President can make it clear to General Secretary Gorbachev that America is united in its determination to take prompt, practical steps to limit nuclear testing, that the first requirement is for him to act now to resolve the verification problems with the existing treaties, and that the United States and the world are awaiting his response.

While the President believes these new steps will allow progress in this area, they must not divert us from the primary goal: elimination of the weapons themselves. Broad, deep, equitable, and verifiable reductions in offensive arms remain our highest priority. Here, too, we have made significant proposals and await a constructive Soviet response. If they are willing, the road to a safer world is open before us.

Secretary's News Conference, Reykjavik, Oct. 12, 1986[6]

I have just spent 2 full, intensive days watching the President of the United States engage with the General Secretary of the Soviet Union over the full range of issues that we are concerned about together. The President's performance was magnificent; and, I have never been so proud of my President as I have been in these sessions, and particularly this afternoon.

During the course of these 2 days, extremely important potential agreements were reached to reduce, in the first instance, strategic arms in half; to deal effectively with intermediate-range missiles; although, we didn't finally have the opportunity to come to grips with it probably to work out something satisfactory about nuclear testing; a satisfactory manner of addressing regional issues; humanitarian concerns; a variety of bilateral matters; and a tremendous amount of headway in the issues in space and defense involving the ABM [Antiballistic Missile] Treaty.

Throughout all of this, the President was constructive in reaching out and using his creativity and ingenuity to find these very sweeping and substantial and important agreements. It has been clear for a long time—and it was certainly clear today, and particularly this afternoon—the importance the Soviet leader attaches to the Strategic Defense Initiative (SDI), and I think it was quite apparent that at least a key reason why it was possible to reach such sweeping potential agreements was the very fact of SDI's vigorous presence.

In seeking to deal with these issues, the President was ready to agree to a 10-year period of nonwithdrawal from the ABM Treaty, a period during which the United States would do research, development, and testing which is permitted by the ABM Treaty and, of course, after which we would be permitted to deploy if we chose. However, as the agreement that might have been said, during this 10-year period, in effect, all offensive strategic arms and ballistic missiles would be eliminated so that at the end of the period the deployment of strategic defense would be substantially altered in what was needed and would be in the nature of an insurance policy—insurance against cheating, insurance against somebody getting hold of these weapons—so it would maintain an effective shield for the United States, for our allies, for the free world.

As we came more and more down to the final stages, it became more and more clear that the Soviet Union's objective was effectively to kill off the SDI program and to do so by seeking a change described by them as

"strengthening," but a change in the ABM Treaty that would so constrain research permitted under it that the program would not be able to proceed at all forcefully.

The President, hard as he had worked for this extraordinary range and importance of agreements, simply would not turn away from the basic security interests of the United States, our allies, and the free world by abandoning this essential defensive program. He had to bear in mind—and did bear in mind—that not only is the existence of the strategic defense program a key reason why we were able potentially to reach these agreements, but undoubtedly its continued existence and potential would be the kind of program you need in the picture to ensure yourself that the agreements reached would be effectively carried out. And so in the end, with great reluctance, the President, having worked so hard creatively and constructively for these potentially tremendous achievements, simply had to refuse to compromise the security of the United States, of our allies, and freedom by abandoning the shield that has held in front of freedom.

So in the end we are deeply disappointed at this outcome; although, I think it is important to recognize how effectively and constructively and hard the President worked and how much he achieved potentially, how ready he was to go absolutely the last—not just the last mile, but as you can see from what I've told you, quite a long distance to try to bring into being these potentially very significant agreements. But he could not allow the essential ingredient to be destroyed in the process—and would not do so.

Q. You said you were not able to succeed on SDI. Did you succeed on any arms agreement?

A. Everything that was discussed here was discussed to a degree, you might say, in relation to the other parts, although obviously many of the things that we're doing go on. Of course, we will return to Geneva, as I assume they will, and the things that were talked about I assume will be seen in the Geneva talks and in the other talks where we meet with the Soviet Union. And we will continue to strive in every way we can to have a constructive relationship and one that is able to resolve these problems. But we will never do so at the expense of the security of the United States and our allies.

Q. Could you say, just to be clear, that you had within your grasp the possibility of eliminating all offensive missiles within a 10-year period if there had been that ultimate final concession by the President on SDI? Is that correct?

A. That is not the way I think we must think about it, because while we had set out many sweeping and potentially very significant things, if they only came to pass as a result of scuttling the SDI program then you had to ask yourself if they would really come to pass after all after the SDI program was gone. So they were there potentially, and I think myself for the Soviet Union to try to change the ABM Treaty in a way that would very sharply curtail the research that could be done under it was perhaps an indication of where they are headed.

Q. Do you have a date, did General Secretary Gorbachev agree to a date to come to the United States for a full-scale summit?

A. No, and there was very little discussion of a full-scale summit. Of course, it was mentioned, particularly in the first day, and I hope at some point he comes to the United States. But we ended, of course, having worked so hard and gotten so far, in the deep disappointment at discovering that in the end a change in the ABM Treaty that would have made effective research very, very difficult was a price, and obviously the kind of price that if you paid it, you might wind up losing everything else you had achieved.

Q. Are U.S.-Soviet relations better or worse than they were before this meeting, and why?

A. They are certainly more intensive, but it's hard for me to assess that question offhand because I've been involved in this 2 days. We all had very high hopes, and we came very close to realizing them, and that's always kind of a tough moment. But the meetings show that the two sides can come together, and these two leaders at least can engage very effectively on important matters. Whether they'll be able to do so at some time in the future remains to be seen; but in the meantime we will continue in every way we can to pursue our four-point agenda and to advance these causes as best we can and try to have a constructive relationship.

Q. Did the Soviets mislead you about what was possible at the summit? Did they come here in good faith?

A. I'm not going to comment on people's good faith. We came in good faith, and certainly they engaged with us in a very intensive process. They obviously made quite a wide variety of important proposals. In the end, however, on the absolute key, they wanted to make a change that I think you'd have to say was, predictably, not possible for us. But I wouldn't say they came here not in good faith, because they worked at this very hard.

Q. Would you describe the change that they fostered in the ABM Treaty?

A. The change in the ABM Treaty was the one that would confine the research and testing and development to the laboratory. There is nothing in the ABM Treaty about that, so this would definitely be a change. They described it as a strengthening; in our view, it was an insistence on a limitation that would effectively destroy the ability to do the kind of energetic research leading to our ability to defend ourselves that is possible to do, has great prospects, and we must do.

Q. When did they begin insisting on this change? Was this right from the beginning or was this something they sprung on you this afternoon?

A. No, no. These things all were sort of laid out and we discussed them—we discussed all these things on the first day, and we discussed them throughout. And, of course, we had a lengthy session most of the night last night with our two teams, and in those, on the basis of what was said on the first day, managed to agree on very good language, particularly in the area of strategic arms. So I don't want to say that this was somehow a last-minute thing. They've been talking about this for a long time, and we've been saying for a long time that we simply couldn't agree to it. That's where we came down.

Q. Given that the President and Mr. Gorbachev could not reach an agreement here today, what can you reasonably expect to happen in Geneva

that they couldn't accomplish here? And doesn't this effectively end the chances for a meaningful arms agreement in Mr. Reagan's term?

A. I hope it doesn't end the chances for agreements, but I can't say for sure about that. What I can say is that our negotiators will be back in Geneva, and we will be there knowing all of the ins and outs, as they will, of what was discussed here. We will be there in a constructive spirit, and we will see what we can do to advance things further. The purpose of this meeting, you remember, was to try to advance, to give instructions to these negotiators and others in other fora that would move matters along. And while in the end we weren't able to wrap all these up, in the course of the discussions many important things were agreed to [that] sort of depended upon other things so that there is a great deal of potential accomplishment still there. But I'm not going to try to predict exactly what will happen.

Q. Given the claim for potential accomplishments that you talk about, do the talks in Geneva start from the point where you left off here, or does it go back to where it was before this summit took place?

A. We're glad to pick up where we left off here. What they will want to do, we will have to see. But there were a great many important ideas advanced, as you can see from what I've told you. We will, as the time unfolds here, give you a complete rundown on all this, which I just can't do offhand here. But at any rate, a great deal of progress was made.

Q. As you know, there have been some various interpretations of the ABM Treaty. Could you clarify whether you are talking about wanting to adhere to the so-called narrow interpretation of the treaty or the broad interpretation? And what is the Administration's position on that narrow or broad question? Are you trying to defend the broad interpretation that you've always said was legally proper or—at least the last few years?

A. That was not the issue. The issue was a proposal to change the ABM Treaty, not to interpret it in any particular way but to change it in such a manner that research would be confined to what you could do in a laboratory. That's a change.

Now insofar as our position is concerned, what the President put forward, as he has before, was the notion that during this period our research would be as permitted in the ABM Treaty. And, of course, we have been discussing, Ambassador Kampelman [Max M. Kampelman, U.S. negotiator on defense and space arms and head of U.S. delegation on arms control negotiations] has been discussing—and we are perfectly prepared to continue discussing in Geneva—what we believe the treaty means. And there is a very long, well-developed and, by now, very well-researched record on exactly that question. So the issue wasn't an interpretation; the issue was their proposal to make a change which, in our view—and it wasn't just the President's view or my view, but I think all of our experts that we assembled here—a change that would have made it extremely difficult to do effective research to defend ourselves.

Q. What you have said means that we should not expect to see a superpower summit in Washington within the next few months, as per the President's invitation last year?

A. I don't see any prospect of it, based on this; but I've long since learned not to rule anything out.

Q. Did you have the feeling as you left this meeting that the Soviet position on this was set in concrete or is there any way that is possible to return to this amendment in any kind of forum to advance some of the changes that you had talked about?

A. We certainly argued about it long and hard, and we had—we came—I've lost track of the amount of time; I don't even know what time it is now. But at any rate, we convened in Hofdi House; we took time for caucusing; we reviewed proposals; we made counterproposals back and forth to a considerable extent around this issue. So there was a tremendous amount of effort. And in the last session, which went on for quite some period—I don't know how long—but we all know that in the last session after our last caucus, which really did focus on this issue directly, there was a very long, searching effort and this didn't succeed. So I don't know what concrete is like, but it seemed fairly firm.

Q. You came into this meeting saying you hoped to elevate the issue of human rights. Did you, or did it get lost in this discussion about SDI and arms control?

A. The issue of human rights was brought up on a number of occasions, and some very significant material was passed to the Soviet Union which they accepted that stated not only our views but in detail things about Jewish emigration, the number of people who have signified their desire to leave, lists of people, and things of that kind. So all of that was covered, and in what might have been a statement coming out of the meeting dealing with this issue the subject is explicitly setting up some kind of systematic basis for discussing it. But, of course, that remains to be seen.

Q. Are you in effect saying that potential progress was made on INF [intermediate-range nuclear forces], but that the Soviets are now linking that progress to SDI again?

A. I wouldn't put it that formally, but certainly as we have gone through these things we saw the potential of a set of genuinely significant agreements—on INF, on strategic arms, on potentially the elimination of all offensive ballistic missiles, on space and defense—and there was a kind of integrated feel to them. And we came up to the end, and we didn't agree, so we didn't go back and say, "Well, now that we have failed to agree, let's see how we can sort this out." We came to the end, and the sorting-out process we'll have to take up, no doubt, in Geneva.

Q. Do you have one piece of paper, as you seem to be suggesting, which listed all of these progress areas, but that when the discussion broke down over the ABM issue the Soviets would not agree to the individual points on the paper? I'm trying to get the feel of why everything became interlocked. The INF, we thought, had been separated out.

A. I think the best way for me to answer that question is sort of descriptively in the process. In the process we took up each of these subjects; and then last night in the two working groups we tried to go from the statements that were made in the meetings of the two leaders to explicit language; and we

were able to find such language in START [strategic arms reduction talks] and across the range of bilateral, regional, and humanitarian issues. We were unable to do so last night in INF, but with the strong discussion on that today positions shifted, and we were able to find what I think could be a very fine agreement. We didn't get around to actually reducing that to specific language, but I think, given the agreements that were reached, it wouldn't have been too difficult.

Similarly, in the field of nuclear testing, we talked out a pretty fair measure of agreement on the content of what might be said, and my belief is that if we had gone forward, we would have been able to work that out. And we had pieces of paper that we were working from on the space defense ABM issue that represented the nature of the discussion; and it was over that wording that finally, in the end, about however long ago it was—three-quarters of an hour ago—the two leaders just decided that they weren't able to agree. And at that point, not being able to agree, we adjourned. We didn't, in other words, go back and say, "Now, wait a minute. How much of this and how much of that?"

Descriptively, these were the things that went along, and as we pick up and continue to work on this relationship, as at least we certainly intend to do, we will want to see how much constructive material we can develop out of these really extraordinary discussions that were had here in Reykjavik.

Q. Can you tell us exactly what was the potential agreement that you reached on START?

A. Basically to reduce strategic offensive arms in half, with references in the agreement numerically to both the launchers and the warheads. I could describe it in more detail, but that's the essence of it.

Q. Could you say whether there was any progress made at all on the issue of verification as regards to nuclear testing? And a second question: the critics have charged undoubtedly that this Administration has chosen "Star Wars," or SDI, over arms control. Is that a fair accusation?

A. That's a totally misplaced kind of statement because the fact of the matter is that the existence of a strong research program about strategic defense and its undoubted promise has had a great deal to do with bringing these talks to the point that they've gotten to; and I believe that the continued strong work on that program in existence, as reductions, if they had taken place, were going on would be your best insurance policy, that they would continue. That is, I think we have to think beyond verification into compliance and what brings about compliance. And in effect the promise of strategic defense is the thing that would help deliver on these promises, so that's the way I think of it. And perhaps the significance of strategic defense is not lost on either side, and that's what it comes down to.

Q. Did the President make any statement to Mr. Gorbachev on the consequences of this outcome of their meetings?

A. They both shared their disappointment, and I think they could both see the very positive consequences as people in the United States, people in the Soviet Union, and for that matter people all over the world might contemplate getting rid of ballistic missiles and, for that matter, getting rid of nuclear weapons. So there is a great sense of disappointment, but at least at this meeting a tremendous amount of headway was made. But in the end, we couldn't quite make it.

Q. Was there any animosity between the two men at the end?

A. They were both disappointed, but the discussion throughout was straightforward and civil, and people didn't lose their tempers and so on, although it was a vigorous, intense discussion. But it was conducted in a very good manner throughout, including at the end, despite the great disappointment.

Q. Would you characterize the INF accord that you said appeared to be worked out? Did the Soviets address the question of the Asian missiles? And can you tell us what—were discussed?

A. Yes. Let me say first of all that we all felt that we reached an agreement in the discussion between the two heads, but we didn't get around to that often exotic process of reducing what two leaders agree to into actual language. So with that caveat, I believe that we made very good contact with each other on the subject of verification; that we addressed successfully the issue of short-range INF missiles; that we addressed successfully the issue of duration; and that, insofar as the actual outcome is concerned, we would have wound up with a global ceiling on INF missiles of 100 warheads.

That's a breathtaking reduction from what now exists, and those warheads would have been located in the Asian side of the Soviet Union, on the one hand, and in the United States on the other. So it would have been a very sweeping shift, thinking of where we were 4 or 5 years ago and where we might still wind up. I'm not saying that these agreements aren't potentially possible; as of this moment, they don't have standing other than we managed to get ourselves to that point.

So we were consistent with our friends in Europe and consistent with our friends in Asia. And I think, also, I might say in the discussion across all subjects, there was a vigorous assertion—in some ways, rather interesting—a vigorous assertion on both sides of how insistent they were both going to be on adequate verification, which, of course, we welcomed.

Q. The ABM Treaty says that each party undertakes to develop tests—not to develop tests or deploy ABM systems or components—space-based, land-based, or sea-based. Why did the Soviets want to change that? What prompted them? Was it the American insistence on the broad interpretation or—during this 10 years? Why did they want to change that?

A. You have to ask them that question. I don't know the answer to that question. I can only tell you that they sought a change in the treaty that would confine research to the laboratory, and it was our view and the President's view and all of his advisers' view that if you confined it that way you would not wind up with an effective program. And so we just couldn't buy it because that would be, in effect, the end of the promising effort to give us a shield and a defense against ballistic missiles.

Q. Did you specifically discuss the continuation of talks at Geneva? And did the Soviets either leave it unclear or indicate to you in any way that they might not return to the table at Geneva?

A. As I said in response to an earlier question, I could only answer descriptively and we didn't discuss at the end, well, are we going back to Geneva or what are we going to do. We ended unable to reach an agreement finally, and there wasn't time or, frankly, I don't think any particular "umph" to go back and recapitulate that way. But I can say what the United States will do. We will have our negotiators in Geneva, and we will be ready to work on these important issues.

Secretary's News Conference, NATO Headquarters, Oct. 13, 1986[7]

The President said, as he was leaving Iceland last night, "We came to Iceland to advance the cause of peace and, though we put on the table the most far-reaching arms control proposals in history, the General Secretary rejected them. However we made great strides in Iceland in resolving most of our differences, and we're going to continue the effort." I think the President summed it up well.

Today I had the opportunity to describe, in detail, the process and the content of the meeting in Reykjavik to my colleagues in NATO [North Atlantic Treaty Organization] and each of them had an opportunity to express his view. I was struck, as I always am in these meetings, at the cohesion, at the constructive tone of our alliance discussions and of the genuine sense in which the Reykjavik meeting is viewed by our allies as a tremendous success in bringing to the surface so many issues of genuine significance and showing with some real content what prospectively might be done with things.

The fact that we were not able to get final closure can't diminish the fact that these ideas are on the table now in rather specific form and we will pursue them, as the President has said. Our negotiators will return to Geneva, and they will pick up, as will our negotiators in various other fora. As in one way or another different representatives in the alliance put it, "Reykjavik was a success. It would have been a failure not to try and would be a failure not to follow up on the many achievements at Reykjavik."

So you can be sure that the President, with the support and participation of our allies, will be wanting to do just that. I'll be glad to take your questions.

Q. You already answered my first question about where the Geneva talks would pick up. Apparently the negotiated elements of Reykjavik are on the table. There was some ambiguity about that. But, do you feel—

A. What I can say is our negotiators will return to Geneva, and of course all of the ideas involved are known to everyone, so we'll proceed on that basis. I'm not trying to speak for what the Soviet Union will do, and we didn't have any understanding about that.

Q. But what do you feel are the possibilities of negotiators in Geneva reaching an agreement when the leaders couldn't?

A. There is a perfectly good possibility of reaching agreement on INF [intermediate-range nuclear forces]. The leaders developed a great deal of material that people can try to build on. The Reykjavik meeting was proposed by General Secretary Gorbachev as a meeting to prepare for a subsequent meeting in the United States and is part of the preparatory process, and Geneva is very much a part of the preparatory process, you might say. So, we certainly intend to feed the Reykjavik ideas into our discussions in Geneva. As I say, I don't presume to know how the Soviet Union will approach this, but that's the way we're going to approach it.

Q. Did any of your European allies express concern that the SDI [Strategic Defense Initiative] program could prevent reaching an agreement in arms control?

A. They didn't, but I think the reason is the increasing perception that the possibility of learning how to defend ourselves against these devastating offensive ballistic missiles is the very possibility that had a great deal to do with a willingness of the Soviet Union to come forward with us with the kind of program that we're talking about. I think, if such a program were ever agreed to as something to get started with, the realization of that program that is actually taking place would be strengthened tremendously by having a vigorous and prospective strategic defense program in being. That is, the research on it continuing. Therefore, the President felt, and I certainly agree with him, that to agree to something now that would have the effect of crippling our ability to find a way to defend ourselves would have, in effect, undermined what we were hoping to get agreed to. I think people understand that point. It isn't a trivial point, it isn't just hanging onto some program or something like that. It is a very deep, underlying problem.

Q. Can you confirm that the only point on which the breakdown took place was the definition of the ongoing research in SDI?

A. The Soviets insisted on what would have been a radical change in the ABM [Antiballistic Missile] Treaty to restrict research—other than the kind of research done on the system that they have deployed—to the laboratory. Now, what that means is a proposal to cripple strategic defense research. So you have to see it for what it is and then ask yourself about the implications of that for the broader program.

So the President felt, much as he would like, as anyone would, to reach such a sweeping and good agreement, that he had to have the strength not to agree to something that might look good today and 7 years from now turn out to be crumbling because of an essential ingredient that had been unwisely given away, and he just wouldn't do it. I must say I admire his courage. It takes a lot of courage to do that.

Q. It was well known before the summit took place that the Soviets were trying to confine research on SDI to the laboratory. Our position also is well-known, that we wanted to be able to deploy an SDI system at the end of a period, whether it was 7½ or 10 years. Can you say whether any effort was made, and if not, why not, to try to split that difference, to try to come up with a formula under which, for example, testing might have been permitted but not testing integrated SDI components so that you might have been able to achieve the truly extraordinary other accomplishments that were achieved?

A. The question of discussing the meaning of the ABM Treaty is something that has been going on in Geneva, and we are quite prepared to

continue that process and said so. How, to pick up on something you said—it wasn't exactly the question you asked. This difference of opinion about research was known before we arrived in Reykjavik, but so were a lot of other differences. And many of these differences were narrowed greatly or even resolved, and both parties made concessions.

With respect to space and the strategic defense and the ABM Treaty, the President made a major concession in agreeing—and we thought that this was what the Soviets were driving for, and they certainly seemed to say that—in agreeing to a nonwithdrawal from the ABM Treaty provision for 10 years and linked it to a program of reductions to zero, at the end of 10 years, of offensive ballistic missiles. So, he gave the 10-year nonwithdrawal provision that they seem to be seeking and we felt that if you wind up at the end of 10 years and there are no more offensive ballistic missiles, then how can you be concerned and why should you be concerned about a defense against them.

I suppose somebody might say, well, why would you want to spend all the money to put them into place? But certainly, from the standpoint of any threat that might hold, it wouldn't be a threat. And, of course, it would be true that, if you got to that point in 10 years, what you would have to deploy would be a much reduced and different thing than what you'd have to deploy against a large offensive force. But you do have to have an insurance policy against cheating and against the possibility that somebody sometime might come up with these missiles which, after all, people know how to build, and so you'd better have a policy of insurance.

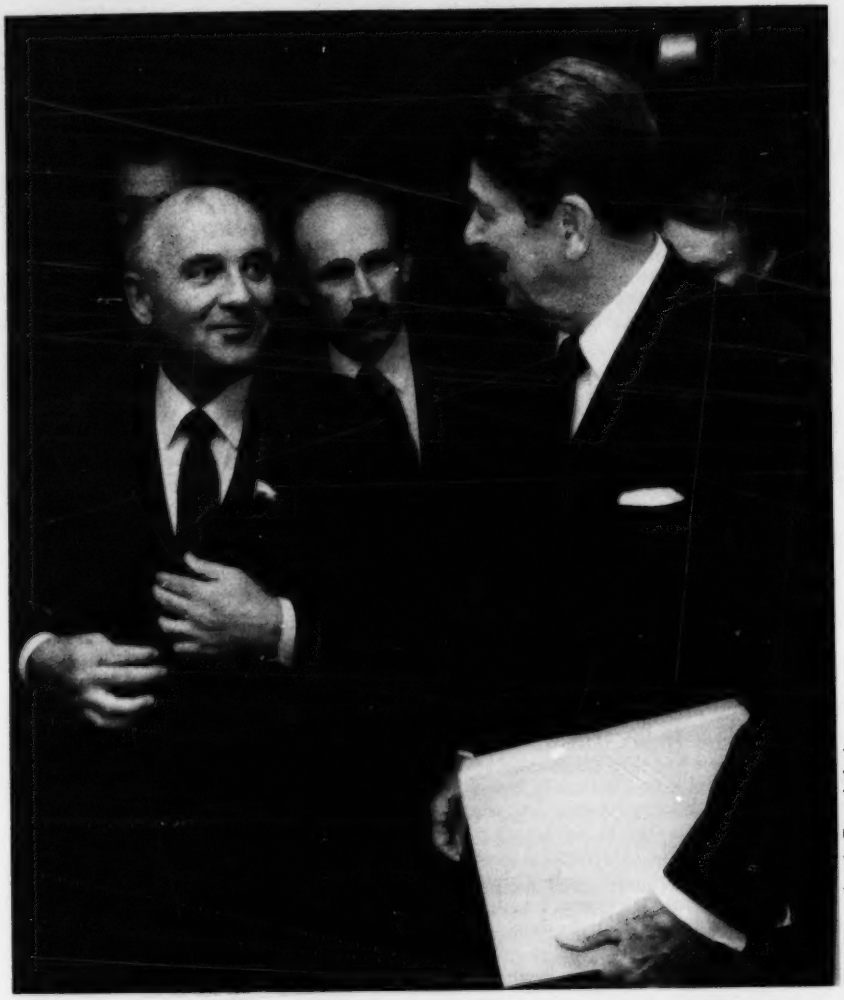
Q. At your last meeting with the NATO foreign ministers in Halifax you faced a lot of criticism on the President's SALT II [strategic arms limitation talks] decision. How did this meeting compare with that in tone? Were you asked for an explanation of why? After the overall agreement fell through, the two leaders didn't go back to try to reach an individual agreement on such things as INF. Is there any criticism of the fact that they didn't?

A. I think I've described the tone already. It was a very positive tone, and I think people can see that one of the reasons why we've made as much progress as we have is the cohesion and determination and strength of the alliance and the basic policy of the alliance to be strong, to be cohesive, and to be reasonable and ready to talk. But that basic policy proves itself out here, and we fully intend to pursue it, and I think there's genuine unity on that.

So I was very encouraged and pleased at the degree to which people felt that, to the contrary of some of the criticism, it would have been a tragic mistake not to go to Reykjavik and make this effort. And it would be a tragic mistake not to follow up on it, and we need to gear ourselves to do that and keep the pressure on in every way we can. So it was a very supportive meeting.

Q. Was there a lot of disappointment with the outcome?

A. Of course, people would like to have final closure. But I think there was a little bit more of the sense of astonishment and pleasure at how much material had been brought up to the surface and



(White House photo by Terry Arthur)

President Reagan and General Secretary Gorbachev after concluding their second round of talks. Pavel Palazhchenko, interpreter, is in background.

identified as potentials. Now it may be that the Soviet Union will take all that back off the table again. But in a sense it won't disappear; it's there, and we know it, and they know it, and the world knows it. So we'll keep working for it. So I thought some of the initial reports on the sense of failure and disappointment and so on, and, of course, there is a lack of closure in the end, and we wish that there had been a great thing. Nevertheless, as compared with what people thought might be even conceivable a week ago, we're in a different ballgame. So a tremendous amount was really achieved in that sense.

Q. You seem to be suggesting that the presence of SDI on the table has helped to bring the Russians as far as they've come. Is it the feeling that continuing to stick to the concept would bring them further still? Is that what lies behind us?

A. I can't say exactly what produces what result. But I think that the cohesion and strength of the alliance has been an essential ingredient all the way through. The strong modernization program that the President has gotten into place in the United States, the spirit that has come forward in the United States and in the alliance all have been major contributors to the atmosphere that has brought about these talks.

The emergence of the possibility of strategic defense against the most destabilizing weapons that threaten us that are on Earth, the emergence of the possibility of defending against them is an important new fact of life. We shouldn't let go of it. No doubt it has had its impact, and you could only estimate that by the emphasis the Soviet Union puts on it. It's the centerpiece for them, apparently.

The President, in his extraordinarily creative and constructive and patient efforts to try to get somewhere here, made a number of changes in his position right there in Reykjavik, as he had before. But the one thing that he couldn't and shouldn't change is the basic ability to have the program carried forward so that we can determine insofar as possible just what can be done with strategic defense. That's really the significance of the change in the ABM Treaty which they wanted. Its purpose was clearly to so restrict what could be done in the way of research that you really wouldn't be able to come to a solid conclusion.

Q. Could you give us some more details of the agreement that was sketched out on a test ban treaty?

A. The subject of nuclear testing was one of the subjects that got considerable attention. There seemed to be, I thought, and [Soviet Foreign] Minister Shevardnadze told me he thought, basic agreement as to the content. Now the content you might say, that's the notes, but just what the melody is we would argue about. At any rate, I think that if we had gotten to that point we could have put together something and it would have contained the following things and maybe it will still come to pass, just as I think there's no reason not to think that a good INF agreement might not come to pass.

But what a nuclear testing agreement, that the President has said he is willing to go along with, would consist of is an agreement to sit down and negotiate the following things: first, improved verification so that the size of any test can be determined within a small margin of error, so you know what the size is. Right now the margin of error in the processes we have is quite a bit wider than it needs to be, if we used better methods, which are known and have been explicitly proposed. This would allow the ratification and coming into effect of the TTBT [Threshold Test Ban Treaty] and PNET [Peaceful Nuclear Explosions Treaty], or whatever it is, treaties that set a threshold for military and peaceful tests.

Now insofar as those treaties are concerned, the President has said that, if we obtain agreement with the Soviet Union on these verification measures, then those protocols, along with the treaties, will be submitted to the Congress for ratification. If we don't, we will set out certain reservations and submit the treaties anyway with it left for the President to bring them into force by certifying that the conditions established in the reservations have been satisfied.

Now, beyond that, it calls in these treaties for the parties to start negotiations aimed at the elimination of nuclear testing. So what we would agree to is to do that with changes in a step-by-step process in nuclear testing keyed to reductions in nuclear weapons, but to work in good faith to bring that about. Now, we had worked up language that said that in a much shorter space. But that's the basic idea, and we're prepared to go forward with that idea.

I think it's important to see that you reduce testing as you reduce weapons, because you have to keep reminding yourself that as long as we depend upon nuclear weapons as the essential deterrent, then we have to do testing. We have to do testing to see that the weapons work. We have to do testing to improve the safety of them, which has been quite significant, and to continue the modernization of our forces. So those are the reasons why.

Q. Can I ask you whether the allies today enthusiastically restated their pledge to continue deployment of medium-range nuclear missiles in Europe on the current NATO schedule in the wake of the all-but agreement to eliminate those weapons from Europe?

A. The question never entered anybody's mind, and I think that everyone can see by now that it is the fact of the strength and determination of the alliance that's played such an important role in the possible agreement to deal effectively with these weapons. So everybody sees what this process is about, and no one is questioning it.

Q. But don't you think that this last opportunity to conclude an INF agreement would be very difficult to understand for the European public opinion and could give a new boost to the peace movement?

A. I think the peace movement should become the greatest fans of Ronald Reagan, because he is a person who is trying in a creative and increasingly effective way to eliminate all these weapons. Now you don't eliminate them by unilateral disarmament. That is the road to disaster. You eliminate them by careful, realistic, tough-minded agreements.

Insofar as INF is concerned, through the process of negotiation, the positions of the two sides had narrowed greatly between when the negotiations started and a week ago. At Reykjavik they came together quite well. So what we will do, as far as the alliance is concerned and as far as the United States is concerned, is proceed to Geneva, our negotiators will be there tonight, and as far as we're con-

cerned, we're going to work on these matters.

Now what the Soviet Union may do, I can't speak about that. But as far as we're concerned, we're going to keep driving to get this agreement that I think Europeans want, our friends in Asia want it, we want it, and we hope the Soviet Union wants it.

Q. First, did the President repeat to Mr. Gorbachev [Soviet General Secretary] his offer to join in SDI and what was the answer? And second, reverting if I may, your question, if in the 10 years there will be no offensive missiles, why worry about the defenses?

A. As to the first question: Yes, the President continues to be ready to share the results of the research on strategic defense, and he reiterated that offer to Mr. Gorbachev. He didn't find a taker, but the offer stands.

Insofar as the end of a 10-year period is concerned, first of all, the best insurance policy you can take out that a process of elimination of offensive ballistic missiles would actually proceed is the maintenance in being of an active and promising program of strategic defense against them. At the end, it would be up to either party to decide whether you wanted to spend the money to go ahead and put these defenses in place, and, as I said, what you would have to do in view of the fact that presumably there aren't any offensive ballistic missiles to defend against, would be a lot less than otherwise. But there is always the problem of cheating, and mobile missiles are not that easy to find. There's always the problem of somebody getting a hold of a technology that has become known technology, even though it's very hard to produce and so on a long-range ballistic missile. Nevertheless, it's obviously possible, so it's important to have the ability to deal with it. So those are the reasons.

Q. [Inaudible] INF withdrawals or abolition. And since you were also very close to a form of words on nuclear testing, why could you not reach some sort of preliminary agreement on those areas, and who was it, which side was it, that insisted that the arms control package stood or fell as a whole?

A. You're imposing a kind of concept on the weekend that it can't stand. I can only answer that question descriptively. Two people came together. They had this sweeping agenda, and they went through that agenda, and they reached, let's say, agreement in principle on strategic arms, on INF, on nuclear testing. And, I might say, on such matters in the strategic defense field as a 10-year nonwithdrawal agreement linked to elimination of offensive ballistic missiles. There was a great deal accomplished.

In the end, however, it seemed that the Soviets insisted on so restricting what could be done in continuing strategic research as to make it badly crippled. I've tried to explain here why that would have been very unwise for the President to agree to. So, as the Sunday went on and on, and we went 5, 6, 7 hours beyond what we were supposed to, and people stuck with it and stuck with it, and finally we weren't able to resolve these issues, and we left. But that doesn't mean that it's over. We didn't have time really to pick up and say, "Well, now let's go back and see about this, that and the other thing." There's plenty of time to do that, and we'll be doing that in Geneva, and we'll be doing that in various fora. As I've said, I can't speak for the Soviets, but from our standpoint, we'd like to see something that begins to get a handle on nuclear testing, we'd like to see agreement worked out that's sensible on INF, and so on.

Q. I understand there was a discussion in Reykjavik that 100 SS-20s should remain in the Asian part of Russia. If it's true, how do you freeze in Siberia these mobile forces, and how do you think the defense of the European theater could be attained from all those mobile SS-20s? Could you elaborate the discussion in this context, along with your contact with the Japanese Vice Minister who is supposed to be here in headquarters today?

A. I guess it would be impossible for almost anything not to be frozen in certain parts of Siberia. In terms of the INF subject, what we wound up agreeing to, in addition to the short-range systems, verification, and duration provisions, was, first of all, that the principle should be a global limit—this has always been very important, among others, to our friends in Japan—and that the limit would be 100.

That involves a large reduction in the Soviet SS-20 missiles aimed at Japan. And that the deployment of these 100 missiles should be, on the Soviet side, in the Asian portion of the Soviet Union and, in the U.S. side, in the United States, so presumably someplace in the Alaskan area, from which these missiles could, if we wished to deploy them there, be able to reach Asian portions of the Soviet Union.

So this was a measure of equity, and that was, in terms of those particular numbers, that was what was accepted. Now we have a very active program of keeping in touch with our allies here, in Japan, Australia, our friends in China, others, so we have a very strong consultative process—Korea. Originally there was some thought that if somebody from Japan could come here, we could do a briefing, but we thought maybe it would be better for one of the people who was present at Reykjavik to go to Tokyo, I think now, I don't know exactly where. But anyway he's gone directly from Reykjavik to Tokyo, and others are going elsewhere, so that we give people a good, thorough briefing.

Q. You said it would be tragic if the talks that began in Iceland did not continue. Other than Geneva, is there any change that there will be a summit in Washington?

A. There is no date set, and so that's about all I can say. There's no active plan in being. But I'm not going to comment on that otherwise.

Q. I want to ask if the Cyprus problem as well as the situation of the Turkish minority in Bulgaria were discussed during the summit and, if so, what was the outcome?

A. At Reykjavik, we discussed our full agenda, by agreement with the Soviet Union. So we discussed regional issues, so called. We discussed humanitarian and human rights issues, and we discussed various bilateral matters that we have.

Stemming from the discussions between the leaders, on Saturday night two working groups were established, one chaired by Ambassador Ridgway [Assistant Secretary for European and Canadian Affairs Rozanne L. Ridgway], who is here, in the arms control issues on the one hand and on regional, bilateral, and human rights issues, on the other. And very substantial progress was made in both of these areas.

As to specific discussion of the two items that you mentioned, it was not possible really to reach those other than by reference to the importance of these regional issues. I think your question is a good one in pointing up that, with all due respect to the importance of arms control, it's these gnawing issues around the world that so upset people, that have a regional or human dimension, that are underlying sources of tension. So we need to address them, and we do and do consistently.

President's Address to the Nation, Oct. 13, 1986[8]

As most of you know, I've just returned from meetings in Iceland with the leader of the Soviet Union, General Secretary Gorbachev. As I did last year when I returned from the summit conference in Geneva, I want to take a few moments tonight to share with you what took place in these discussions.

The implications of these talks are enormous and only just beginning to be understood. We proposed the most sweeping and generous arms control proposal in history. We offered the complete elimination of all ballistic missiles—Soviet and American—from the face of the Earth by 1996. While we parted company with this American offer still on the table, we are closer than ever before to agreements that could lead to a safer world without nuclear weapons.

But first, let me tell you that, from the start of my meetings with Mr. Gorbachev, I have always regarded you, the American people, as full participants. Believe me, without your support, none of these talks could have been held, nor could the ultimate aims of American foreign policy—world peace and freedom—be pursued. And it's for these aims I went the extra mile to Iceland.

Before I report on our talks though, allow me to set the stage by explaining two things that were very much a part of our talks, one a treaty and the other a defense against nuclear missiles which we're trying to develop. Now you've heard their titles a thousand times—the ABM Treaty and SDI. Well, those letters stand for: ABM, Anti-Ballistic Missile; SDI, Strategic Defense Initiative.

Some years ago, the United States and the Soviet Union agreed to limit any defense against nuclear missile attacks to the emplacement in one location in each country of a small number of missiles capable of intercepting and shooting down incoming nuclear missiles, thus leaving our real defense—a policy called mutual assured destruction, meaning if one side launched a nuclear attack, the other side could retaliate. And this mutual threat of destruction was believed to be a deterrent against either side striking first.

So here we sit with thousands of nuclear warheads targeted on each other and capable of wiping out both our countries. The Soviets deployed the few anti-ballistic missiles around Moscow as the treaty permitted. Our country didn't bother deploying because the threat of nationwide annihilation made such a limited defense seem useless.

For some years now we've been aware that the Soviets may be developing a nationwide defense. They have installed a large modern radar at Krasnoyarsk which we believe is a critical part of a radar system designed to provide radar guidance for anti-ballistic missiles protecting the entire nation. Now this is a violation of the ABM Treaty.

Believing that a policy of mutual destruction and slaughter of their citizens and ours was uncivilized, I asked our military a few years ago to study and see if there was a practical way to destroy nuclear missiles after their launch but before they can reach their targets rather than to just destroy people. Well, this is the goal for what we call SDI, and our scientists researching such a system are convinced it is practical and that several years down the road we can have such a system ready to deploy. Now, incidentally, we are not violating the ABM Treaty, which permits such research. If and when we deploy, the treaty also allows withdrawal from the treaty upon 6 months' notice. SDI, let me make it clear, is a non-nuclear defense.

Efforts Toward Arms Reductions

So here we are at Iceland for our second such meeting. In the first, and in the months in between, we have discussed ways to reduce and, in fact, eliminate nuclear weapons entirely. We and the Soviets have had teams of negotiators in Geneva trying to work out a mutual agreement on how we could reduce or eliminate nuclear weapons. And so far, no success.

On Saturday and Sunday, General Secretary Gorbachev and his Foreign Minister Shevardnadze and Secretary of State George Shultz and I met for nearly 10 hours. We didn't limit ourselves to just arms reductions. We discussed what we call violation of human rights on the part of the Soviets, refusal to let people emigrate from Russia so they can practice their religion without being persecuted, letting people go to rejoin their families, husbands and wives separated by national borders being allowed to reunite.

In much of this the Soviet Union is violating another agreement—the Helsinki accords they had signed in 1975. Yuri Orlov, whose freedom we just obtained, was imprisoned for pointing out to his government its violations of that pact, its refusal to let citizens leave their country or return.

We also discussed regional matters such as Afghanistan, Angola, Nicaragua, and Cambodia. But, by their choice, the main subject was arms control.

We discussed the emplacement of intermediate-range missiles in Europe and Asia and seemed to be in agreement they could be drastically reduced. Both sides seemed willing to find a way to reduce even to zero the strategic ballistic missiles we have aimed at each other. This then brought up the subject of SDI.

I offered a proposal that we continue our present research and, if and when we reached the stage of testing, we would sign now a treaty that would permit Soviet observation of such tests. And if the program was practical, we would both eliminate our offensive missiles, and then we would share the benefits of advanced defenses. I explained that even though we would have done away with our offensive ballistic missiles, having the defense would protect against cheating or the possibility of a madman sometime deciding to create nuclear missiles. After all, the world now knows how to make them. I likened it to our keeping our gas masks even though the nations of the world had outlawed poison gas after World War I.

We seemed to be making progress on reducing weaponry, although the

General Secretary was registering opposition to SDI and proposing a pledge to observe ABM for a number of years as the day was ending.

Secretary Shultz suggested we turn over the notes our notetakers had been making of everything we'd said to our respective teams and let them work through the night to put them together and find just where we were in agreement and what differences separated us. With respect and gratitude, I can inform you those teams worked through the night till 6:30 a.m.

Yesterday, Sunday morning, Mr. Gorbachev and I, with our foreign ministers, came together again and took up the report of our two teams. It was most promising. The Soviets had asked for a 10-year delay in the deployment of SDI programs.

In an effort to see how we could satisfy their concerns while protecting our principles and security, we proposed a 10-year period in which we began with the reduction of all strategic nuclear arms, bombers, air-launched cruise missiles, intercontinental ballistic missiles, submarine-launched ballistic missiles, and the weapons they carry. They would be reduced 50% in the first 5 years. During the next 5 years, we would continue by eliminating all remaining offensive ballistic missiles of all ranges. And during that time, we would proceed with research, development, and testing of SDI—all done in conformity with ABM provisions. At the 10-year point, with all ballistic missiles eliminated, we could proceed to deploy advanced defenses, at the same time permitting the Soviets to do likewise.

And here the debate began. The General Secretary wanted wording that, in effect, would have kept us from developing the SDI for the entire 10 years. In effect, he was killing SDI. And unless I agreed, all that work toward eliminating nuclear weapons would go down the drain—cancelled.

I told him I had pledged to the American people that I would not trade away SDI—there was no way I could tell our people their government would not protect them against nuclear destruction. I went to Reykjavik determined that everything was negotiable except two things: our freedom and our future.

I'm still optimistic that a way will be found. The door is open and the opportunity to begin eliminating the nuclear threat is within reach.

Pursuing a Four-Point Agenda

So you can see, we made progress in Iceland. And we will continue to make progress if we pursue a prudent, deliberate, and, above all, realistic approach with the Soviets. From the earliest days of our Administration, this has been our policy. We made it clear we had no illusions about the Soviets or their ultimate intentions. We were publicly candid about the critical moral distinctions between totalitarianism and democracy. We declared the principal objective of American foreign policy to be not just the prevention of war but the extension of freedom. And we stressed our commitment to the growth of democratic government and democratic institutions around the world. And that's why we assisted freedom fighters who are resisting the imposition of totalitarian rule in Afghanistan, Nicaragua, Angola, Cambodia, and elsewhere. And, finally, we began work on what I believe most spurred the Soviets to negotiate seriously—rebuilding our military strength, reconstructing our strategic deterrence, and, above all, beginning work on the Strategic Defense Initiative.

And yet, at the same time we set out these foreign policy goals and began working toward them, we pursued another of our major objectives: that of seeking means to lessen tensions with the Soviets and ways to prevent war and keep the peace.

Now, this policy is now paying dividends—one sign of this in Iceland was the progress on the issue of arms control. For the first time in a long while, Soviet-American negotiations in the area of arms reductions are moving, and moving in the right direction—not just toward arms control but toward arms reduction.

But for all the progress we made on arms reductions, we must remember there were other issues on the table in Iceland, issues that are fundamental.

As I mentioned, one such issue is human rights. As President Kennedy once said, "And is not peace, in the last analysis, basically a matter of human rights?"

I made it plain that the United States would not seek to exploit improvement in these matters for purposes of propaganda. But I also made it plain, once again, that an improvement of the human condition within the Soviet Union is indispensable for an improvement in bilateral relations with the United States. For a government that will break faith with its own people cannot be trusted to keep faith with foreign powers. So, I told Mr. Gorbachev—again in Reykjavik as I had in Geneva—we Americans place far less weight upon the words that are spoken at meetings such as these than upon the deeds that follow. When it comes to human rights and judging Soviet intentions, we're all from Missouri—you got to show us.

Another subject area we took up in Iceland also lies at the heart of the differences between the Soviet Union and America. This is the issue of regional conflicts. Summit meetings cannot make the American people forget what Soviet actions have meant for the peoples of Afghanistan, Central America, Africa, and Southeast Asia. Until Soviet policies change, we will make sure that our friends in these areas—those who fight for freedom and independence—will have the support they need.

Finally, there was a fourth item. And this area was that of bilateral relations, people-to-people contacts. In Geneva last year, we welcomed several cultural exchange accords; in Iceland, we saw indications of more movement in these areas. But let me say now, the United States remains committed to people-to-people programs that could lead to exchanges between not just a few elite but thousands of everyday citizens from both our countries.

Prospects for Future Progress

So I think, then, that you can see that we did make progress in Iceland on a broad range of topics. We reaffirmed our four-point agenda; we discovered major new grounds of agreement; we probed again some old areas of disagreement.

And let me return again to the SDI issue. I realize some Americans may be asking tonight: why not accept Mr. Gorbachev's demand? Why not give up SDI for this agreement?

Well, the answer, my friends, is simple. SDI is America's insurance policy that the Soviet Union would keep the commitments made at Reykjavik. SDI is America's security guarantee—if the Soviets should—as they have done too often in the past—fail to comply with their solemn commitments. SDI is what brought the Soviets back to arms control

(White House photo by Pete Souza)

Chief of Staff Donald Regan, President Reagan, Secretary Shultz, and national security adviser Vice Adm. John Poindexter meet to review the final draft of the U.S. defense in space proposal.

talks at Geneva and Iceland. SDI is the key to a world without nuclear weapons.

The Soviets understand this. They have devoted far more resources for a lot longer time than we to their own SDI. The world's only operational missile defense today surrounds Moscow, the capital of the Soviet Union. What Mr. Gorbachev was demanding at Reykjavik was that the United States agree to a new version of a 14-year-old ABM Treaty that the Soviet Union has already violated. I told him we don't make those kinds of deals in the United States.

And the American people should reflect on these critical questions. How does a defense of the United States threaten the Soviet Union or anyone else? Why are the Soviets so adamant that America remain forever vulnerable to Soviet rocket attack? As of today, all free nations are utterly defenseless against Soviet missiles—fired either by accident or design. Why does the Soviet Union insist that we remain so—forever?

So, my fellow Americans, I cannot promise, nor can any President promise, that the talks in Iceland or any future discussions with Mr. Gorbachev will lead inevitably to great breakthroughs or momentous treaty signings.

We will not abandon the guiding principle we took to Reykjavik. We prefer no agreement than to bring home a bad agreement to the United States.

And on this point, I know you're also interested in the question of whether there will be another summit. There was no indication by Mr. Gorbachev as to when or whether he plans to travel to the United States, as we agreed he would last year in Geneva. I repeat tonight that our invitation stands and that we continue to believe additional meetings would be useful. But that's a decision the Soviets must make.

But whatever the immediate prospects, I can tell you that I'm ultimately hopeful about the prospects for progress at the summit and for world peace and freedom. You see, the current summit process is very different from that of previous decades; it's different because the world is different; and the world is different because of the hard work and sacrifice of the American people during the past 5½ years. Your energy has restored and expanded our economic might; your support has restored our military strength. Your courage and sense of national unity in times of crisis have given pause to our adversaries, heartened our friends, and inspired the world. The Western democracies and the NATO alliance are revitalized, and all across the world, nations are turning to democratic ideas and the principles of the free market. So because the American people stood guard at the

critical hour, freedom has gathered its forces, regained its strength, and is on the march.

So, if there's one impression I carry away with me from these October talks, it is that, unlike the past, we're dealing now from a position of strength, and for that reason, we have it within our grasp to move speedily with the Soviets toward even more breakthroughs.

Our ideas are out there on the table. They won't go away. We're ready to pick up where we left off. Our negotiators are heading back to Geneva, and we're prepared to go forward whenever and wherever the Soviets are ready. So, there's reason—good reason—for hope.

I saw evidence of this in the progress we made in the talks with Mr. Gorbachev. And I saw evidence of it when we left Iceland yesterday and I spoke to our young men and women at our naval installation at Keflavik—a critically important base far closer to Soviet naval bases than to our own coastline.

As always, I was proud to spend a few moments with them and thank them for their sacrifices and devotion to country. They represent America at her finest: committed to defend not only our own freedom but the freedom of others who would be living in a far more frightening world—were it not for the strength and resolve of the United States.

"Whenever the standard of freedom and independence has been . . . unfurled, there will be America's heart, her benedictions, and her prayers," John Quincy Adams once said. He spoke well of our destiny as a nation. My fellow Americans, we're honored by history, entrusted by destiny with the oldest dream of humanity—the dream of lasting peace and human freedom.

Another President, Harry Truman, noted that our century had seen two of the most frightful wars in history. And that "the supreme need of our time is for man to learn to live together in peace and harmony."

It's in pursuit of that ideal I went to Geneva a year ago and to Iceland last week. And it's in pursuit of that ideal that I thank you now for all the support you've given me and I again ask for your help and your prayers as we continue our journey toward a world where peace reigns and freedom is enshrined.

President's Remarks, Oct. 14, 1986[9]

Well, thank you very much, and welcome to the White House complex. I wanted all of you to come over this afternoon to hear firsthand about our meetings in Iceland, and I have a terrible feeling that almost anything I say is going to have already been said about that trip.

But before I turn to my report, let me first say that I couldn't have gone to Reykjavik without the hard work and dedication, above and beyond the call of duty, of you men and women that I see before me. You labored night and day to get us ready for that first meeting, and I know we sort of sprung it on you at the last minute. I'm grateful to all of you for the fine work you did, and let me say thanks as well to the members of that small team that I took with me to the meeting. They worked around the clock—and I mean that literally. A few of them got no sleep at all while we were there. I've long had great respect for every one of them, and that respect grew even stronger in these 4 days. They were an outstanding team, and all Americans can be proud of them and of the work they did. And you can be proud of the fruit that your work is bearing, for the Reykjavik meeting may have set the stage for a major advance in the U.S.-Soviet relationship.

At Reykjavik the Soviet Union went farther than ever before in accepting our goal of deep reductions in the level of nuclear weapons. For the first time, we got Soviet agreement to a figure of 100 intermediate-range missiles—warheads for each side worldwide, and that was a truly drastic cut. And for the first time we began to hammer out the details of a 50% cut in strategic forces over 5 years. And we were just a sentence or two away from agreeing to new talks on nuclear testing. And maybe most important, we were in sight of a historic agreement on completely eliminating the threat of offensive ballistic missiles by 1996.

Believe me, the significance of that meeting at Reykjavik is not that we didn't sign agreements in the end; the significance is that we got as close as we did. The progress that we made would've been inconceivable just a few months ago.

On issue after issue, particularly in the area of arms reduction, we saw that General Secretary Gorbachev was ready for serious bargaining on real arms reductions. And for me, this was especially gratifying. Just 5½ years ago, when we came into office, I said that our objective must be—well, it must not be regulating the growth in nuclear weapons, which is what arms control, as it was known, had been all about. No, I said that our goal must be reducing the number of nuclear weapons, that we had to work to make the world safer, not just control the pace at which it became more dangerous. And now the Soviets, too, are talking about real arms reductions.

And let me say that this wouldn't have been possible without the support that we've had from the American people over the last 5½ years. Because the American people have stood behind us as we worked over the years to rebuild our nation's defenses. We went to the Iceland meeting in a position of strength. The Soviets knew that we had the support, not only of a strong America but a united NATO alliance that was going ahead with deployment of Pershing II and ground-launched cruise missiles. So, yes, it was this strength and unity that brought the Soviets to the bargaining table.

And particularly important, of course, was America's support for the Strategic Defense Initiative (SDI). Now, as you know, I offered Mr. Gorbachev an important concession on SDI. I offered to put off deployment for a decade, and I coupled that with a 10-year plan for eliminating all Soviet and American ballistic missiles from the face of the Earth.

This may have been the most sweeping and important arms reduction proposal in the history of the world, but it wasn't good enough for Mr. Gorbachev—he wanted more. He wanted us to accept even tighter limits on SDI than the Antiballistic Missile (ABM) Treaty now requires; that is, to stop all but laboratory research. He knew this meant killing strategic defense entirely, which has been a Soviet goal from the start. And, of course, the Soviet Union has long been engaged in extensive strategic defense programs of its own. And unlike ours, the Soviet program goes well beyond research, even to deployment. The Soviet proposal would've given them

an immediate, one-sided advantage, and a dangerous one. And I could not and would not agree to that. I won't settle for anything unless it's in the interest of America's security.

Now, America and the West need SDI for long-run insurance. It protects us against the possibility that at some point, when the elimination of ballistic missiles is not yet complete, the Soviets may change their mind. We know the Soviet record of playing fast and loose with past agreements. America can't afford to take a chance on waking up in 10 years and finding that the Soviets have an advanced defense system and are ready to put in place more missiles—or more modern missiles—and we have no defense of our own and our deterrence is obsolete because of the Soviet defense system.

If arms reduction is to help bring lasting peace, we must be able to maintain the vital strategic balance which for so long has kept the peace. Nothing could more threaten world peace than arms reduction agreements with loopholes that would leave the West naked to a massive and sudden Soviet buildup in offensive and defensive weapons.

My guess is that the Soviets understand this but want to see how much farther they can push us in public before they once again get down to brass tacks. So, here's how I see the meeting in Iceland adding up.

We addressed the important issues of human rights, regional conflicts, and our bilateral relationship. And Mr. Gorbachev and I got awfully close to historic agreements in the arms reduction process. We took discussions into areas where they had never been before. The United States put good, fair ideas out on the table, and they won't go away. Good ideas, after all, have a life of their own. The next step will be in Geneva, where our negotiators will work to build on this progress.

The biggest disappointment in Iceland was that Mr. Gorbachev decided to make our progress hostage to his demand that we kill our strategic defense program. But, you know, I've had some experience with this kind of thing. One of my past jobs was as a negotiator of labor agreements in the motion picture industry, and I got used to one side or another walking out of contract talks. It didn't mean that relations had collapsed or that we'd reached an insurmountable impasse. It sometimes meant that a little maneuvering was going on.

Well, it's important for us right now to see the real progress that we made at Reykjavik and to unite so that we'll be strong for the next stage in negotiations. And if we do that, I believe that we have it within our grasp to achieve some truly historic breakthroughs.

Last week I described Iceland as a base camp on our way to the summit. Well, this week I want to report to you that I believe there exists the opportunity to plant a permanent flag of peace at that summit. And I call on the Soviets not to miss this opportunity. The Soviets must not throw this away, must not slip back into a greater arms buildup. The American people don't mistake the absence of a final agreement for the absence of progress. We made progress; we must be patient. We made historic advances; we will not turn back.

White House Statement, Oct. 15, 1986[8]

General Secretary Gorbachev's report to the Soviet people was unprecedented in its detail. He emphasized the same areas of progress upon which U.S. officials have commented over the past 2 days, namely, strategic arms reductions and potential agreement on intermediate nuclear forces. He also clearly indicated, just as we have done, that the sticking point which prevented an overall agreement in Iceland was the Soviet Union's demand for an end to the U.S. program on strategic defense.

It is our view that the agreements and positions reached in Iceland remain on the table. The meetings, which reconvene in Geneva today, will begin where we left off in Iceland. The Iceland talks were a very important and significant step in moving negotiations forward. We want to build upon the groundwork of Reykjavik.

We take note of some of the political rhetoric in the General Secretary's speech, but that was expected and unexceptional. What was remarkable was General Secretary Gorbachev's explanation of the progress made.

We are pleased to note that, both at his press conference in Reykjavik and his address to the Soviet people, General Secretary Gorbachev stated that the work that was done in Reykjavik will not go to waste, and the way has now been cleared for further movement toward significant arms reduction. That is our view.

We believe we can go forward from this moment in a businesslike way. We must listen to each other, each explore the views of the other, and seek common approaches and agree on solutions. We think that goal was accomplished at Rekyjavik and should be the goal whenever we meet.

We, like the General Secretary, believe that the meeting overcame obstructions and minute details and that new approaches have been developed. We believe there is no going back on what was developed at this meeting, and we look forward to continued negotiations which will build on the progress achieved in Reykjavik.

---

[1]Text from Weekly Compilation of Presidential Documents of Oct. 6, 1986.

[2]Made in the Cabinet Room of the White House. Questions-and-answers following remarks are omitted here (text from Weekly Compilation of Presidential Documents of Oct. 13.)

[3]Press release 204.

[4]Opening remarks on the budget are omitted here (text from Weekly Compilation of Presidential Documents of Oct. 13.)

[5]Read to news correspondents by principal deputy press secretary to the President Larry Speakes in the White House Press Filing Center at Loftleidir Hotel in Reykjavik (text from Weekly Compilation of Presidential Documents of Oct. 20.)

[6]Held at Loftleidir Hotel (press release 214 of Oct. 16).

[7]Press release 223 of Oct. 16.

[8]Text from Weekly Compilation of Presidential Documents of Oct 20.

[9]Made in a meeting with executive branch officers of the Department of State and the U.S. Arms Control and Disarmament Agency (text from Weekly Compilation of Presidential Documents of Oct. 20). ■

Reykjavik: A Watershed in U.S.-Soviet Relations

Secretary Shultz's address before the Commonwealth Club in San Francisco on October 31, 1986.[1]

This evening, I want to discuss with you the special significance of the President's recent meeting with General Secretary Gorbachev in Iceland. Over the last few weeks, there's been a good deal said—in this country, in the Soviet Union, and elsewhere—about what really happened at Reykjavik. My own judgment is that in a few years we will look back at the meeting at Hofdi House as something of a watershed, a potential turning point in our strategy for deterring war and encouraging peace. Tonight, I would like to explain why.

Before Reykjavik—for most of the postwar era—we have seen a steady buildup in the size and potency of nuclear forces. As a result, our negotiations with the Soviet Union have centered on two questions: how to ***contain*** this continuing growth of offensive forces; and how to reverse the gradual erosion of strategic stability.

Reykjavik as a Watershed

At Reykjavik, however, there was a qualitative shift in the terms of debate. For the first time in the long history of arms control talks, a genuine possibility of substantial ***reductions*** in Soviet and American nuclear arms appeared. For the first time, we have to begin to deal seriously with the implications of a much less nuclear, if not non-nuclear, world. We have begun to discuss with the Soviets a safer form of deterrence, one based less on the threat of mutual annihilation. And the key to all of this has been the President's research program, whose investigation into defenses against nuclear ballistic missiles is our best insurance policy for a more secure future.

At Reykjavik, the President and the General Secretary broke down the complexities of these problems into a series of basic questions.

With respect to offensive arms, the important questions are what systems to reduce and how quickly to reduce them. At Reykjavik, we worked out a formula for 50% reductions in the strategic nuclear offensive forces of both sides over a 5-year period. We agreed upon some numbers and counting rules—that is, how different types of weapons would count against the reduced ceilings.

For intermediate-range nuclear missiles—commonly known as INF—we reached agreement on even more drastic reductions, down from a Soviet total of over 1,400 to only 100 warheads on longer-range INF missiles worldwide on each side. There would be a ceiling on shorter-range INF missiles and negotiations to reduce their numbers as well.

Right there is the basis for the most significant arms control agreement ever achieved—one that doesn't just limit the future growth of Soviet and American nuclear arsenals but which actually makes deep and early cuts in existing force levels. These cuts, it was agreed, would reduce the numbers of heavy, accurate, multiple-warhead missiles that are the most threatening and the most destabilizing.

The President and the General Secretary went on to discuss a program for further reductions. The President proposed to eliminate, over time, all ballistic missiles. Mr. Gorbachev proposed to eliminate all strategic offensive forces. They discussed these and other ideas, including the eventual elimination of all nuclear weapons. This discussion proved inconclusive, but the agenda itself—and the very word "elimination"—marks a stunning development. It calls for us to think deeply and more creatively about future possibilities for arms control and defense.

Obviously, much more work needs to be done before implementation of these more ambitious ideas might be possible. For example, the drastic reduction and ultimate elimination of nuclear weapons will require that we also address the current East-West imbalance of conventional forces.

In close collaboration with our allies, we will have to pursue both negotiated reductions in the Warsaw Pact's massive and growing conventional forces and increased efforts to strengthen our own conventional defenses. We must also seek an effective global ban on chemical and biological weapons. And, of course, such substantial nuclear reductions by the United States and Soviet Union would require discussions with other nations armed with ballistic missiles, who have their own security requirements.

On the defensive side of the strategic equation, the two leaders again went directly to the basics. This meeting at Hofdi House was a real working meeting. They went right at it and talked substance throughout the entire time. So, in this case, there were two primary questions.

First, for what period of time are the two countries prepared to commit themselves not to withdraw from the Antiballistic Missile (ABM) Treaty? The President agreed to Gorbachev's proposal for 10 years, but in the context of steady reductions toward zero ballistic missiles during this period and on the understanding that either side would have the right to deploy advanced defenses unless the parties should agree otherwise.

Second, what would be the constraints on defensive programs during this period? The President proposed that both sides strictly observe the ABM Treaty and carry out research, development, and testing permitted by the treaty. Mr. Gorbachev proposed, in effect, to amend the ABM Treaty. He sought a prohibition on all testing outside laboratories—except testing of the sort of ABM system the Soviets now have around Moscow.

The President could not agree to confine the Strategic Defense Initiative (SDI) program to the laboratory for 10 years. We need a vigorous SDI program, as permitted by the ABM Treaty. We need it to give the Soviets an incentive to agree now to deep cuts in offensive forces and to honor those agreements over the coming years. We need SDI to ensure the Soviet Union's own compliance with current ABM Treaty restrictions on defenses.

So what did we accomplish at Reykjavik? We got agreement on the outlines of a 50% reduction in strategic offensive nuclear weapons and reductions to equal ceilings of 100 warheads on intermediate-range missiles. The latter figure would mean that more than 90% of the SS-20s now targeted on our friends and allies in Europe and Asia would be eliminated.

On defense and space, there was considerable movement on both sides. Important differences were clarified. But there was no closure. The proposal made by the President in Reykjavik, however, is now on the negotiating table in Geneva and is being discussed by our delegation there.

On nuclear testing, both sides proposed to begin negotiations. We discussed an agenda that would meet both sides' concerns.

Obviously, there is still a long way to go. But at Reykjavik we reached agreement on what might be the first steps toward a more secure world at lower levels of nuclear arms. We went on to discuss the possible next steps.

Not bad for 2 days' work. But of course, those 2 productive days drew on the immense amount of preparatory effort that preceded them.

The Need for a Foundation of Strength

And that wasn't all. Arms control was only one topic of discussion at Reykjavik. The President brought up the full breadth of our concerns. He cited chapter and verse on the question of Soviet human rights violations. The two leaders reviewed regional conflicts—and the President stated our firm opposition to aggression and subversion by the Soviet Union or its proxies in Afghanistan, Angola, Central America, and Indochina.

At the same time, the two sides also explored an expansion of bilateral U.S.-Soviet programs, involving greater people-to-people contact and cooperation in such areas of concrete interest to the United States as search and rescue and cooperation in space. And I might say, over the last couple of days we've had some very productive negotiations with the Soviets in Washington, and I think we have—we haven't signed it—but basically, we have the essence of an agreement on civilian space cooperation and the number of projects identified. I consider that a real plus.

As you can see, we have entered a new stage in our dialogue with the Soviet Union. It has the potential to be exceptionally productive. But it's also a period in which conventional wisdom is being questioned. As we advance on old problems, we will face new issues and new challenges.

So this evening is a fitting moment to review the lessons of how we got to Reykjavik, what happened there, and how we should next proceed.

I would divide those lessons into three parts. The first lesson is that the negotiating progress we achieved at Reykjavik was built upon a broad base of American and allied strength and resolve. It was the result of literally years of effort.

This President, President Reagan, entered office with his eyes open about the Soviet Union and the reality of its system. He saw the clear need to establish a bilateral U.S.-Soviet relationship that would advance U.S. interests. He was determined to stop a growing tendency of the Soviet Union and its clients to pursue their regional objectives through subversion and armed intervention. He was committed to reverse destabilizing trends in the military balance. And—most significantly—he was also willing to question whether our capacity to deter Soviet aggression must be solely based upon the threat of mutual assured destruction with strategic nuclear weapons.

As you might put it, what's so good about a world that depends on our ability to wipe each other out in 30 minutes? Don't make any mistake about it—that's what their ballistic missiles can do to us, and that's what ours can do to them. [Snaps fingers.] Wiped out! It's kept the peace, but there must be a better way, the President thinks, and we're trying to find it.

The first few years of this Administration were a period of rebuilding so that we could be in a stronger position to go forward. That meant reinvigorating our economy, restoring our military strength, and repairing our alliance ties with our friends in Europe, Asia, and elsewhere. It involved a lot of unspectacular but vital spadework.

That general approach is now in place and working. Here at home, we have reestablished the American spirit of self-confidence. Our economy has rid itself of the corrosive inflation of the recent past. We are embarked on sound growth. And I have no doubt that as the marginal rates of taxation on income go down, we will see an improvement in the quality of that growth.

We have strengthened and modernized America's conventional and strategic military forces. Together with our allies, we have made progress in rebuilding NATO's defenses. In the face of intense Soviet pressure and domestic controversy, the Atlantic alliance has stood firm in support of its decision to redress a dangerous INF imbalance with the Soviet Union, both through negotiations and by deploying such forces of our own.

And the President has set out to protect us and our allies against ballistic missiles—by negotiation to the extent possible but, in any case, by learning how to construct a strategic defense against those missiles.

It was the sum of these policies, based on strength and realism, that enabled the President to propose, in January 1984, a more intensive dialogue with Moscow. The Soviets were faced with an America confident in its renewed strength and an alliance united in its support of common objectives. They slowly came to drop their earlier policies of walkouts and stonewalling. They returned to the negotiating table. The resulting process of high-level dialogue led to last year's Geneva summit and the Reykjavik meeting earlier this month.

The Importance of Human Rights

Which leads me to the second lesson—that of the central importance of human rights in the U.S.-Soviet relationship. I spoke at length on this subject earlier in the day in Los Angeles, and I hope that you will read what I said there. I will be talking about human rights again next week, when I meet with European foreign ministers in Vienna for a conference reviewing the Helsinki Final Act.

Arms control agreements cannot be truly successful in guaranteeing a more secure peace when one of the signatories continues to violate human rights. When justice is violated and when freedom is denied, then the potential for distrust and conflict inevitably grows between nations. One of the Soviet Union's most distinguished citizens, Andrey Sakharov, put it this way:

> As long as a country has no civil liberty, no freedom of information, and no independent press, there exists no effective body of opinion to control the conduct of the government and its functionaries. Such a situation is not just a misfortune for its citizens unprotected against tyranny and lawlessness; it is a menace to international security.

In preparing for Iceland, the President and I had exceptionally close consultations with concerned private American organizations, including the National Council on Soviet Jewry. As I noted earlier, the President made clear to the General Secretary that the American people seek more than token gestures. We want genuine evidence—deeds, not words—of a serious commitment by the Soviet authorities to allow the exercise of basic human rights by all their citizens. We succeeded at Reykjavik in obtaining Soviet acknowledgment of the rightful place of human rights issues on the agenda of official Soviet-American discussions.

But now it's up to all of us to follow up vigorously. It's important that we continue to press Soviet authorities on specific human rights problems on every appropriate occasion. The Soviet leadership needs to hear the message from

Americans that continuing Soviet abuses can only jeopardize efforts to make progress in all areas of U.S.-Soviet relations.

Firmness in Managing Unacceptable Soviet Behavior

The third lesson goes back to a presentation I made 2 years ago to the just-established Rand/UCLA Center for the Study of Soviet International Behavior. Back then, I noted the special problems that we face in managing a sustained and productive relationship with the Soviet Union when we are likely to be confronted periodically with outrages and threatening behavior.

Given the totalitarian and expansionist nature of the Soviet system, we aren't surprised—although we are always distressed—when events arise like the invasion of Afghanistan, the Korean Air Lines shoot-down, or Nick Daniloff's frameup. We have to deal firmly with each instance of unacceptable Soviet behavior. The challenge for the policymaker is to confront and manage such crises on their own terms, without sacrificing other important areas of interest to the United States.

Let me stop here to tell you a spy story. It illustrates the need for determination and firmness in resisting Soviet actions against our interests.

We have known for a long time that the Soviets use their diplomatic missions here and elsewhere as a cover for espionage. As this activity grew increasingly blatant and harmful to U.S. interests, it became clear that we could no longer tolerate this situation.

In March of this year, we announced a program to reduce the three Soviet UN Missions to a size essentially equivalent to that of our own mission in New York. Bear in mind that their mission was more than the total of the next two largest missions at the United Nations combined. It tells you something.

You will recall that one of the anomalies of the original UN structure was that it allowed for a U.S.S.R., a Ukrainian, and a Belorussian Mission. We told the Soviets that they would have to reduce these personnel from approximately 275 to 170 by April 1988. The first cut of 25 in the largest of the three, the U.S.S.R. Mission, was to take effect by October 1 of this year. The total at that mission would then be 218. All three of the Soviet missions would be cut in later increments.

In August, the problem of espionage at the United Nations was highlighted by the arrest of Mr. Zakharov, a Soviet citizen assigned to the UN Secretariat. In theory at least, he was an international civil servant. As such, he was not covered by diplomatic immunity. He was arrested and charged.

One week later, the Soviets set up U.S. news correspondent Nick Daniloff and arrested him on a trumped-up charge of espionage. In short, they took a hostage. We made clear to the Soviets from the start that there would be no Daniloff-Zakharov trade. We took advantage of every meeting with the Soviets at every diplomatic level to hammer that message home. We kept the discussion of other important issues alive but made it clear to the Soviets who participated in those meetings that it was far from business as usual.

Meanwhile, as October 1 approached, the Soviets indicated publicly—their Ambassador at the United Nations, very defiantly—that they were making no plans to comply with our requirement that their UN Mission be reduced. So we were forced to make sure that they met the deadline we had established. We expelled 25 of their Soviet Mission personnel by name. And we chose individuals who we had reason to suspect were not, shall we say, overly burdened with legitimate UN business.

After several weeks of standoff, our firm refusal to swap Nick Daniloff bore fruit. On September 29, he was released free and clear, without being tried. Mr. Zakharov's case was handled on our side in full accordance with U.S. law, as we had said it would be from the beginning. The day he departed the United States, September 30, we were able to announce the imminent release from the Soviet Union of Yuriy Orlov. That giant of the Soviet human rights movement arrived in this country a week later.

I might say that in my 4½ years as Secretary of State, there have been no greater moments for me than the opportunity I've had to sit down with Natan Shcharanskiy and Yuriy Orlov and talk to them and get a sense of this irrepressible human spirit. When you think of the repression they endured, the sacrifices they made, to see these two human beings bounce back, see their strengths, see their resilience—well, it makes you proud to be a human being. And I had the experience of having them thank me for helping them get out, and I had to say to them, "It was a privilege and an honor." They're wonderful people. But it gives you great faith in the human spirit.

Despite our warnings to the Soviets that we would tolerate no retaliation against our personnel in Moscow for the steps we had taken to end spying from their UN Mission, the Soviets proved unwilling to show the necessary restraint. They declared five members of the staffs of our Moscow Embassy and Leningrad Consulate General *persona non grata*—that's a diplomatic word for "get out."

Again, our response was firm and focused on the problem at hand. We put the Soviets on notice that, henceforth, all matters involving our respective missions in each others' countries would be handled on the basis of strict reciprocity. We then expelled 55 Soviet Embassy and Consulate General officials, bringing their numbers into line with the number of U.S. diplomats in the Soviet Union.

The Soviets responded by declaring another five of our diplomats *persona non grata*. They also withdrew over 200 Soviet citizens performing service functions for our posts. These people did useful work for us—while undoubtedly also performing tasks for Soviet intelligence. But the Soviet Government accepted both the common ceiling we had established and the principle of reciprocity upon which we had insisted.

So what does the balance sheet show? By responding firmly, by showing consistency, we have established much better control over Soviet activities in the United States than we have had for many years. We have brought to the attention of the highest levels of the Soviet Government the costs of their intelligence service's unfettered abuse of Soviet diplomatic establishments in this country. We have established, once and for all, the principle of reciprocity in the operations of our respective diplomatic missions.

What price did we pay for these achievements? There was a cost. Ten talented American diplomats have been removed from the Soviet Union and will be unable to return to use the specialized skills they have developed. There is now reciprocity in numbers—but at a lower level than had been our original goal. This means that a higher percentage of our personnel in Moscow and Leningrad will be supporting a significantly smaller substantive staff. But in deciding how to respond to the problem of Soviet espionage in this country, we concluded that these were costs we had to be prepared to pay.

But our willingness to pay this price, and our determination to take the steps we did to rein in Soviet espionage, did not prevent us from continuing our vital substantive dialogue with Moscow. Indeed, even as this spy story was playing itself out, we were setting the stage for the progress the President was able

to make with General Secretary Gorbachev in Reykjavik.

I'll have to pause and give my colleague in the foreign ministry business—Mr. Shevardnadze, the Foreign Minister of the Soviet Union—credit here. He worked at this very hard and diligently.

Next Steps

Where do we go from here? For our part, we are energetically pursuing the promise of Reykjavik. Our negotiators in Geneva are picking up where the two leaders left off on nuclear and space issues. We are also ready to begin negotiations on verification improvements to existing nuclear testing agreements and, eventually, on further limitations on nuclear testing in step-by-step fashion in parallel with further reductions in nuclear forces.

We will be talking about these and other problems with Soviet Ambassador Dubinin in Washington and through our Ambassador in Moscow, Art Hartman. I will be meeting with Foreign Minister Shevardnadze in Vienna next week to continue our own exchanges—not just on arms control but on Soviet activities in the Third World, human rights, and other problems in our bilateral relationship.

Whether we can achieve concrete results and early agreements now depends on the Soviets. Some of their public statements have been modestly encouraging. General Secretary Gorbachev seems to agree with us that the Reykjavik meeting was useful and that it is important that both sides use this opportunity to work to improve relations. As he has said, they're full of energy to follow up on what he described as the "new situation" created by Reykjavik, and it is a new situation. Well, so are we. And we'll be looking to them to give concrete substance to their words at the negotiating table.

Not surprisingly, however, the Soviets are also trying to cast the details of the Reykjavik discussions along lines most favorable to them. Their efforts to link a possible INF agreement with our acceptance of their position on SDI are a good example. We've seen differing Soviet statements on this question. We don't see any reason why these issues should be linked, and we're going to proceed on that basis. In the past, we haven't accepted the proposition that negotiating progress on intermediate-range or strategic offensive systems should be held hostage to agreement with the Soviet position in another area. We won't now.

So all of this may take some time to work out—but that's to be expected in negotiating with the Soviets. Firmness, patience, and determination are necessary ingredients for success.

But we should also continue to look forward—with imagination and creativity. The President believes strongly that we need to go beyond half-measures; we shouldn't always be tied to traditional solutions that don't really get to the heart of a particular problem. Several years ago, he proposed that we seek the global elimination of Soviet and American intermediate-range missiles. Not a freeze, not token reductions, but zero-zero. He got a good deal of criticism at the time for supposedly being unrealistic and overly ambitious. Some people said making such a proposal shows that the President isn't serious about arms control.

Now—5 years later—General Secretary Gorbachev has agreed to reduce intermediate-range nuclear missiles on both sides to 100 warheads globally. As I noted before, that is a reduction of more than 90% in SS-20 warheads. And there will be follow-on negotiations on eliminating those 100 warheads as well. Make no mistake about it. It has been tough getting this far. Long negotiations were required; and great effort on the part of our allies was needed in getting us through some difficult times. We still have to nail down a formal agreement and put it into force. But I hope you will think about this experience the next time you hear one of this President's proposals called "unrealistic."

So were our discussions at Reykjavik ambitious? Yes. Unrealistic? No. We think that substantial Soviet and American nuclear reductions are possible and that they can be achieved in a phased and stabilizing way. Reykjavik laid the groundwork for that process to begin.

Now we need to think hard about where we want to go next, about what kind of situation we want to create in the future. We need to look at a world with far fewer nuclear weapons. We may even need to begin thinking seriously about a world with *no* nuclear weapons.

One fact seems apparent. Even after the possible elimination of all ballistic missiles, we will need an insurance policy to hedge against cheating, against third countries, against a madman. We don't know now what form this insurance policy will take. The retention of a small nuclear deterrent force could be part of that insurance policy. What we do know is that the President's program for defenses against nuclear ballistic missiles can be a key part of that insurance policy. Such defenses for the United States and its allies will give us the options needed to approach a world with far fewer nuclear weapons.

None of this came up suddenly at Reykjavik. The President has made clear for many years his goal of eliminating ballistic missiles and—in proper circumstances—all nuclear weapons. He has made speeches on this subject; he has campaigned on this issue; he addressed it in the debates; and he launched the SDI program with this goal in mind. The President hasn't changed. What has changed is that his goal is now being taken seriously. I heard someone say that all this was fine as long as it was only campaign talk. Well, they weren't listening carefully. Now it is being discussed for real.

Obviously, we are taking on a difficult task as we move to create the conditions in which we can assure the freedom and security of our country and our allies without the constant threat of nuclear catastrophe. Progress—whether in science or foreign affairs—often has to do with the reinterpretation of fundamental ideas.

Times of reinterpretation are difficult. Hard thinking can hurt your head. But we cannot shirk the challenge. As Albert Einstein warned after the dawn of the nuclear age: "Everything has changed but our way of thinking." That's a sage observation—particularly as we continue to look at the problem of managing our long-term relations with the Soviet Union in a time of dramatic technological and strategic change.

So it just may be that nuclear weapons, and the strategy of mutual assured destruction that has shaped our defense policy for decades, are part of the old way of thinking. We have to start to wrap our minds around new interpretations and build new realities. If we do, perhaps we can shape a more secure world for everybody.

---

[1]Press release 239 of Nov. 3, 1986. The question-and-answer session following the address is not printed here. ■

Human Rights and Soviet-American Relations

Secretary Shultz's address before the World Affairs Council in Los Angeles on October 31, 1986.[1]

Two years ago, when I delivered a speech here in Los Angeles on Soviet-American relations, I addressed both the limits and the necessity of negotiating with the Soviet Union. I pointed out that in the nuclear age we must seek to resolve our differences with the Soviet Union through negotiations. Yet we know that the Soviets behave in ways that are repugnant to us and that violate our standards of human conduct. We obviously cannot say that until everything is settled with the Soviets, nothing can be settled with them. But we can and do say that until there is substantial Soviet progress in the vital area of human rights, advances in other areas of the relationship are bound to be constrained.

Managing Soviet-American relations is of special significance today, in the aftermath of the Reykjavik meeting. Reykjavik was a watershed in our discussions with the Soviets on arms control and international security. I'll be discussing the Reykjavik meeting in greater detail this evening in San Francisco, and I hope you'll all want to read that speech. The point I want to emphasize this afternoon is that arms control agreements with a regime that violates human rights cannot be truly successful in guaranteeing international security. But, nevertheless, I think very possibly, as we look back 4, 5, 10 years from now, we will more and more identify the Reykjavik meeting as a watershed meeting, a meeting of tremendous potential significance.

But, nevertheless, the human rights part of this story is of extraordinary and special importance.

Perhaps Andrey Sakharov has said it best. "No matter how important arms control discussions are," he said, "they can produce decisive results only when they are joined to the resolution of broader and more complicated problems . . . including questions of human rights."

Sakharov went on to elaborate the relationship between international security and human rights, and he said:

> The freedom to exchange information at home and across international borders, the freedom to move at home and to travel or emigrate abroad, all rank as prerequisites of international trust, basic to the process of diminishing hostility. As long as a country has no civil liberty, no freedom of information, and no independent press, then there exists no effective body of public opinion to control the conduct of the government and its functionaries. Such a situation is not just a misfortune for citizens unprotected against tyranny and lawlessness; it is a menace to international security.

Those are Sakharov's words.

The Reagan Administration shares this view. Governments which abuse the rights of their own people cannot be expected to act in a more civilized manner abroad. For this reason we emphasize human rights issues in all of our official dealings with the Soviets. I will do so next week, when I go to Vienna to participate in the 35-nation conference that will review implementation of the 1975 Helsinki accords. Today, I would like to discuss our long-term strategy for promoting human rights in the Soviet Union.

The Reagan Administration is profoundly convinced that as important as are the reduction and eventual elimination of offensive nuclear weapons, arms control can never be the main preoccupation of American foreign policy. It has never been mankind's goal simply to survive. Through the centuries men and women have struggled to overcome poverty and to free themselves from the oppression of arbitrary rule. They have sought to create free and prosperous communities governed by the rule of law rather than the caprice of the few. This struggle for freedom is the very hallmark of our civilization. It is the story of human progress.

We in the West can be justly proud of the prosperity and political freedom that we have achieved. Indeed, we believe the two go together. But we cannot forget that others in our world live lives that are neither prosperous nor free. There remain all too many nations where human rights are not respected; where nonviolent political dissent is not permitted; and where unfettered religious worship is not tolerated.

One such country is the Soviet Union. Because it is among the most powerful of nations and enjoys influence far beyond its borders, the way Soviet leaders treat their people is of special concern. This is why, as we seek a less confrontational relationship with the Soviet Union, we must call upon Soviet leaders to demonstrate respect for basic human rights. These are not two incompatible policies; they are complementary approaches to the same objective.

Human Rights and the New Soviet Leadership

Within the past 2 years, a new leadership has come to power in Moscow. Its capacity for serious negotiation was evident in our arms control discussions at Reykjavik. And we are seeing, in new Soviet domestic policies, General Secretary Gorbachev's determination to modernize the Soviet economy. His policy of *glasnost*—that is, "openness"—has made the Soviet media somewhat more informative. At the same time, we see no sign that the Soviet ruling elite is willing to yield even a small portion of its control over the lives of its citizens.

This new Soviet Government is showing an appreciation of Western-style public relations. Not very long ago, Soviet officials were distinguished primarily by how little they had to say and how unwilling they were to say it. Today, they appear eager to be interviewed, to advance and defend Soviet policies. But until Soviet human rights policies are defensible, until the Soviet Union adheres to the norms of contemporary civilization, improved public relations techniques will not get them very far.

To be sure, Soviet leaders have shown increasing awareness of the public relations price they pay as a result of their conduct in the field of human rights. They have demonstrated that awareness with some high-profile actions. These gestures are welcome. And, I might say, the dramatic permission of Dr. Goldfarb, brought to the United States by Armand Hammer, was among those very welcome gestures, and we appreciate that. But they are no substitute for genuine and sustained progress in the human rights area. Moreover, many of these actions are qualified by serious limitations.

We were pleased that Natan Shcharanskiy and Yuriy Orlov were freed, but it was in exchange for Soviet spies. Mrs. Yelena Bonner was permitted to travel to the West for medical

treatment but has returned to incommunicado detention in Gorkiy. A high percentage of divided-family and separated-spouse cases were resolved, but even here we have not approached total resolution of all cases. Imprisoned poet Irina Ratushinskaya was released before she completed her sentence, but most Helsinki monitors remain in jail. The sister of cancer patient Mikhail Shirman was released to travel to Israel, where an operation could possibly save his life; but this action occurred only after an unconscionable delay which has reduced the chances of success for treatment. A few refuseniks are allowed to emigrate while total emigration figures plummet. And this past summer, the Soviets created a new Humanitarian and Cultural Affairs Office in their Ministry of Foreign Affairs, but there is no indication that it is intended to deal with the Soviet Union's human rights problems.

These gestures are welcome. They are obviously of vital importance to the individuals directly affected. And I might say, from my own standpoint, in my 4½ years now as your Secretary of State, I can't think of any experiences to compare with the privilege of meeting and talking for a while with Messers Shcharanskiy and Orlov. You get a sense of the unquenchability of the human spirit and the courage that individuals can show. These two men thanked me, and they thanked the President, for helping them, and I can weep over such thanks because it's such a privilege to help people who are so courageous.

But the release of these individuals does ***not*** represent a fundamental change in the Soviet system or in Soviet human rights policy. Indeed, it seems clear that these limited actions have been carefully calculated to satisfy world opinion at little or no internal cost. The Soviets hope, no doubt, to use these relatively few high-profile cases to divert public attention from their continuing and systematic denial of basic human rights. But whatever their motives, we can at least say that such actions demonstrate Soviet concern for world opinion.

Soviet authorities may not accept the legitimacy of the Western moral tradition, but they do feel its pressure. We must hope that in time the new generation of Soviet leaders will change its repressive practices for the right reasons—not in order to pacify outraged world opinion but because it comes to understand that a truly strong, confident government is strengthened, not weakened, when it protects the rights of its domestic critics.

The Human Rights Situation in the Soviet Union

In reacting to these Soviet gestures, we must keep clear in our own minds what they mean and what they do not mean. We must not gloss over the grim reality of Soviet internal repression. At the CSCE [Conference on Security and Cooperation in Europe] review conference that I mentioned earlier, we will again raise our human rights concerns—not to score propaganda points but to describe the human rights situation in the Soviet Union as it actually is.

- For Soviet Jewry, the situation is bleak and deteriorating. Jewish emigration in 1986 has fallen to the lowest level in 20 years, down more than 98% from the all-time high of 1979. Soviet officials sometimes attribute this fall in emigration to the fact that all Soviet Jews who wish to leave have already done so. But we know the names of 11,201 Soviet Jews who have applied and have been denied permission to emigrate. These are the "refuseniks," some of whom have been fired from their jobs, harassed, or even imprisoned. We can also confirm that at least 380,000 additional Soviet Jews would like to leave the Soviet Union—I say, at least. Raising this issue is perfectly legitimate. The Soviet Union has signed politically binding international instruments which require respect for basic human rights, including the right to leave one's country. Commitments assumed under these documents are as binding as any other international commitment.
- The situation for other religious groups is also deteriorating. Four hundred religious believers are currently imprisoned for participating in so-called unauthorized religious ceremonies. Evangelical Christians currently make up one-third of all known Soviet prisoners of conscience. Their beliefs, and those of millions of their brethren, are continuously mocked and ridiculed in the Soviet media. Freedom of conscience is crippled by legislation and administrative controls that make religious believers second-class citizens and force many to violate the law in order to practice their faith. Can you imagine, it's against the law to practice your religious faith?
- Meanwhile, Andrey Sakharov and Yelena Bonner have once again disappeared into Gorkiy, cut off from the world, their welfare and whereabouts unknown. And 39 Helsinki monitors remain in Soviet prisons or in labor camps. They are being punished not for attempting to overthrow the Soviet state, nor for the commission of any crime, but for publicizing Soviet failures to live up to the international commitments the Soviet Government assumed under the Helsinki Final Act. Hundreds, perhaps thousands, of other Soviet citizens have been incarcerated—many in psychiatric hospitals and many on trumped-up charges—for trying to exercise what in the West are taken for granted as basic human rights.
- Nor is such persecution limited to Soviet citizens. In the international arena, the Soviet Union continues to wage its ruthless war against the people of Afghanistan. The Soviet Union also supports the Vietnamese occupation of Cambodia and Vietnam's war against the Cambodian resistance. And the Daniloff affair has demonstrated that even innocent Americans are at risk if their imprisonment serves Soviet purposes.

These are only some examples of the massive human rights violations routinely practiced by Soviet authorities. Yet despite all the evidence of such practices, some people still find it hard to believe that a great power like the Soviet Union treats its own people so brutally. So let me provide you with just one more example.

Nina Kovalenko, a refusenik artist and member of the so-called Group to Establish Trust Between the U.S.S.R. and the U.S.A. was arrested on September 25 and confined to a psychiatric hospital for demonstrating in support of U.S. newsman Nicholas Daniloff. Close family sources report that she is being forcibly administered four different drugs in seven daily sessions; and she has been repeatedly interrogated about her part in the pro-Daniloff demonstration.

This is the second time that Mrs. Kovalenko has been assigned to a psychiatric hospital. A slight, softspoken woman of 47 years, Mrs. Kovalenko has no history of mental illness or instability. She is quite sane. Her only "wrongdoing"—if that is the proper word—is her desire to establish better relations between the United States and the Soviet Union and her courage in speaking up for Nick Daniloff.

Soviet spokesmen are constantly telling us about their desire to establish better relations between our two countries. Nina Kovalenko also wants to improve Soviet-American relations. So we must ask: how does Nina Kovalenko threaten the Soviet system? What crime has she committed that makes her subject to psychiatric torture? Is this how

Soviet authorities intend to establish trust between our two nations? What is behind such profoundly repugnant behavior?

When you look at the Soviet human rights situation in its totality—and when you consider the fates of the Kovalenkos, the Sakharovs, the Marchenkos, the Nudels, the Slepaks, the Koryagins, and so many, many others—only one conclusion is possible: the Soviet Union regularly violates international human rights commitments—including the Universal Declaration of Human Rights and the Helsinki Accords—to which it is a party. It does not observe the legal procedures and ethical values developed by civilized societies. And it does not extend equal protection of the law to all its citizens. The Soviet state remains profoundly repressive, despite its attempts to show a more modern, humanitarian face to the world.

U.S. Policy: Speaking Out on Our Concerns

In dealing with this fundamental fact, we must be realistic. We can take cautious encouragement from the fact that the new Soviet leadership—for whatever reasons—has taken steps that we can welcome. It is possible that the policies we have been pursuing have helped to create the environment in which these new developments are taking place. In any event, we in the West must maintain our pressure on the Soviet Union. We must continue to insist that nothing short of significant, sustained progress on human rights will satisfy us. We must make certain that all the democracies—not just a few of us—maintain this pressure. We all share a concern over Soviet human rights abuses, and we must show it. The Soviet authorities will have no incentive to change if they believe we do not care.

We must also work closely with our concerned domestic constituencies. One of the highlights of the recent meeting in Reykjavik was its intimate relation to one of the most intensive series of domestic human rights consultations in American history. Nongovernmental organizations and Members of Congress directly participated in the formulation of our negotiating position. This meant that when President Reagan raised the subject with General Secretary Gorbachev, he was speaking not only for himself and his Administration, but for an America united in its concern on this issue. Perhaps for this reason, we succeeded in obtaining grudging Soviet acknowledment of the rightful place of human rights issues on the agenda of official Soviet-American discussions.

So how best can we get the Soviets to realize that if they are going to enjoy the fruits of a more cooperative relationship with the West, they must pay increasing attention to our concerns? Some believe that the best way is to quarantine the Soviets, to limit our bilateral contacts to an absolute minimum until they carry out a massive program of internal reform. This method, we must recognize, has been tried and found wanting. Although it does register our disapproval of Soviet human rights practices, it has little chance of actually improving them.

Let me propose what I believe is a better way. When the communists seized power 69 years ago, they claimed that their new system represented the wave of the future. In fact, the future has increasingly passed them by. Today, the Soviet leadership wants to have it both ways: it seeks to gain acceptance by the West; yet it also seeks to keep its people isolated from the free ideas and the human contacts that are the very essence of modern life.

If we in the West are ever going to develop constructive relations with the Soviet Union, they will not come by shunning contact. On the contrary, we must take advantage of the new style of Soviet diplomacy to expose Mr. Gorbachev, his associates, and the Soviet people to the depth of our revulsion at Soviet human rights abuses. We must make use of every channel we can, of every forum that presents itself, to get the Soviet leadership to acknowledge the reality that less repression at home is the key to greater acceptance abroad.

As governments, we must seek every opportunity to bring our human rights concerns directly to the attention of Soviet authorities and people. We need to tell them, time and again, that the way they treat their people is not acceptable in this day and age. We must impress upon them that they will never be fully welcomed by us so long as they maintain their repressive policies.

People-to-People Exchanges

Beyond formal exchanges with Soviet authorities, it is in our interest to encourage as much contact as possible between our two societies, between American and Soviet people directly. Within the Soviet Union today, there are some who recognize the need for change. And we can only benefit from getting Soviet citizens to take a close look at our way of life. As they see that our society works, they will question why theirs doesn't. Such exposure to life beyond their restrictive borders can only convey the truth: that economies and societies genuinely thrive and prosper when people are free, when they can exchange ideas and opinions without fear. This is why President Reagan proposed a major people-to-people exchange program prior to the Geneva summit.

At Geneva itself, we gained Soviet agreement to a number of exchange programs. To date, these programs remain modest in terms of the numbers of individuals involved. Perhaps Soviet authorities still fear exposing significant numbers of their citizens to our people and to our way of life. This is all the more reason to press for vastly expanded exchanges. We need to work toward the day when tens and even hundreds of thousands of Soviet citizens, and particularly young people, routinely exchange visits with their counterparts in the United States and other Western countries. Such contacts can help overcome the artificial barriers imposed by the Soviet Government on the flow of information to their people and can help convey the truth about the United States and the West. We are confident that genuine people-to-people contacts can build real constituencies for peace in both countries. For, as President Reagan has observed, "People don't start wars; governments do."

Naturally, it will be extremely important for our people—both officials and private citizens—who engage in these exchange programs to understand the nature of the society they are dealing with. This is crucial, because the Soviet Government will undoubtedly argue that doctors, scientists, and dancers can get together without having to worry about such "political" issues as human rights. We believe it is essential that all participants—ours and theirs—understand that these exchanges cannot reach their full potential in an environment of continuing Soviet human rights abuses.

We need to be persistent. We know from experience that the Soviets are tireless in pressing their vital concerns. Well, human rights is ***our*** vital concern. It is at the core of American foreign policy because it is central to America's conception of itself and its role in the world. We must never be afraid to speak up for our deepest values and most fundamental beliefs. We must never be reluctant to go that extra mile. And we must never desist from the all-important effort to change Soviet human rights practices.

To be sure, there are those who say that the Soviet Union cannot and will not change; that Soviet leaders will never open up their borders to the types of exchanges we would like to see. Well, maybe so. But if we fail to make the effort, the Soviet Union will most assuredly remain a closed society, a prison for its own citizens and a permanent threat to the rest of the world.

The ultimate challenge, of course, is to the new Soviet leadership itself. That leadership is showing some interest in expanding contacts abroad in the interests of modernizing more rapidly. It must realize that a system which keeps photocopiers and mimeograph machines under strict control cannot exploit the benefits of the dawning information age. It must suspect in its heart of hearts that the Soviet Union will never be able to catch up with the West without opening itself up to the free exchange of ideas and information. Indeed, with every Western innovation in information technology that brings the world closer together, the leaders of the Soviet Union are reminded of their agonizing choice: they must either open up their society to the freedoms necessary for the pursuit of technological progress, or they risk falling even further behind the West.

How the Soviet Union responds to this choice largely depends on its leaders. We in the West must never delude ourselves that we can have more than a marginal impact on the Soviet decisionmaking process. But to the extent that our words and actions are heeded, our message must be unequivocal: Soviet isolation from the modern world is not the result of some vast, anti-Soviet plot; rather, it is the inevitable consequence of Soviet behavior. If Soviet authorities hope to gain acceptance by the international community, they must begin to respect the rights of their people. Their only alternative is to perpetuate the terrible legacy of their past and remain a backward outcast on the margins of the modern world.

---

[1]Press release 238 of Nov. 3, 1986. The question-and-answer session following the address is not printed here. ■

Secretary's Interview on "Meet the Press"

Secretary Shultz was interviewed on NBC–TV's "Meet the Press" on October 19, 1986, by Marvin Kalb, NBC News; Robert Novak, Chicago Sun-Times *syndicate; and Bernard Gwertzman,* The New York Times.[1]

Q. Last Sunday Secretary Shultz was to have been our guest from Iceland. He couldn't make it because he and the President were engaged at the very moment in intense negotiations with Soviet leader [Mikhail] Gorbachev, negotiations that ultimately collapsed when the Soviet leader demanded certain constraints on the U.S. space defense program, popularly known as "Star Wars," and the President refused to yield. So where do we go from here?

Mr. Secretary, one key issue that has come up is the contention that you have made, and the President, that (what) the Russians wanted to do was to kill SDI, the Strategic Defense Initiative. The Russians have said, and there have been reports in the past couple of days suggesting that what the Russians really want, it seems, is some kind of compromise because what they are asking is that research and testing be limited to the lab but in some cases be allowed outside the lab when it is ground-based systems involved.

Is that some effort to strike a compromise?

A. Of course, in Reykjavik it seemed to us that when talking about a laboratory, a confined space, what you could do there wouldn't be the things needed to really develop this program, and so that seemed like an effort to cripple the program. If they have further ideas—and there have been suggestions that they may—there is a good place for them to put them down on the table in Geneva; and Max Kampelman [U.S. negotiator on defense and space arms and head of U.S. delegation on arms control negotiations] is there, and he is ready to talk.

Q. But the key point here, I think, is the sort of maximalist statement that you have made, that they want to kill it, and they seem to be coming back and saying that it's not killing so much as curtailing. And that sounds like the beginning of a compromise, does it not?

A. We will have to see what they put down on the table in Geneva. But, at any rate, we are there and we've made a tremendous amount of progress not only on intermediate-range missiles and strategic arms and missiles but also in the space defense area. So there is a lot to build on, and we're ready to do it.

Q. You have said a couple of times this past week that Mr. Gorbachev sent you a message on Tuesday through the Soviet Ambassador, Mr. [Yuriy] Dubinin. In this new outburst of candor that you are all engaged, could you tell us what that message said?

A. He said that he had had a conversation with Mr. Gorbachev before they each left Reykjavik and that Mr. Gorbachev had instructed him to come in and see me. Aside from certain matters having to do with content, which I don't think it is appropriate to talk about, but relating to this issue that you raised, the main message seemed to be that [Soviet Foreign Minister] Shevardnadze and I had developed a certain relationship and we should keep it moving and we should be thinking about when we might meet again.

So we discussed the fact that probably both of us will be in Vienna in the middle of November—early part of November—and so we will undoubtedly try to arrange a meeting.

Q. Do you have any sense of what you would like to accomplish out of that meeting with Shevardnadze? What particular parts you'd like to pull together?

A. There are two things that we didn't really finish. Although we seem to come to closure on them in Reykjavik, we didn't finish in the sense of getting really precisely done language. One has to do with nuclear testing and the other with intermediate-range missiles in Europe and Asia. So those are things we'll be working on in Geneva, and they may get some attention.

Of course, from our standpoint, we think it is very important to keep pushing on this issue of human rights because it is so fundamental to what may or may not be the kind of relationship we are able to have.

Q. It was announced in Moscow today that they are kicking out five of our diplomats in retaliation for our ouster of 25 of their excess people at the United Nations. What is our reaction going to be on that? Are we going to retaliate, too, or are we going to turn the other cheek?

A. We will protest, and we will take some action.

Q. What action, sir?

A. That remains to be seen. The President will—we'll consult and talk to the President and he'll decide.

Q. Are the 25 we have kicked out—are they all espionage agents? Are some of them espionage agents?

A. They are people that we feel have some connection with espionage activity or at least are affiliated with units in the Soviet Union that engage in that activity.

At any rate, we handed over a list of 25 names, and all of those people have left.

Q. This week the Soviets did allow a prominent dissident, Mr. [David] Goldfarb, to leave as well as a couple to go to Israel. Was this worked out with you at the time of the [*U.S. News & World Report* correspondent Nicholas] Daniloff business when Mr. Orlov [Yuriy Orlov, Soviet physicist and human rights activist] was freed or was this as part of any summit arrangement that they promised to let out some of the more prominent people?

A. We didn't have any precise agreement; although, many names of individuals were talked about as well as, of course, the great mass of people by the hundreds of thousands that would like to emigrate. So all of that was discussed, but there was no precise agreement on either of those cases.

Q. Do you think Mr. Gorbachev is aware that if he came to the United States without a major change in this human rights situation, he could barely meet with the President without there being huge demonstrations?

A. He certainly is aware, or at least he's been told directly, that, of course, we will welcome him here in the United States and he will be treated with the respect and dignity that he deserves, but that there won't be the kind of warmth out there in the American public that we'd like to see because of the human rights problems.

Q. Following up the Goldfarb question, Senator Malcolm Wallop of Wyoming, who is a strong supporter of the President, has said that the Soviet Union has an unlimited number of these politically persecuted prisoners, and he just questions the idea of having a human meat market where, in return for various concessions we may make on arms, that they one-by-one will release dissidents. Don't you have some concerns about that?

A. I think this business of persecuting people in the first place is one of the aspects of their system that we find the most objectionable and the most difficult in terms of conceiving of a good relationship between the two countries. Trading in human beings is inherently a repulsive matter.

Realistically, we have to say their system is as it is; and when we can get people out, we are glad to have them out. But we always emphasize not only these names of people who have been so courageous but also the great mass of people beyond that that need to have attention. I must say if you have met, as I've had the privilege of doing, Natan Shcharanskiy and Mr. Orlov, you have to come away feeling inspired and privileged at the unquenchable human spirit that those people represent.

Q. I just want to follow up the question of the 25 Soviet employees that we expelled and now their retaliation. Was this even mentioned at Reykjavik? This was supposed to be a major topic of conversation there. Was it?

A. It wasn't brought up because, really, we were so engaged in these other things that the time to do it—it would have been between Mr. Shevardnadze and me—just wasn't there.

Q. One of the things that you obviously were focusing on was the President's Strategic Defense Initiative, and I want to go back to one of the earlier questions. You were saying that what the United States really wants to do is to develop this sytem. At the same time, the basic rationale of the Administration is that you are really engaged in simply a research program.

Isn't it time now, since SDI is so central to the effort, to say, really, that it's not just research that you're engaged in; it's part of the strategy of the United States and that there will be a lot of SDI if there are a lot of offensive missiles, and less SDI if there are fewer offensive missiles?

A. The object isn't to just do research. The object of the research is to find our way to a system that will work and that will survive and that will have the attribute that it is less expensive to add a piece of defense than it is a piece of offense so that it can go forward. So the object is to learn how and be able to protect ourselves against ballistic missiles. That's what we want to do.

Q. Okay. But isn't the strategic rationalization for the whole thing, or shouldn't it be, that there would be a highly developed SDI if there were many offensive missiles; if there were fewer—if you could work that out with the Russians—there's less of a need for the SDI, or less of a need for that much of SDI; isn't that right?

A. Certainly, if we're able to come to agreement on the elimination of all ballistic missiles, as the President proposed in Reykjavik and also in his letter to Mr. Gorbachev last July—if we are able to do that, then the threat against you, that you have to protect against, is much different. And so, presumably, what you deploy would be much different.

Q. I'd like to clear one thing up. Dr. Kissinger referred to it in a column today. Did you feel in the final round of discussions in Iceland, when the President put forth his proposal for 10-year adherence to the ABM [Antiballistic Missile] Treaty as well as ending all ballistic missiles in 10 years, did you feel that you had the consensus of the Administration on that? Had the Joint Chiefs of Staff been consulted ahead of time?

In other words, there's a criticism that the President and, I guess, yourself were kind of winging it there in the end.

A. Of course, there were representatives there of all of the different agencies, including both the Office of the Secretary of Defense in Mr. Perle [Richard N. Perle, Assistant Secretary of Defense for International Security Policy] and the Joint Chiefs of Staff in General [John] Moellering, so everybody was presented there.

The offer the President put forward drew on what had developed and sent to Mr. Gorbachev in a formal letter that everyone signed off on. In that letter we had, in one way or another, identified 7 years when there would be adherence to the ABM Treaty, or not departing from it—giving notice under it—and in a 2-year period a negotiation to eliminate all offensive ballistic missiles. So those ingredients were there as part of what was proposed and had been talked about before the Reykjavik meeting.

The President sort of combined those things together, seeing the Soviet desire for a 10-year nonwithdrawal period, and I thought it was a pretty creative piece of work.

Q. It might be creative, but if you are not going to deploy any part of the SDI for 10 years, a lot of people who are supporters of it think it's a dead

system. Is that the decision of the U.S. Government, not to deploy for 10 years?

A. The offer of the President put that forward in conjunction with some very important things—namely, cutting in half of all strategic arms and eliminating offensive ballistic missiles. That's what the strategic defense is defending against. So you are getting something very important for that 10-year period.

Furthermore, since it is pretty clear by now that the existence of a vigorous strategic defense program has been responsible for a lot of this activity, certainly we want to keep in being, not only for deploying it as an insurance policy but as a way of being sure that the reductions actually take place.

Q. There is word from Moscow today quoting unnamed U.S. officials as saying that perhaps over the next several months there is a good possibility of getting an agreement with the Russians on limiting and monitoring nuclear tests. What is your judgment?

A. I think that's a fair appraisal. The situation is that we agreed on certain increments of what could become an overall agreement—those being, let's get some verification provisions that will improve our ability to know what goes on under the Threshold Test Ban and other treaties; let's ratify those treaties and put them into effect. That establishes a ceiling on the weight of the tests, on how big they are.

Then we can agree on the ultimate goal of a comprehensive test ban. From our standpoint, we insist that that can only be reached through a negotiation that envisages a step-by-step decline in testing in line with, or parallel with, a decline in nuclear weapons. So those are increments of it. And no doubt the Soviets will want to put those pieces together in a somewhat different way than we do, but I should think it would be possible to work something out.

Q. But is it your understanding that to work that out there is now, post-Iceland summit, a Soviet requirement that it's all one large package, that unless you can also take care of the question of space defense weapons you really cannot sign an agreement on nuclear tests or INF [intermediate-range nuclear forces], the medium-range missiles?

A. I would doubt that that idea will hold up over time, but we'll see.

Q. Also, on the intermediate-range missiles, do you think the Soviets will eventually go back to separate negotiations and agreement on that aspect of the talks?

A. Our position will be that that should be separated out, and we will go forward with that. I believe that in the end—I hope, anyway—that we will be able to work that out.

Q. Have the Germans and the British given you reports on their talks with Mr. Karpov [Viktor P. Karpov, Soviet negotiator on defense and space arms and head of U.S.S.R. delegation on arms control negotiations]? Was he saying they could be separated in his discussions with them and then overruled from Moscow, or is it not clear?

A. It isn't clear exactly. He seemed to give one message out, and we heard other things from Moscow, and they say something to a visiting leader, like the President of Argentina, Mr. [Raul] Alfonsin. So the picture is moving around.

From our standpoint, what we will do is take the position that we think is the right position in the various places we're talking about these things, and keep after them.

Q. Why do you dismiss the linkage things, as you do?

A. I don't dismiss it.

Q. I mean, you don't take it seriously? You don't think the Russians are serious when they say it has all got to be a package?

A. I think they're serious. But when you say everything has to be in a package, what is everything?

Q. I think what they mean is what you know.

A. I don't know whether it's—maybe what they mean is that the agreement that we worked out very carefully on strategic arms has to be part of a package. They apparently don't hook in a lot of the things we talked about in our bilateral relationship as necessarily a part of any package, so it remains to be seen.

Q. In the article in this morning's *Washington Post* by Henry Kissinger, that Mr. Gwertzman referred to, he writes that he got a "sinking feeling" when he read about the U.S. negotiators at Reykjavik staying up all night to try to work out an agreement on a proposal that had just been handed to them 36 hours before, and suggested when this proposal was handed you should have said, well, we'll study it. After all, it took Mr. Gorbachev months to consider a much less complicated proposal by President Reagan. Doesn't Dr. Kissinger have a real point there?

A. No, he doesn't. Not at all. He's completely wrong about that.

Q. Do you think all-night negotiations for something affecting the nation's security is nothing to worry about?

A. It's the only way to do it.

Now here's the point. For years, President Reagan has been seeking radical reductions in strategic arms. He has proposed it and proposed it and proposed it. In Geneva the two leaders agreed on a 50% reduction objective, and we have kept putting forward what we think that means, in detail, in Geneva.

In Reykjavik, what happened was that Mr. Gorbachev put forward an idea that allowed us to consolidate ground very close to what we have been proposing for years, so we knew what we were doing. Our people in that negotiation had been over that ground a great deal. So we were well prepared, not only in terms of positions but in terms of highly competent people, and we took advantage of an opening and consolidated it. That's the way you should do it in a negotiation. You shouldn't say, "Gosh, it's time for tea."

Q. Just to follow that, the media blitz—I mean, you've been on television more than anybody in the history of the United States in the last week.

A. And I don't even get paid for it either. [Laughter]

Q. The idea you're giving is that you were just about ready to have an agreement. Now isn't the truth of the matter, sir, that if they had said yes, you were nowhere close to an agreement? I mean, you would have to get the verification; there would be just interminable details to be worked out. Isn't that correct?

A. Lots of details to be worked out. But if you start with having set out with some precision with what are called "counting rules" for how you are going to count up—for example, bombers and weapons on bombers, and so forth—worked out with some precision, as we did on the strategic arms area, then it is possible for the negotiation that has to be more detailed and take the time to go forward based on what was achieved.

Q. I want to switch areas with you. There has been a lot of fighting going on in the last week in the Middle East between Israel and Palestinians,

and Israeli troops have crossed into Lebanon. Does American intelligence fear that there's any likelihood of a bigger war erupting there at this time?

A. We certainly don't want that to happen. You do have a situation where Israel, in its northern border, is concerned, and understandably so, about attacks that come from southern Lebanon, and there's a very tense situation there.

Q. Are there really intensive troop buildups along the border now?

A. It tends to go up and down. But from all that I can judge, the situation is tense and there is action but it's not out of control by any means.

Q. You were quoted, I think, in Israel as having sent a letter to the new Prime Minister, Mr. Shamir, urging him not to make any changes in Israel's policy toward the West Bank settlements. Did you send a letter?

A. No. I don't know where that report came from. I have talked with Israelis coming back and forth, and I had a long session with Mr. Shamir in New York. And I do think that they should not expand settlements.

Q. On Nicaragua, there is a trial beginning of the American, Eugene Hansenfus. What is your reaction to the trial that will start tomorrow? And I'm sorry, we don't have much time, but please give us your sense.

A. First of all, the Nicaraguans are not abiding by the normal rules that apply when you take somebody under those circumstances. Our government has had no private access to him whatever. His wife went there and only had 1 minute with him and then in a public occasion, so they don't seem to be going about it in a very judicious and proper way at all.

[1]Press release 222 of Oct. 20, 1986. ■

Secretary's Interview on "This Week With David Brinkley"

Secretary Shultz was interviewed on ABC-TV's "This Week With David Brinkley" on October 5, 1986, by David Brinkley and Sam Donaldson, ABC News, and George F. Will, ABC News analyst.[1]

Q. From what President Reagan has been saying and from what Mr. Gorbachev has been saying, it appears that they expect a good deal more out of the Iceland summit than we do. Is that how it looks to you?

A. I don't know exactly what you expect, and, of course, I don't know what Mr. Gorbachev expects.

Q. "We" meaning the U.S. Government.

A. The President welcomes this opportunity to further the preparations for the upcoming summit in the United States, and we hope that it will move matters forward in some important respects. Obviously it remains to be seen what happens because the meeting is still coming up.

Q. One of the things that might be discussed, we are told, in Iceland is a little detail left over from the Daniloff affair concerning the 25 Soviet UN employees who were named and told to go home. Will they be made to go home? And will those going home include the KGB station chief and the GRU [military intelligence] resident?

A. The 25 names that we've given them are there, and as far as we are concerned there has been no change except for the fact that, in response to their request, the President granted an extension of time of 14 days beyond October 1, which is a date that they will have to meet.

Q. Most of the talk in this country has been about the principal subjects being INF [intermediate-range nuclear forces] agreements, some interim agreement on medium-range missiles, and some agreement on strategic defense. We just heard Mr. Gerasimov [Soviet Foreign Ministry spokesman] almost turn this into a nuclear testing summit.

I gather your position is there's very little give in the American position on this, that there will be no comprehensive ban on nuclear testing. Is that still the case?

A. As long as we rely, as we do, on nuclear weapons as our primary deterrent against war, there will be a need for testing. And if the day should arrive—I hope it will—when what the President and Mr. Gorbachev both said they are for—namely, the elimination of nuclear weapons—comes about, then we won't need any more nuclear testing.

Q. The elimination of nuclear weapons from the face of the Earth as the President sees it, as I understand it, is tied to the deployment of strategic defenses. The development of strategic defenses requires, as I understand it—correct me if I'm wrong—nuclear testing.

A. Certain kinds do, but not all kinds.

Q. But it is for the foreseeable future then, nuclear testing, part of the program the Administration has for developing strategic defenses?

A. Nuclear testing, we feel, is necessary under current conditions. However, the President has stated that if we can agree to do certain things that improve quite significantly verification of the thresholds named in the treaties that had agreed to but never ratify those treaties and undertake a negotiation which is called for under those treaties to look further at what can be done, having in mind the goal of eliminating nuclear testing as is appropriate given the state of the weaponry.

Q. A lot of people worry that Mr. Reagan has made a mistake in going to the summit, that looking for his place in history, he thirsts after a second summit here in Washington and he's going to give Gorbachev really what Gorbachev wants, which is a deal in those one-on-one sessions. Now, what's wrong with that theory?

A. It's nonsense. [Laughter]

Q. You say it's nonsense, but isn't it true?

A. I'm not going to waste time on that. [Laughter]

Q. No, no. I think a lot of people are saying this. I read this in the newspapers, from columnists.

A. The President, of course, would like to see a radical reduction in nuclear weapons. He said that and said that and said that. When he first proposed it, he was laughed out of town by all of the experts you referred to as suggesting something impossible. And—

Q. Why not do it at Geneva?

A. Hold on. And now the President's agenda is the agenda. That's what we're talking about. And the argument is not whether or not these armaments should be reduced but over how fast and

how far and what the initial steps should be. But the point is the President has brought about discussion of his agenda; and if he can bring that off, I think it would be a great thing. So why not try? I don't see why people are alarmed because he is trying.

Q. You're saying that Geneva isn't the proper forum. The proper forum is Ronald Reagan in an easy chair—

A. No.

Q. —opposite Mikhail Gorbachev in an easy chair in a haunted house.

A. No. Not at all. Geneva is the proper forum for these negotiations and in particular for all of the intricate details of them. Obviously, the people in Geneva, whether on our side or their side, get their instructions from Washington and Moscow—

Q. And what will the two of them decide?

A. —and so we can see if there can be some additional impulse given.

Q. Let me ask you, then, how does Mr. Reagan decide whether an additional impulse is called for? Does he test Gorbachev's sincerity by the way his voice doesn't quaver? I'm not quite clear what these one-on-one's accomplish.

A. There will be one-on-one's, and there will also be some with some additional people, maybe only one or two. But, at any rate, they can discuss particular areas where we are negotiating and see just where certain matters may lie and how we may refer it back to our negotiators.

And let's remember that we have a lot of things to keep bearing down on besides what you're talking about. We have some big differences on what's going on in various regions of the world, with the possibility of some constructive statements.

We have major differences of opinion about human rights matters. You just had Mr. Daniloff [*U.S. News & World Report* correspondent Nicholas Daniloff] here as sort of a case study in that. So we'll talk about those as well as some bilateral issues.

Q. Do you think the climate is good at the moment for some movement to come out of Iceland?

A. Yes.

Q. The Reagan Administration has been vigorous in demanding on-site inspection of the destruction of those they say they're going to destroy and an almost constant observation team at the factories where they might produce more.

A. You have to have a good verification agreement to go with this, and precisely what things are absolutely essential we'll have to work out. I think these are the kind of testing things that perhaps the President might want to put to Mr. Gorbachev.

Q. But isn't a constant observation of those factories—isn't that almost an obvious *sine quo non* of a verifiable agreement?

A. It's an important element in the picture, and I think we've seen at least the rhetoric on verification from the Soviet Union change. We've seen some shift as a result of the agreement on confidence-building measures just reached in Stockholm.

We have also seen that when we put forward a strong proposal in the conventional arms field, they backed off from it. So just where they are going to come down on verification remains to be seen, but we know that it's something that's very important and we're going to have to follow through on it.

Q. It appears the Soviet Union is eager to talk about a test ban, as we have discussed. It appears also they are very interested in reducing intermediate-range missiles they have, and we have, in and around Western Europe. Suppose we were to—

A. And in Asia we are interested. And in Asia.

Q. All right. Suppose we were able to make an agreement, and it was kept and the intermediate missiles were removed. How would the defense of Europe look to you then? Wouldn't they still be vulnerable to a huge land army not far away?

A. Of course, the most fundamental deterrent is our strategic deterrent, and what happened is that the Soviets deployed intermediate-range weapons aimed at Europe. And after a long period struggle to negotiate those out, the alliance, in a very strong and solid way, deployed our own missiles. That has occasioned the Soviet Union coming back to the bargaining table, and now we are in the process of trying to negotiate these levels down and in the end out, which was our position all along.

Q. The President's position is that a stable world requires defensive systems. The question is, will you accept an agreement that seriously impedes progress toward that? And would not an agreement that restricted strategic defense research to research within the laboratory seriously impede defense by discouraging scientists and discouraging Congress from funding it?

A. The President believes, and I certainly agree completely, personally, as all of his advisers do, that if we can get into the strategic balance a greater element of defense, it will be more stable and therefore more desirable. And, of course, the more far-reaching your defense can be, the better off we would be.

Since we think that is important and very significant, obviously, we're not going to agree to things that would inhibit it.

Q. Do you agree that it would be seriously inhibited by a restriction that confines research to the laboratory?

A. It all depends on what the laboratory consists of; but obviously, you need to test the things that you are doing in order to know whether they work. And I might say that the program that is now underway does seem to hold the promise of giving us the knowledge we want, and it's consistent with the ABM [Antiballistic Missile] Treaty.

Q. Supporters of strategic defense worry that whatever comes out of this summit and the next one will be viewed as a moratorium, a mutually agreed upon moratorium of some sort, restraining development of defenses; and they note that Americans never break moratoria on their own—they just refuse to do that.

Aren't you in danger of putting the next administration or the one after that in the position of having to be the first administration to break a moratorium or killing strategic defense?

A. I've never heard the word "moratorium" applied to the work on strategic defense, and I can't conceive of any circumstances where the President would agree to that.

Q. At last report there was a Soviet Yankee-class submarine burning off Bermuda. What can you tell us about that? What are the latest reports?

A. What I've seen in the papers is consistent with what we are finding out, but there are U.S. planes overhead, so we know that it's true. But there's no additional radioactivity in the atmosphere, and I gather they have some method of measuring what's going on in the sea, so that as of now, according to the information we have, it confirms what the Soviets have said. The

submarine for about 20 minutes seemed to move under its own power, and then it stopped. And so apparently they're still trying to get it underway.

Q. The Soviets rather quickly notified us of this incident. Why do you think—it's a change from Chernobyl. Why do you think there was this change?

A. I think they got badly burned in Chernobyl because you can't hide these things, no matter how much—

Q. Don't we know yet—

A. Now, this occurred on Friday morning, our time, and President Reagan was notified Saturday morning. I think that's pretty good.

Q. Surely when one of their submarines gets in trouble, we—noisy trouble, we have the capacity to know that instantly, don't we?

A. Pretty fast.

Q. Admiral Clancy told us that in his books. Mr. Secretary, another question—that is, disinformation.

A. Furthermore, with an explosion and hot spots and so on, you tend to pick up.

Q. Oh, by the way, is there any danger that one of these missiles might somehow fire because of this fire on board the sub?

A. According to our experts, the answer is no.

Q. Let's turn to the disinformation story, the story that this government attempted to cause [Libyan leader] Qadhafi to believe things which weren't true in order to perhaps bring his downfall.

Is it your position that the government has a right to use news media in order to do something like that?

A. I don't lie. I've never taken part in any meeting in which it was proposed that we go out and lie to the news media for some effect; and if somebody did that, he was doing it against policy.

Now, having said that, one of the results of our action against Libya, from all the intelligence we've received, was quite a period of disorientation on the part of Qadhafi. And among other good effects from that was for a while the support for terrorism, certainly in Europe, tended to subside. We see it beginning to rise again, we believe.

So to the extent we can keep Qadhafi off balance by one means or another, including the possibility that we might make another attack, I think that's good. And I don't see what's wrong with that.

Q. Are you making the distinction between lying to the American people and lying, let's say, to Qadhafi, or others? Surely if you keep him off balance, you lie to him.

A. We are not necessarily lying to him. And we can always count on the American news media to report everything that happens, whether we try to keep it secret or not. So if we move a ship from point A to point B, we can figure that ABC News is going to show it on television, and Qadhafi will know it and wonder what it means.

Q. Is there a distinction between what is fair game in dealing with the American press and what is fair game in, say, planting useful destabilizing information overseas that might then leak back into the domestic press?

A. I think there's probably a distinction, sure, but that's not the purpose, to have it leak back into the American press.

Q. No one's accusing you of lying. Certainly, I'm not. But there is the problem of not having all the facts when you speak. Seymour Hersch in his book about what happened to [KAL Flight #] 007 makes the point that the morning after that Korean airliner was shot down, you went on television and said almost flatly that we knew the Soviets knew it was a domestic airliner and not a spy plane, when in fact according to Hersch the facts are that the Soviets probably didn't know that.

A. The morning that that plane was shot down we had, and I got the intelligence community to let us use, in effect the transcript of the conversation between the pilot of the Soviet plane that shot down the airliner—

Q. Raw and unevaluated?

A. —and his ground that said—I forget exactly what it said, but basically said, "I've identified it, and I've shot it down." So we know that they knew they shot the plane down. They did that deliberately.

Q. Do you still believe they—

A. Now, one of the reasons why we wanted to do that was to be sure that they knew right off that we knew exactly what happened. Even so, they denied they shot the plane down for a while, and then finally they came up with the rather lame business about how—

Q. Do you still believe that they thought it was an airliner?

A. It's very hard to confuse the configuration of the 747 airplane with the configuration of the—

Q. Is it still your belief that they thought it was an airliner.

A. It is very clear that they knew an airliner took off from Anchorage, I guess it was, bound for Korea. They also knew that a plane that makes a routine surveillance also took off. By the time they shot the airliner down, as I remember—I don't have all these things instantly in my head—but, as I remember, the intelligence plane had already landed. So if they were confused, they didn't have a right to be, and they shot it down.

[1]Press release 202 of Oct. 6, 1986. ■

Economic Sanctions Against South Africa

MESSAGE TO THE CONGRESS, SEPT. 25, 1986[1]

On September 9, 1985, in Executive Order 12532, I declared a national emergency to deal with the threat posed by the policies and actions of the Government of South Africa to the foreign policy and economy of the United States. Those actions and policies continue to pose an unusual and extraordinary threat to the foreign policy and economy of the United States, and in accordance with Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I continued the national emergency with respect to South Africa on September 4, 1986. Pursuant to Section 204(c) of the International Emergency Economic Powers Act (50 U.S.C. 1703(c)), I am today reporting on the developments since my last report of March 17, 1986.

In Executive Order 12532, I prohibited: (1) the making or approval of bank loans to the South African Government, with certain narrow exceptions; (2) the export of computers and related goods and technology to certain government agencies and any apartheid-enforcing entity of the South African Government; (3) nuclear exports to South Africa and related transactions, with certain narrow exceptions: (4) the import into the United States of arms, ammunition, or military vehicles produced in South Africa; and (5) the extension of export marketing support to U.S. firms employing at least twenty-five persons in South Africa that do not adhere to certain fair labor standards.

In addition, I called for (6) consultations with other parties to the General Agreement on Tariffs and Trade with a view toward adopting a prohibition on the import of Krugerrands; (7) the completion of a report on the feasibility of minting U.S. gold coins: (8) an increase in the amount provided for scholarships in South Africa to victims of apartheid and an increase in the amount allocated for South Africa in the Human Rights Fund; and (9) the establishment of an Advisory Committee to provide recommendations on measures to encourage peaceful change in South Africa.

Executive Order 12535 of October 1, 1985, prohibited the importation of the South African Krugerrand into the United States, effective October 11, 1985 (50 Fed. Reg. 40325, Oct. 3, 1985). This implemented the course of action contemplated in Executive Order 12532. The Office of Foreign Assets Control of the Department of Treasury issued South African Transactions Regulations on October 9, 1985), to implement the Krugerrand ban. There have been no changes in these regulations in the past six months.

In addition, the Bureau of Alcohol, Tobacco, and Firearms of the Department of the Treasury issued regulations on the Importation of Articles on the United States Munitions Import List on October 7, 1985, implementing the prohibition of certain arms imports contained in executive Order 12532 (50 Fed. Reg. 42157, Oct 18, 1985). The Department of State issued final regulations on South Africa and Fair Labor Standards on December 23, 1985, implementing the fair labor provisions of the Order (50 Fed. Reg. 53308, Dec. 31, 1985). The Office of Foreign Assets Control of the Treasury Department issued South African Transactions Regulations on November 6, 1985, implementing the Order's bank loan prohibition (50 Fed. Reg. 46726, Nov. 12, 1985). The International Trade Administration of the Department of Commerce issued regulations on Export Controls on the Republic of South Africa on November 14, 1985, implementing the computer and nuclear export prohibitions in the Executive Order (50 Fed. Reg. 47363, Nov. 18, 1985). With the exception of some minor technical amendments, there have been no changes in any of these regulations in the past six months.

With the publication of a notice in the *Federal Register*, the Department of State established the Advisory Committee on South Africa on October 22, 1985 (50 Fed. Reg. 42817, Oct. 22, 1985). The Commitee has met several times since and shall render a report to the Secretary of State within one year of its first meeting, which was held on January 29–30, 1986.

The Secretary of the Treasury submitted a report on the feasibility of minting U.S. gold coins on November 8, 1985. On December 17 of that year, I signed the Gold Bullion Coin Act of 1985 (Public Law 99–185), requiring the minting of such coins.

The expenses incurred by the Federal government in the period from September 9, 1985, through September 8, 1986, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to South Africa are estimated at $536,813, of which approximately $404,230 represents wage and salary costs for Federal personnel and approximately $135,583, represents out-of-pocket expenses. Personnel costs were largely centered in the Department of the Treasury, Department of State, Department of Commerce, and Department of Energy.

I shall continue to exercise the powers at my disposal to apply the measures contained in Executive Orders 12532 and 12535 as long as these measures are appropriate and will report periodically to the Congress on significant developments pursuant to Section 204(c) of the International Emergency Economic Powers Act.

RONALD REAGAN

MESSAGE TO THE HOUSE OF REPRESENTATIVES, SEPT. 26, 1986[2]

I am returning herewith without my approval H.R. 4868, the Comprehensive Anti-Apartheid Act of 1986. Title III of this bill would seriously impede the prospects for a peaceful end to apartheid and the establishment of a free and open society for all in South Africa.

The Administration has no quarrel with the decleared purpose of this measure. Indeed, we share that purpose: To send a clear signal to the South African Government that the American people view with abhorrence its codified system of racial segregation. Apartheid is an affront to human rights and human dignity. Normal and friendly relations cannot exist between the United States and South Africa until it becomes a dead policy. Americans are of one mind and one heart on this issue.

But while we vigorously support the purpose of this legislation, declaring economic warfare against the people of South Africa would be destructive not only of their efforts to peacefully end apartheid, but also of the opportunity to replace it with a free society.

The sweeping and punitive sanctions adopted by the Congress are targeted directly at the labor intensive industries upon which the victimized peoples of South Africa depend for their very survival. Black workers—the first victims of apartheid—would become the first victims of American sanctions.

Banning the import of sugar, for example, would threaten the livelihood of 23,000 black farmers. Banning the import of natural resources is a sanction targeted directly at the mining industries of South Africa, upon which more than half a million black laborers depend for their livelihood.

By prohibiting the importation of food and agricultural products, the measure would invite retaliation by South Africa, which since June has purchased over 160,000 tons of wheat from the United States. Denying basic foodstuffs to South Africa—much of which go to feed the black population—will only lead to privation, unrest, and violence. It will not advance the goals of peaceful change.

Are we truly helping the black people of South Africa—the lifelong victims of apartheid—when we throw them out of work and leave them and their families jobless and hungry in those segregated townships? Or are we simply assuming a normal posture at the expense of the people in whose name we presume to act?

This, then, is the first and foremost reason I cannot support this legislation. Punitive economic sanctions would contribute directly and measurably to the misery of people who already have suffered enough. Using America's power to deepen the economic crisis in this tortured country is not the way to reconciliation and peace. Black South Africans recognize that they would pay with their lives for the deprivation, chaos, and violence that would follow an economic collapse. That is why millions of blacks and numerous black leaders in South Africa are as firm in their opposition to sanctions as in their abhorrence of apartheid.

The imposition of punitive sanctions would also deliver a devastating blow to the neighboring states in southern Africa that depend on Pretoria for transportation, energy, markets, and food. An estimated million-and-a-half foreign workers, legal and illegal, now live in South Africa. The number of people, women and children especially, outside South Africa who are dependent upon the remittances of these workers for their survival has been estimated to be over five million. Do we truly wish to be directly responsible for increased suffering, and perhaps starvation, in southern Africa? Do we truly wish our action to be the rationale Pretoria invokes for expelling these workers? Do we truly wish to trigger a cycle of economic sanctions and countersanctions that end up crippling the economy of South Africa and devastating the economies of the front-line states? What sense does it make to send aid to those impoverished countries with one hand while squeezing their economies with the other?

Disrupting the South African economy and creating more unemployment will only fuel the tragic cycle of violence and repression that has gripped that troubled country. Black unemployment in South Africa in some areas is over 50 percent—and adding to it will create more anger, more violence, and more competition among blacks struggling to survive. It will not improve prospects for negotiations.

Another feature of the bill would require the Administration to publicly identify within six months any and all nations that have chosen not to join us in observing the U.N. arms embargo against South Africa, "with a view to terminating United States military assistance to those countries." But the United States will not revert to a singleminded policy of isolationism, with its vast and unforeseen effects on our international security relationships, that would be dictated by the unilateral decision of our allies. No single issues, no matter how important, can be allowed to override in this way all other consideration in our foreign policy. Our military relationships must continue to be based upon a comprehensive assessment of our national defense needs and the security of the West.

Not only does this legislation contain sweeping punitive sanctions that would injure most the very people we seek to help, the legislation discards our economic leverage, constricts our diplomatic freedom, and ties the hands of the President of the United States in dealing with a gathering crisis in a critical subcontinent where the Soviet Bloc—with its mounting investment of men and arms—clearly sees historic opportunity. Therefore, I am also vetoing the bill because it contains provisions that infringe on the President's constitutional prerogative to articulate the foreign policy of the United States.

There are, however, several features of the measure that the Administration supports. Title II of the bill, for example, mandates affirmative measures to eliminate apartheid and provide assistance to its victims, including support for black participation in business enterprises as owners, managers, and professionals. It authorizes the President to take steps for the purpose of assisting firms to fight apartheid and extend equal opportunity to blacks in investment, management, and employment. The bill also contains a number of other useful and realistic provisions, such as those calling upon the African National Congress (ANC) to reexamine its Communist ties and mandating a report on the activities of the Communist Party in South Africa and the extent to which it has infiltrated South African political organizations. Still other portions of the bill call upon the ANC to condemn the practice of "necklacing" and terrorism and to state affirmatively that it will support a free and democratic post-apartheid South Africa. These provisions, as well as many others in the bill, reflect the agreement of the Congress and the Administration on important aspects of an overall anti-apartheid policy.

The Administration has been—and remains—prepared to work with the Congress to devise measures that manifest the American people's united opposition to apartheid—without injuring its victims. We remain ready to work with the Congress in framing measures that—like the 1962 U.S. embargo of military sales and the carefully targeted sanctions of my own Executive order of 1985—keep the United States at arms distance from the South African regime, while keeping America's beneficent influence at work bringing about constructive change within that troubled society and nation.

It remains my hope that the United States can work with its European allies to fashion a flexible and coordinated policy—consistent with their recent actions—for constructive change inside South Africa. I believe we should support their measures with similar executive actions of our own, and I will work with the Congress toward that goal. It remains my hope that, once again, Republicans and Democrats can come together on the common ground that, after all, we both share: An unyielding opposition both to the unacceptable doctrine of apartheid as well as the unacceptable alternative of Marxist tyranny—backed by the firm determination that the future of South Africa and southern Africa will belong to the free. To achieve that, we must stay and build, not cut and run.

That Americans should recoil at what their television screens bring them from South Africa—the violence, the repression, the terror—speaks well of us as a people. But the historic crisis in South Africa is not one from which the leading nation of the West can turn its back and walk away. For the outcome of that crisis has too great a bearing upon the future of Africa, the future of NATO, the future of the West.

Throughout the postwar era, we Americans have succeeded when we left our partisan differences at the water's edge—and persevered; as we did in the rebuilding of Europe and Japan, as we are doing today in El Salvador. We have failed when we permitted our exasperation and anger and impatience at present conditions to persuade us to forfeit the future to the enemies of freedom.

Let us not forget our purpose. It is not to damage or destroy any economy, but to help the black majority of South Africa and southern Africa enjoy a greater share of the material blessings and bounties their labor was helped to produce—as they secure as well their legitimate political rights. That is why sweeping punitive sanctions are the wrong course to follow, and increased American and Western investment—by firms that are breaking down apartheid by providing equal opportunity for the victims of official discrimination—is the right course to pursue.

Our goal is a democratic system in which the rights of majorities, minorities, and individuals are protected by a bill of rights and firm constitutional guarantees.

RONALD REAGAN

LETTER TO THE CONGRESS, SEPT. 29, 1986[3]

I understand and share the very strong feelings and sense of frustration in the Congress and in our Nation about apartheid, an unconscionable system that we all reject. The ongoing tragedy in South Africa tests our resolve as well as our patience. None of us wants to aggravate that tragedy.

In the last several months, the South African Government, instead of moving further down the once promising path of reform and dialogue, has turned to internal repression. We all know that South Africa's real problem traces to the perpetuation of apartheid. And we know that the solution to this problem can only be found in lifting the present State of Emergency, repealing all racially discriminatory laws, releasing political prisoners, and unbanning political parties—necessary steps opening the way for negotiations aimed at creating a new, democratic order for all South Africans. The South African Government holds the key to the opening of such negotiations. Emerging from discussion among South Africans, we want to see a democratic system in which the rights of majorities, minorities, and individuals are protected by a bill of rights and firm constitutional guarantees. We will be actively pursuing diplomatic opportunities and approaches in an effort to start a movement toward negotiations in South Africa.

I outlined in my message to the House of Representatives on Friday my reasons for vetoing the Comprehensive Anti-Apartheid Act of 1986, principally my opposition to punitive sanctions that harm the victims of apartheid and my desire to work in concert with our Allies. I also indicated in that message that I am prepared to sign an expanded Executive order that strongly signals our rejection of apartheid and our desire to actively promote rapid positive change in South Africa. I am prepared to expand the range of restrictions and other measures that will characterize our relations with South Africa. There would be strong sanctions in my new order, sanctions that I earnestly wish were unnecessary. These sanc-

tions, directed at the enforcers not the victims of apartheid, encompass measures recently adopted by many elements of the original Senate Committee version of the bill. They are incontestably necessary in today's circumstances. My intention is to make it plain to South Africa's leaders that we cannot conduct business-as-usual with a government that mistakes the silence of racial repression for the consent of the governed.

My new Executive order will, therefore, reaffirm and incorporate the measures I imposed last year (i.e., bans on loans to the South African Government and its agencies, all exports of computers to apartheid-enforcing entities and the military and police, all nuclear exports except those related to health, safety, and IAEA [International Atomic Energy Agency] programs, imports of South African weapons, the import of Krugerrands, and a requirement for all U.S. firms to apply fair labor standards based on the Sullivan principles).

The Executive order will also add:

- a ban on new investments other than those in black-owned firms or companies applying the fair labor standards of the Sullivan principles;
- a ban on the import from South Africa of iron and steel;
- a ban on bank accounts for the South African Government and its agencies;
- a requirement to identify countries taking unfair advantage of U.S. measures against South Africa with a view to restricting their exports to the United States by the amount necessary to compensate for the loss to U.S. companies;
- a requirement to report and make recommendations on means of reducing U.S. dependence on strategic minerals from southern Africa;
- a requirement to provide at least $25 million in assistance for scholarships, education, community development, and legal aid to disadvantaged South Africans with a prohibition on such assistance to any group or individual who has been engaged in gross violation of internationally recognized human rights;
- the imposition of severe criminal and civil penalties under several statutes for violation of the provisions of my Executive order;
- a requirement to consult with allies in order to coordinate policies and programs toward South Africa;
- a requirement to report on whether any of these prohibitions has had the effect of increasing U.S. or allied dependence on the Soviet bloc for strategic or other critical materials, with a view to appropriate modifications of U.S. measures under my Executive order should such dependency have been increased;
- and a clear statement that the Executive order constitutes a complete and comprehensive statement of U.S. policy toward South Africa, with the intent of preempting inconsistent State and local laws which under our Constitution may be preempted.

Sanctions, in and of themselves, do not add up to a policy for South Africa and the southern Africa region. Positive steps as well as negative signals are necessary. This unusually complex and interrelated part of the world is one that cries out for better understanding and sympathy on our part. We must consider what we can do to contribute to development of healthy economies and democratic institutions throughout the region and to help those who are the victims of apartheid.

Following the Congress' lead and building on existing programs, I plan to expand our assistance to those suffering the cost of apartheid and to help blacks as they prepare to play their full role in a free South Africa. We spent $20 million in FY 86 and have requested $25 million in FY 87. We will do more, much of it along the lines incorporated in the South Africa bill.

I am also committed to present to the next Congress a comprehensive multi-year program designed to promote economic reform and development in the black-ruled states of southern Africa. We intend to seek the close collaboration of Japan and our European allies in this constructive effort. Our goal is to create a sound basis for a post-apartheid region—a southern Africa where democracy and respect for fundamental human rights can flourish.

I believe the United States can assist responsibly in resolving southern Africa's tragic dilemma. Many observers in and outside South Africa regard present trends with despair, seeing in them a bloody inevitability as positions harden over the central question of political power. This is a grim scenario that allows no free choice and offers a racial civil war as the only solution. It need not be so if wisdom and imagination prevail.

South Africans continue to search for solutions. Their true friends should help in this search. As I have said before, our humanitarian concerns and our other national interests converge in South Africa as in few other countries. With the actions I propose today, I believe it is clear that my Administration's intentions and those of the Congress are identical. May we unite so that U.S. foreign policy can be effective in bringing people of good will and imagination in South Africa together to rebuild a better, just, and democratic tomorrow.

Sincerely,

RONALD REAGAN

---

[1]Text from Weekly Compilation of Presidential Documents of Sept. 29, 1986.

[2]Message returning House Resolution 4868 without approval (text from Weekly Compilation of Presidential Documents of Sept. 29, 1986).

[3]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Robert Dole, Senate Majority Leaders (text from Weekly Compilation of Presidential Documents of Oct. 6, 1986). ■

West Urges Acceptance of Verification at MBFR Talks

U.S. STATEMENT, OCT. 23, 1986

In his plenary statement today, Ambassador Robert D. Blackwill, head of the U.S. delegation, continued Western efforts to persuade the Warsaw Pact to join the West in moving toward an accord in the MBFR [mutual and balanced force reductions] negotiations. Speaking on behalf of the West, he urged the East once again to examine the problem of verifying compliance with an agreement. Effective verification, he said, verification that reassures, is vital to the success of any arms control agreement.

Having conceded this point in principle as recently as last week, the East wants to render it ineffective in application. They ask that verification be considered with a trusting attitude. If both sides had so much faith in each other, such great confidence in the other's intentions, then they would not be here. As President Reagan has observed, "Nations don't distrust each other because they are armed; they are armed because they distrust each other." Arms control agreements may help create trust; they do not spring from it. Ambassador Blackwill called for the sides to work for an accord that will build mutual goodwill, not depend upon it.

Agreements, such as the one being negotiated here, must allow each side to satisfy itself that the other side is abiding by its commitments. Soviet Deputy Defense Minister Shabanov recently acknowledged this point when he declared: "Verification, as an element in interstate relations, objectively serves the sides' security interests."

Both West and East voice support for the principle that verification measures should be commensurate with obligations assumed. The sides, however, differ over what this principle means in practical terms for verification of the time-limited, first-phase agreement being discussed—most notably it's no-increase obligation.

The East has repeatedly charged that Western measures are not in line with the modest reductions envisaged. This argument is not just a misrepresentation of the Western position. It also

distorts what is required to verify the very sort of agreement the East itself has proposed.

As far as the issue of monitoring reductions is concerned, Western and Eastern verification measures are similar. Both sides provide for a detailed exchange of information on all forces to be withdrawn, for the observation of these forces as they pass through exit-entry points in departing the area of reductions, as well as for noninterference with national technical means. And recently the East has signaled its willingness once again to discuss the possibility of direct observation of withdrawals until the forces leave the area of reductions. So there is agreement that a balance exists between proposed verification measures and obligations with regard to the reductions aspect of the agreement we are discussing.

Where the sides differ seriously in their views is in verifying the no-increase commitment. Rather than explain how its proposed measures could deter or detect violations, the Warsaw Pact has chosen to obfuscate the issue—most particularly by correlating measures meant to monitor the sides' no-increase obligations and the totally separate question of the size of initial U.S. and Soviet reductions.

Yet, by any yardstick, the no-increase commitment is the central obligation of this accord. The East has recognized its political significance for our negotiations.

The far-reaching military significance of such an undertaking should not, however, be overlooked. The no-increase commitment would place a clear, numerical, and legally binding cap on the military manpower of participating NATO and Warsaw Pact states in central Europe for the first time since the establishment of the two alliances.

The West has long been worried, and the East says it is also concerned, about the high level of military confrontation in central Europe. By precluding general increases in military manpower over the figures exchanged on residual forces in the area of reductions, an effective no-increase commitment could contribute to changes in each side's evaluation of the military threat.

Such a ceiling could improve military stability. Both NATO and the Warsaw Pact are at present free to increase their forces in the area of reductions as deemed necessary to respond, for example, to restructuring or technological developments. Under a no-increase commitment, any force restructuring or other modernization action which involved additional manpower would have to be compensated by numerical reductions in existing forces.

Finally, a no-increase commitment would magnify the significance of the geographic advantages enjoyed by the East, especially in the event of a crisis. This is particularly significant as far as Western security is concerned and underlines the importance of ensuring strict compliance with the no-increase commitment.

For all these reasons, the West believes that reaching a mutually agreed no-increase obligation would be an unprecedented event in modern European military history.

In many ways, the main unresolved question in the MBFR negotiation is: which side's approach to monitoring the no-increase commitment is commensurate with the formidable obligations this commitment entails? A brief comparison of the sides' proposals regarding information exchange inspections and exit-entry points provides a clear answer.

Both sides agree that the exchange of information on force levels of the sides in central Europe is needed in order to verify the ceilings on armed forces and that the numbers need to be disaggregated.

Unfortunately, however, the East has failed to carry these points to their logical conclusion: disaggregation of information down to a manageable level—i.e., battalion or air force squadron—for purposes of verification. The East has turned away from the issue of how to verify residual manpower ceilings by means of disaggregated information. Instead, the East prefers to focus primarily on the totally different matter of ensuring that no additional military units are introduced into the area of reductions. Indeed, in explaining its inspections measure, the East disassociates inspections from the very task of verifying the no-increase obligation on manpower.

This Eastern shift ignores the specific no-increase obligation both sides have espoused—a limitation on residual manpower, not on formations or units. Indeed, the East's approach would allow residual manpower ceilings to be extended at will. For example, without increasing the number of military formations in the reductions area, the East could significantly exceed its no-increase obligations—indeed, by a figure many times greater than initial Soviet reductions—simply by increasing the manning levels of existing Warsaw Pact units in the area of reductions. A surreptitious increase of only 10% in manning of a side's existing units could add some 100,000 troops to the forces of the violating side. This could be achieved by manipulating the annual rotations of nearly half a million Soviet forces who the East now excludes from passing through the exit-entry points. Given the inadequacy of national technical means in such case, how does the East propose to monitor increases in manning levels?

A further inconsistency in the East's approach regarding disaggregation of information and the no-increase commitment is that while stressing the importance of verifying that no additional formations or military contingents appear in the area of reductions, the East, nevertheless, fails to provide for any exchange of information on residual units and their locations in central Europe. Without such disaggregated information, there would be no yardstick against which to measure results provided by national technical means or inspections. This is all the more peculiar when one notes that the East has agreed to provide such information on forces to be reduced. Can the East explain this double standard?

The focus in the Eastern verification scheme on formations and not manpower—despite mutual agreement that the no-increase obligation would be expressed in terms of overall ground and air force personnel figures, not structure—also contributes to some of the shortcomings of its exit-entry points and inspection measures. Thus although the Warsaw Pact concedes that all forces withdrawn as part of agreed reductions must pass through exit-entry points, the East now excludes the annual rotation of nearly half a million Soviet forces from having to pass through these points. The East asks the West not to dramatize this issue. If this is not a dramatic change of Eastern position, what is it?

The emphasis on organizations—and not manpower—may help explain the uncertainty over the East's position concerning unobstructed access to all buildings and the right to conduct an unobstructed survey, except for specific facilities which would be closed to inspection as agreed between the sides before signature of the agreement. Military forces are, of course, often found in buildings such as barracks. Does the Warsaw Pact agree to the principle of unobstructed access and survey with respect to on-site inspections?

The East acknowledges the need to verify that a side is not increasing the

manning level of units in the area of reductions in violation of the no-increase commitment and has indicated that inspections could be used to monitor such possible development. But it is silent on how its inspection proposal would address this problem. Again the question arises, how does the East intend to address this verification problem?

Of course, the major drawback with the East's proposal for inspections is that they would only be granted in response to "well-founded requests," rather than being as of right. Only a system of inspections as of right and routine which is based upon information disaggregated to a manageable level—as the West has proposed—can assure each side that the other is abiding by the no-increase commitment.

Ambassador Blackwill concluded by noting that as the distinguished representative of the United Kingdom said recently and as was explained today, a limitation applying to forces of about 2 million men spread over a territory of just under a million square kilometers is in no way a modest obligation. He asked if the East disagreed, and if so, he said, the West would like to know why. And if the Warsaw Pact does believe that a no-increase commitment has great military significance, why then does it reject verification measures commensurate with that significance? The West would also like to know that. ■

Nuclear and Space Arms Talks Open Round Six

PRESIDENT'S STATEMENT, SEPT. 17, 1986[1]

The nuclear and space talks (NST) resume tomorrow with the opening of round six in Geneva. This could prove to be a very important phase in the strong effort being made by the United States to get Soviet agreement to deep reductions in nuclear arms. If the Soviets are as determined as we are, there is a real chance for such reductions.

The United States is fully committed to achieving genuine arms reductions—and soon. It is in this spirit that I wrote to General Secretary Gorbachev in July, further amplifying our positions on the full range of arms control issues. In this letter I specifically sought areas of common ground where we and the Soviet Union could most productively focus our efforts to reach agreement. My letter dealt with expressed Soviet concerns and identified immediate, practical steps that can move us in the direction of our ultimate goal: the total elimination of nuclear arms.

We are now awaiting a constructive Soviet response. Our ideas offer a solid basis for negotiations toward agreements beneficial to both sides. If the Soviets offer a serious response, we can look forward to a productive round.

In the weeks leading up to Friday's meeting between Secretary Shultz and Foreign Minister Shevardnadze, the United States has undertaken expert-level discussions with the Soviets in the four key areas of the U.S.-Soviet agenda. This includes human rights, regional, bilateral, and arms control issues. We hope that these discussions have helped to facilitate progress in some areas, including the nuclear and space talks.

Our goals in the nuclear and space talks, and in arms control in general, remain constant. We seek to strengthen strategic stability and truly diminish the risk of nuclear war. This means removing the capability and incentive for the Soviet Union to conduct a disarming first-strike. It means preserving the ability to deter war at the lowest possible level of forces. Therefore, our over riding priority in these talks is the achievement of agreements which will bring about deep, equitable, and verifiable reductions in the nuclear arsenals of both the United States and the Soviet Union.

Of course, if the benefits of such agreements are to be realized, they must be fully complied with by both sides. The Soviet Union has continued to violate key provisions of existing arms control agreements, and this pattern of violations threatens to undermine the entire arms control process. We, therefore, will continue to press the Soviets to correct their noncompliance, and thereby strengthen the prospects for achieving real arms reductions. We also will insist that verification be a key feature of any new agreement.

In the Geneva negotiating forum, the United States has put forward concrete proposals in all three areas of the nuclear and space talks.

- Our strategic arms (START) proposals are based on the concept—on which Mr. Gorbachev and I agreed at the Geneva summit last November—of 50% reductions in the strategic, offensive nuclear arsenals of both sides. Further, we seek to enhance stability by concentrating on reductions in ballistic missiles, since they are the most destabilizing in a crisis.
- In the intermediate-range nuclear forces (INF) talks, we have proposed a phased approach for global elimination of the entire class of U.S. and Soviet longer range INF missiles.
- In the defense and space negotiations, we have advanced new ideas on how to ensure a stable transition to strategic defenses, should these prove feasible. Additionally, we have proposed an "open laboratories" exchange to enable each side to reassure itself concerning the other's strategic defense research.

In my July letter to Mr. Gorbachev, I expanded upon these American proposals and offered some new ideas. In Geneva our negotiators will be able to offer concrete new details in all three areas. In addition, Secretary Shultz is prepared to discuss these issues—along with our human rights, regional, and bilateral concerns—with Foreign Minister Shevardnadze. These discussions can help to lay the groundwork for a second summit meeting between Mr. Gorbachev and myself in the United States late this year, as agreed at our first summit meeting in Geneva.

I want to emphasize, however, that the Soviet treatment of American journalist Nicholas Daniloff continues to limit severely what is achievable in our bilateral relations. I therefore urge the Soviet Union to resolve this case promptly before it does even more damage to the relationship between our two countries.

The time has come for practical achievements in ***all*** areas of our relations. As far as the Geneva negotiations are concerned, the United States has demonstrated that we are doing ***our*** part to bring about meaningful arms reductions. This round should tell us whether the Soviet Union is similarly dedicated. If the Soviets do share our commitment, there can be real progress on nuclear arms reductions, and it can begin soon.

[1]Text from Weekly Compilation of Presidential Documents of Sept. 22, 1986. ■

Review Conference Held on Biological and Toxin Weapons Convention

The second review conference on the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction was held in Geneva September 8–26, 1986.

Following are statements by Ambassador Donald S. Lowitz, head of the U.S. delegation, the text of the final declaration adopted by consensus, and the texts of the U.S. technical paper on science and technology and the background document on U.S. compliance.

AMBASSADOR LOWITZ'S STATEMENT, SEPT. 9, 1986

The United States welcomes the opportunity to join other states in the second review conference of the parties to the Biological and Toxin Weapons Convention. This is an important occasion, and my delegation believes that it should be utilized for a thorough and productive assessment of how the convention is operating and what further actions parties should undertake.

The United States fully abides by the provisions of the Biological and Toxin Weapons Convention and is committed to strengthening the international norm against biological and toxin weapons established by this convention. However, my delegation cannot overlook the problem that became evident at the first review conference, and the problems that exist today, concerning compliance of other states with the convention. Therefore, the U.S. approach to the conference is both critical and constructive.

The objective of this convention is the elimination of a broad range of dangerous and morally repugnant weapons. The United States signed and ratified the convention in the hopes of eliminating, once and for all, all biological and toxin weapons. Unfortunately, since that time, toxins have been used for hostile purposes. We have concluded that there have been a number of instances of noncompliance with the convention. In light of this situtation, the United States has drawn very serious conclusions about the effectiveness of the convention.

We are not here to insist on agreement with our conclusions or to ask that allegations be accepted as proven. But we do stress that states parties have an obligation to resolve concerns that are raised about their activities and that other parties to such a multilateral agreement have an obligation to address and investigate questions which are raised with respect to compliance. Such responses have not been forthcoming in many cases, and in some instances, investigations have been actively impeded. To date the United States has not received satisfaction with respect to its specific concerns regarding noncompliance, and investigations of the use of toxins, mandated by the UN General Assembly, have been blocked. These actions have hurt the convention and, more generally, the arms control process.

We have been able to determine in some cases that the convention has been violated, despite its lack of stringent verification provisions and I would note that potential violators should understand that they face a risk of exposure.

Another concern related to the convention results from advances in biotechnology. These have increased man's ability to design new substances or modify known substances. They have also made it easier to produce such materials. These advances have now made it possible to manufacture biological or toxin agents in much smaller, less distinctive facilities than in the past. While promising great medical and industrial benefits, these developments have brought about capabilities which, if misused, could pose a significant biological and toxin weapons threat. And they have further complicated verification of compliance with the convention.

The United States believes that the international norm against biological and toxin weapons established by the convention is important and should be maintained, supported, and strengthened. We believe that, in the course of the present review of the convention, measures can be adopted that would help make more visible activities which are permitted under the convention but which could give rise to suspicions if conducted secretly. We are prepared to join other delegations in exploring a series of such measures to help provide assurance that permitted activities are not being used as a cover for prohibited activities. Such measures could be agreed upon now at the review conference and embodied in the final document.

I would now like to set out briefly our views concerning the convention; to begin with, the purposes of the preamble. The United States continues to attach great importance to making effective progress toward general and complete disarmament. Likewise we attach great importance to strict compliance with the Geneva protocol of 1925, and we deeply regret the violations of this fundamental instrument for arms control that have occurred. And we continue to be convinced that, because the use of biological and toxin weapons is repugnant to the conscience of mankind, no effort should be spared to minimize this risk, with the objective of excluding completely the possibility of such use.

As I stated at the outset, the United States has fully abided by the provisions of the Biological and Toxin Weapons Convention, and it will continue to do so.

With regard to Article I, the United States is in full compliance with its obligations. Facilities previously used for development, production, or stockpiling of biological or toxin weapons were converted to peaceful purposes well in advance of the time specified by the convention. However, the United States believes that the Soviet Union, in violation of this article, has continued to maintain an offensive biological warfare program and capability and has been involved in the production and use of toxins for hostile purposes in Laos, Cambodia, and Afghanistan.

In accordance with Article II, the United States destroyed all existing stocks of biological and toxin weapons and means of delivery prohibited under Article I prior to the deadline stipulated by the convention.

With regard to Article III, the United States has never transferred to any state, or assisted any state in acquiring, biological or toxin weapons. However, the United States believes that the Soviet Union has been involved in the production and transfer of toxin weapons to Laos and Vietnam.

With regard to Article IV, the U.S. Government has taken and continues to take steps to preclude domestic activities contrary to the provisions of the convention. These actions include:

- Certification by all Federal agencies that they are in compliance;
- Enactment of legislation and promulgation of regulations to control biological development and production activities; and
- A continuing review of existing U.S. laws and regulations.

With regard to the consultative process provided for in Article V, we have sought to make use of it with the Soviet Union concerning the outbreak of anthrax in Sverdlovsk in 1979; concerning Soviet involvement in the production, transfer, and use of mycotoxins; and concerning its maintenance of an offensive biological warfare program. We have also raised our concerns with Laos and Vietnam regarding their use of mycotoxins for hostile purposes. To date we have received no satisfactory responses.

Under Article IX of the convention, the United States and other parties recognized the objective of an effective prohibition on chemical weapons and pledged to continue negotiations in good faith toward that end. The United States is honoring this commitment. In 1984, at the request of President Reagan, Vice President Bush tabled a comprehensive draft convention in the Conference on Disarmament. This draft remains a primary model for an effective and verifiable ban on chemical weapons. Since that time, we have continued to negotiate seriously in the Conference on Disarmament. Also in the joint statement following the 1985 summit meeting of President Reagan and General Secretary Gorbachev, the United States and the Soviet Union agreed to accelerate bilateral discussions on chemical weapons. Since that time, three rounds of these discussions have been held.

The United States shares the dissatisfaction of many states over the slow pace of progress toward a chemical weapons ban. We support efforts to intensify the negotiations.

In accordance with the provisions of Article X, the United States has initiated and participated in a large number of activities to facilitate the fullest possible exchange of scientific information and technology for the use of biological agents and toxins for peaceful purposes. Our participation is documented in more detail in the information on compliance provided to the Secretariat pursuant to the request of the preparatory committee.

In conclusion, I would like to stress again the U.S. commitment to support and strengthen the norm established by the Biological and Toxin Weapons Convention against these weapons. Even prior to the negotiation of the convention, the United States had unilaterally renounced biological and toxin weapons. Since that time, the United States has not developed, nor will it develop, such a capability; and the United States continues to adhere to the convention. The Biological and Toxin Weapons Convention is a valid international agreement, and all states parties have a solemn legal obligation to uphold its provisions and the norm which it establishes. We hope that other states will also fully comply with the convention. Until this occurs, the important purposes of this convention will not be realized.

AMBASSADOR LOWITZ'S STATEMENT, SEPT. 26, 1986

The U.S. delegation welcomes the successful conclusion of this second review of the operation of the Biological and Toxin Weapons Convention. When this conference began, my delegation said it would approach the review of the convention in both a critical and constructive way. We have endeavored to keep these two approaches central to our efforts.

It is in this context that I made clear that my government is convinced that the convention has been violated. I also want to note that the final declaration reflects the grave doubts of several parties about compliance with the most basic provisions of the convention and that the conference as a whole stressed the need to deal seriously with compliance issues.

Recognizing the importance of the norm established by the Biological and Toxin Weapons Convention—a norm the United States upholds and will continue to uphold—we have joined in recommending several measures intended to strengthen this norm, including international exchange of information on outbreaks of infectious diseases and on laboratories and research centers. My delegation hopes that these measures will be fully implemented by all parties to the convention and that they will thus lead to greater international transparency and openness with regard to the convention.

I wish to offer the thanks of the U.S. delegation to you, Mr. President [Ambassador Winfried Lang of Austria], and to the distinguished chairmen of the Credentials Committee, Ambassador D.D. Afande [Kenya], of the Committee of the Whole, Ambassador M. Vejvoda [Czechoslovakia], and of the Drafting Committee, Ambassador R. Butler [Australia], for all of your efforts to bring about a successful conclusion of our work.

FINAL DECLARATION, SEPT. 26, 1986

Preamble

The States Parties to the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction, having met in Geneva 8–26 September 1986 in accordance with a decision by the First Review Conference 1980 and at the request of a majority of States Parties to the Convention, to review the operation of the Convention with a view to assuring that the purposes of the preamble and the provisions of the Convention are being realized:

Reaffirming their determination to act with a view to achieving effective progress towards general and complete disarmament including the prohibition and elimination of all types of weapons of mass destruction and convinced that the prohibition of the development, production and their elimination, though effective measures, will facilitate the achievement of general and complete disarmament under strict and effective international control,

Recognizing the continuing importance of the Convention and its objectives and the common interest of mankind in the elimination of bacteriological (biological) and toxin weapons,

Affirming their belief that the universal adherence to the Convention would enhance international peace and security, would not hamper economic or technological development and, further, would facilitate the wider exchange of information for the use of bacteriological (biological) agents for peaceful purposes,

Confirming the common interest in strengthening the authority and the effectiveness of the Convention, to promote confidence and co-operation among States Parties,

Affirming the importance of strengthening international co-operation in the field of biotechnology, genetic engineering, microbiology and other related areas,

Reaffirming their adherence to the principle and objectives of the Geneva Protocol of 17 June 1925 and calling upon all States to comply strictly with them,

Recalling that the General Assembly of the United Nations has repeatedly condemned all actions contrary to the said principles and objectives,

Recognizing the importance of achieving as a matter of high priority an international convention on the complete and effective prohibition of the development, production and stockpiling of chemical weapons and on their destruction,

Noting the relevant provisions of the Final Document of the Tenth Special Session of the General Assembly devoted to Disarmament,

Appealing to all States to refrain from any action which might place the Convention or any of its provisions in jeopardy,

Declare their strong determination for the sake of all mankind, to exclude completely the possibility of microbial, or other biological agents, or toxins being used as weapons and reaffirm their strong support for the Convention, their continued dedication to its principles and objectives and their legal obligation under international law to implement and strictly comply with its provisions.

Article I

The Conference notes the importance of Article I as the Article which defines the scope of the Convention and reaffirms its support for the provisions of this Article.

The Conference concludes that the scope of Article I covers scientific and technological developments relevant to the Convention.

The Conference notes statements by some States Parties that compliance with Articles I, II and III was in their view subject to grave doubt in some cases and that efforts to resolve these concerns had not been successful. The Conference notes the statements by other States Parties that such a doubt was unfounded and, in their view, not in accordance with the Convention. The Conference agrees that the application of States Parties of a positive approach in question of compliance in accordance with the provisions of the Convention was in the interest of all States Parties and that this would serve to promote confidence among States Parties.

The Conference, conscious of apprehensions arising from relevant scientific and technological developments, *inter alia*, in the fields of microbiology, genetic engineering and biotechnology, and the possibilities of their use for purposes inconsistent with the objectives and the provisions of the Convention, reaffirms that the undertaking given by the States Parties in Article I applies to all such developments.

The Conference reaffirms that the Convention unequivocally applies to all natural or artificially created microbial or other biological agents or toxins whatever their origin or method of production. Consequently, toxins (both proteinaceous and non-proteinaceous) of a microbial, animal or vegetable nature and their synthetically produced analogues are covered.

Article II

The Conference notes the importance of Article II and welcomes the statements made by States which have become Parties to the Convention since the First Review Conference that they do not possess agents, toxins, weapons, equipment or means of delivery referred to in Article I of the Convention. The Conference believes that such statements enhance confidence in the Convention.

The Conference stresses that States which become Parties to the Convention, in implementing the provisions of this Article, shall observe all necessary safety precautions to protect populations and the environment.

Article III

The Conference notes the importance of Article III and welcomes the statements which States that have acceded to the Convention have made to the effect that they have not transferred agents, toxins, weapons, equipment or means of delivery, specified in Article I of the Convention, to any recipient whatsoever and have not furnished assistance or encouragement or inducement to any State, group of States or international organizations to manufacture or otherwise acquire them. The Conference affirms that Article III is sufficiently comprehensive so as to cover any recipient whatsoever at international, national or sub-national levels.

The Conference notes that the provisions of this article should not be used to impose restrictions and/or limitations on the transfer for purposes consistent with the objectives and the provisions of the Convention of scientific knowledge, technology, equipment and materials to States Parties.

Article IV

The Conference notes the importance of Article IV, under which each State Party shall, in accordance with its constitutional processes, take any necessary measures to prohibit or prevent any acts or actions which would contravene the Convention.

The Conference calls upon all States Parties which have not yet taken any necessary measures in accordance with their constitutional processes, as required by the Article, to do so immediately.

The Conference notes that States Parties, as requested by the First Review Conference, have provided the United Nations Department for Disarmament Affairs with information on and the texts of specific legislation enacted or other regulatory measures taken by them, relevant to this Article. The Conference invites States Parties to continue to provide such information and texts to the United Nations Department for Disarmament Affairs, for purposes of consultation.

The Conference notes the importance of:

- Legislative, administrative and other measures designed effectively to guarantee compliance with the provisions of the convention within the territory, under the jurisdiction or control of a State Party;
- Legislation regarding the physical protection of laboratories and facilities to prevent unauthorized access to and removal of the pathogenic or toxic material, and
- Inclusion in textbooks, and in medical, scientific and military educational programmes of information dealing with the prohibition of bacteriological (biological) and toxin weapons and the provisions of the Geneva Protocol and believes that such measures which States might undertake in accordance with their constitutional process would strengthen the effectiveness of the Convention.

Article V

The Conference notes the importance of Article V and reaffirms the obligation assumed by States Parties to consult and co-operate with one another in solving any problems which may arise in relation to the objective of, or in the application of, the Convention.

The Conference reaffirms that consultation and co-operation pursuant to this Article may also be undertaken through appropriate international procedures within the framework of the United Nations and in accordance with its Charter.

The Conference confirms the conclusions in the Final Declaration of the First Review Conference that these procedures include, *inter alia*, the right of any State Party to request that a consultative meeting open to all States Parties be convened at expert level.

The Conference stresses the need for all States to deal seriously with compliance issues and emphasizes that the failure to do so undermines the Convention and the arms control process in general.

The Conference appeals to States Parties to make all possible efforts to solve any problems which may arise in relation to the objective of or in the application of the provisions of the Convention with a view towards encouraging strict observance of the provisions subscribed to. The Conference further requests that information on such efforts be provided to the Third Review Conference.

The Conference, taking into account views expressed concerning the need to strengthen the implementation of the provisions of Article V, has agreed:

- That a consultative meeting shall be promptly convened when requested by a State Party;
- That a consultative meeting may consider any problems which may arise in the relation to the objective of, or in the application of, the provisions of the Convention, suggest ways and means for further clarifying, *inter alia*, with assistance of technical experts, any matter considered ambiguous or unresolved, as well as initiate appropriate international procedures within the framework of the United Nations and in accordance with its Charter;
- That the consultative meeting, or any State Party, may request specialized assistance in solving any problems which may arise in relation to the objective of, or in the application of, the provisions of the Convention, through, *inter alia*, appropriate international procedures within the framework of the United Nations and in accordance with its Charter;
- The Conference considers that States Parties shall co-operate with the consultative meeting in its considerations of any problems which may arise in the relation to the objectives of, or in the application of, the provisions of the Convention, and in clarifying ambiguous and unresolved matters, as well as co-operate in appropriate international procedures within the framework of the United Nations and in accordance with its Charter.

The Conference, mindful of the provisions of Article V and Article X and determined to strengthen the authority of the Convention and to enhance confidence in the implementation of its provisions, agrees that the States Parties are to implement, on the basis of mutual co-operation, the following measures, in order to prevent or reduce the occurrence of ambiguities, doubts and suspicions, and in order to improve international co-operation in the field of peaceful bacteriological (biological) activities.

1. Exchange of data, including name, location, scope and general description of activities, on research centres and laboratories that meet very high national or international safety standards established for handling, for permitted purposes, biological materials that pose a high individual and community risk, or specialize in permitted biological activities directly related to the Convention.

2. Exchange of information on all outbreaks of infectious diseases and similar occurrences caused by toxins, that seem to deviate from the normal pattern as regards type, development, place or time of occurrence. If possible, the information provided would include, as soon as it is available, data on the type of disease, approximate area affected and number of cases.

3. Encouragement of publication of results of biological research directly related to the Convention, in scientific journals generally available to States Parties, as well as promotion of use for permitted purposes of knowledge gained in this research.

4. Active promotion of contacts between scientists engaged in biological research directly related to the Convention, including exchanges for joint research on a mutually agreed basis.

The Conference decides to hold an *Ad Hoc* meeting of scientific and technical experts from States Parties, to finalize the modalities for the exchange of information and data by working out, *inter alia*, appropriate forms to be used by States Parties for the exchange of information agreed to in this Final Declaration, thus enabling the States Parties to follow a standardized procedure. The group shall meet in Geneva for the period of 31 March–15 April 1987 and shall communicate the results of the work to the States Parties immediately thereafter.

Pending the results of this meeting the Conference urges States Parties to promptly apply these measures and report the data agreed upon to the United Nations Department for Disarmament Affairs.

The Conference requests the United Nations Department for Disarmament Affairs to make available the information received to all States Parties.

Article VI

The Conference also notes the importance of Article VI, which in addition to the procedures contained in Article V, provides for any State Party, which finds that any other State Party is acting in breach of its obligations under the Convention, to lodge a complaint with the United Nations Security Council, and under which each State Party undertakes to co-operate in carrying out any investigation which the Security Council may initiate.

The Conference notes the need to further improve and strengthen this and other procedures to enhance greater confidence in the Convention. The Conference considers that the Security Council may, if it deems it necessary, request the advice of the World Health Organization in carrying out any investigation of complaints lodged with the Council.

Article VII

The Conference notes that these provisions have not been invoked.

Article VIII

The Conference reaffirms the importance of Article VIII and stresses the importance of the Protocol for the prohibition of the use in war of asphyxiating, poisonous or other gases and of bacteriological methods of warfare.

The Conference reaffirms that nothing contained in the Convention shall be interpreted as in any way limiting or detracting from the obligations assumed by any State under the Protocol for the prohibition of the use in war of asphyxiating, poisonous or other gases and of bacteriological methods of warfare, signed at Geneva on 17 June 1925. Noting the report of the Security Council (S/17911), the Conference appeals to all States Parties to the Geneva Protocol of 1925 to fulfil their obligations assumed under that Protocol and urges all States not yet Parties to the said Protocol to adhere to it at the earliest possible date.

Article IX

The Conference reaffirms the obligation assumed by States Parties to continue negotiations in good faith towards an early agreement on effective measures for the prohibition of the development, production and stockpiling of chemical weapons and for their destruction.

All States Parties participating in the Conference reiterate their strong commitment to this important goal.

The Conference notes with satisfaction the substantial progress made in the negotiations on a convention on the prohibition of chemical weapons in the Conference on Disarmament during the period under review. The Conference also takes note of the bilateral talks between the Union of Soviet Socialist Republics and the United States of America on all aspects of the prohibition of chemical weapons.

The Conference nevertheless deeply regrets that an agreement on a convention on chemical weapons has not yet been reached.

The Conference urges the Conference on Disarmament to exert all possible efforts to conclude an agreement on a total ban of chemical weapons with effective verification provisions by the earliest possible date.

Article X

The Conference emphasizes the increasing importance of the provisions of Article X, especially in the light of recent scientific and technological developments in the field of biotechnology, bacteriological (biological) agents and toxins with peaceful applications, which have vastly increased the potential for co-operation between States to help promote economic and social development, and scientific and technological progress, particularly in the developing countries, in conformity with their interest, needs and priorities.

The Conference, while acknowledging what has already been done towards this end, notes with concern the increasing gap between the developed and the developing countries in the field of biotechnology, genetic engineering, microbiology and other related areas. The Conference accordingly urges States Parties to provide wider access to and share their scientific and technological knowledge in this field, on an equal and non-discriminatory basis, in particular with the developing countries, for the benefit of all mankind.

The Conference urges that States Parties take specific measures within their competence for the promotion of the fullest possible international co-operation in this field through their active intervention. Such measures could include, *inter alia*:

- Transfer and exchange of information concerning research programmes in bio-sciences;
- Wider transfer and exchange of information, materials and equipment among States on a systematic and long-term basis;
- Active promotion of contacts between scientists and technical personnel on a reciprocal basis, in relevant fields;
- Increased technical co-operation including training opportunities to developing countries in the use of bio-sciences and genetic engineering for peaceful purposes;
- Facilitating the conclusion of bilateral, regional and multiregional agreements providing on a mutually advantageous, equal and non-discriminatory basis, for their participation in the development and application of biotechnology;
- Encouraging the co-ordination of national and regional programmes and working out in an appropriate manner the ways and means of co-operation in this field.

The Conference calls for greater co-operation in international public health and disease control.

The Conference urges that co-operation under Article X should be actively pursued both within the bilateral and the multilateral framework and further urges the use of existing institutional means within the United Nations system and the full utilization of the possibilities provided by the specialized agencies and other international organizations.

The Conference, noting that co-operation would be best initiated by improved institutionalized direction and co-ordination, recommends that measures to ensure co-operation on such a basis be pursued within the existing means of the United Nations system.

Accordingly, the Conference requests the Secretary-General of the United Nations to propose for inclusion on the agenda of a relevant United Nations body, a discussion and examination of the means for improving institutional mechanisms in order to facilitate the fullest possible exchange of equipment, materials and scientific and technological information for the use of bacteriological (biological) agents and toxins for peaceful purposes. The Conference recommends that invitations to participate in this discussion and examination should be extended to all States Parties, whether or not they are members of the United Nations, and concerned specialized agencies.

The Conference requests the States Parties and the United Nations Secretariat to include in the document materials prepared for the above-mentioned discussion of States Parties, information and suggestions on the implementation of Article X, taking into account the preceding paragraphs. Furthermore, it urges the specialized agencies, *inter alia*, FAO,WHO, UNESCO, WIPO and UNIDO, to participate in this discussion and fully co-operate with the Secretary-General of the United Nations and requests the Secretary-General to send all relevant information of this Conference to these agencies.

The Conference, referring to paragraph 35 of the Final Document of the First Special Session of the General Assembly, devoted to Disarmament stresses the importance of the obligations under Article X promoting economic and social development of developing countries, particularly in the light of, the United Nations Conference on the Relationship between Disarmament and Development, for the States participating therein, scheduled for 1987.

The Conference, to ensure compliance with Article X, also requests States Parties and the United Nations Secretariat to provide information relevant to the implementation of the Article for examination by the next conference of States Parties.

The Conference upholds that the above-mentioned measures would positively strengthen the Convention.

Article XI

The Conference notes the importance of Article XI and that since the entry into force of the Convention of the provisions of the Article have not been invoked.

Article XII

The Conference decides that a Third Review Conference shall be held in Geneva at the request of a majority of States Parties not later than 1991.

The Conference, noting the differing views with regard to verification, decides that the Third Review Conference shall consider, *inter alia*:

- The impact of scientific and technological developments relevant to the Convention;
- The relevance for effective implementation of the Convention of the results achieved in the negotiations on prohibition of chemical weapons;
- The effectiveness of the provisions in Article V for consultation and co-operation of the co-operative measures agreed in this Final Declaration; and
- In the light of these considerations and of the provisions of Article XI, whether or not further actions are called for to create further co-operative measures in the context of Article V, or legally binding improvements to the Convention, or a combination of both.

Article XIII

The Conference notes the provisions of Article XIII and expresses its satisfaction that no State Party to the Convention has exercised its right to withdraw from the Convention.

Article XIV

The Conference notes with satisfaction that a significant number of States have ratified or acceded to the Convention since the First Review Conference and that there are now more than 100 States Parties to the Convention, including all the permanent Members of the Security Council of the United Nations.

The Conference calls upon States which have not yet ratified or acceded to the Convention to do so without delay and upon those States which have not signed the Convention to join the States Parties thereto thus contributing to the achievement of universal adherence to the Convention.

The Conference makes an urgent appeal to all States Parties to the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction, which did not participate in its work, to give their effective co-operation and take part more actively in the common endeavour of all the Contracting Parties to strengthen the objectives and purposes of the Convention. In this connection, the Convention urges all States Parties that were absent to take part in the future work envisaged in this Final Declaration.

Article XV

The Conference notes the provisions of Article XV.

U.S. TECHNICAL PAPER ON SCIENCE & TECHNOLOGY

1. Introduction

In preparation for the 1986 Review Conference on The Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (BWC), the Preparatory Committee requested the depositary nations to prepare national papers on new scientific and technological developments relevant to the Convention.

While nothing of the fundamental significance of the breakthroughs in recombinant DNA techniques in the 1970s has occurred since the last Review Conference, the industrial applications of these discoveries have become more and more prominent in everyday life. The applicants of these discoveries to medicine, agriculture and other fields of scientific endeavour are all around us. In addition, the number of countries developing their own biotechnology industry is growing. These trends have practical signficance for the BWC.

Accordingly, our examination of advances relevant to the Convention cannot be limited solely to revolutionary breakthroughs in knowledge, for it is perhaps the adaptation of these breakthroughs to everyday use that brings about the changes most relevant to the Convention. Advances have taken place in the industrial application of these discoveries to a vast array of human problems. These advances have increased our ability to manufacture new substances or modify old ones, as well as making it easier and faster to produce these products. While promising great benefits for mankind, these developments also cause concern, for they have brought about the proliferation of industrial biotechnologies, complicated verification and brought into being techniques and products that, if misused, could pose a signficant biological and toxin weapons threat.

2. Advances in Industrial Application of Biotechnology

In a number of areas, the industrial application of biotechnology has relevance to the Convention.

Altered Organisms. Biotechnology enables the development of micro-organisms and products with new, unorthodox characteristics. These new micro-organisms have a variety of uses, for example, in developing environmentally safer pesticides or new treatments for cancer. However, in examining these developments from the point of view of the BWC, we cannot ignore the potential misuse of biotechnology to produce new biological agents or to improve certain characteristics in those already known. Transferring certain genetic traits into naturally infectious micro-organisms can potentially create organisms of greater virulence, antibiotic resistance and environmental stability. Changing the microbes genetically could alter their immunogenicity, thereby rendering vaccines and serodiagnostic techniques uesless. Otherwise harmless micro-organisms could be altered into virulent ones, although the host would continue to recognize these micro-organisms as innocuous and therefore not defend against them.

Bio-engineering of micro-organisms has other implications as well. Bacteria and yeasts, genetically altered to produce products, are miniature factories by virtue of their ability to reproduce rapidly. Large quantities of compounds, previously available only in minute amounts, thus become available. Such a method of production is becoming more commonplace in civilian industry.

In addition, it is now possible to identify genes which have desirable properties and

transfer them between host micro-organisms. A nearly infinite variety of biological compounds designed for specific uses and given specific characteristics is possible. Given the technical progress in this area, future developments should be of concern to the Review Conference. Within the next decade, the potential for misuse of ongoing developments in biotechnology could be most pronounced in the following areas:

Microbial pathogens could be genetically engineered to maximize infectivity and pathogenicity. Likewise they could be modified to increase or decrease their environmental stability and persistency.

Toxins. Naturally occurring protein toxins could be made in host organisms by modifying their DNA. Plant and/or fungal toxins could be mass produced. If used as an agent, the origin of these toxins could be difficult to pinpoint, given that they are already in the environment, albeit at low concentrations. Improvements in biotechnology since the previous Review Conference lead us to believe that production of potent toxins, which until now were available only in minute quantities, and only upon isolation from immense amounts of biological materials, can now be produced in kilogram quantities, which could be militarily significant.

Peptides. Peptides have been called "the antibiotics of the year 2000" because these biological materials may represent a new class of miracle drugs. Peptides are precursors of proteins made up of amino acids. They are interesting molecules for many reasons. They are active at very low concentrations (one part per billion or trillion) which makes their detection very difficult. They can be successfully modified as agonists (more active products) or antagonists (having a contrary activity). For example, modification of LHRH, a fertility hormone, by substituting a single amino acid has yielded a product 50 times more potent. Another modification of this same peptide yields a product useful in the treatment of prostate cancer.

Their range of activity covers the entire living system, from mental processes (e.g., endorphins) to many aspects of health such as control of mood, consciousness, temperature control, sleep or emotions, exerting regulatory effects on the body. Even a small imbalance in these natural substances could have serious consequences, inducing fear, fatigue, depression or even causing death.

The predictable modification of peptide and protein structure and function (i.e., protein engineering) is in its infancy. Computer-aided molecular design will rapidly develop, enabling molecules to be manipulated for varying degrees of physiological activity, specificity and stability. Technologies permitting the direct chemical synthesis of peptides and proteins in large yields will, in the more distant future, augment or replace microbial production of these molecules.

Advances in Production. As mentioned above, once a suitable recombinant organism has been engineered, exploiting it becomes a matter of using established procedures. Biological production technology has proceeded to the point where large quantities of biological products can be produced quickly in small facilities. Long term storage, in some cases, will not be needed because large quantities can be produced very quickly. Several relevant technological considerations regarding biological production are discussed below.

Mammalian Cell Culture. Recent advances in mammalian cell culture make possible the growth of mammalian cells on the surface of minute beads, rather than on the inner surface of glass roller bottles. These cell culture systems provide the ideal environment for the growth of viruses. The new techniques greatly simplifies virus production and allows large scale yields in facilities for very modest size. As another example of advances in this field, the amount of tissue culture media needed to produce antibodies has been reduced a hundredfold by the use of encapsulated hybridomas. Such developments are eroding the distinction between production facilities and small laboratories.

Continuous Flow Fermentors. The introduction of computer controlled, continuous flow fermentors has dramatically increased productivity. Most likely the size of fermentors operating by batch process can be reduced a thousandfold by conversion to a continuous flow process.

Safety Standards. Pharmaceutical plants around the world increasingly have incorporated safety provisions akin to those which were once unique to BW production facilities, making it increasingly difficult to distinquish between permitted and prohibited activities.

Hollow Fibre Technology. Hollow fibre technology provides an example of the industrial production potential of the new technologies. This technology permits a far greater concentration of cells with a markedly increased rate of recovery in a shorter time than previously obtained using roller bottles. This equipment occupies less than one twentieth the volume of the previous technology. In the isolation of such cellular biomaterials as pyrogens, a similar transformation has taken place. Separation and reconstitution of the product can now be accomplished in about an hour using new compact ultrafiltration methods, whereas older methods took as much as four days.

Though not without constraints, developing biological and toxin weapons is an easier task than developing adequate defenses against them. However, the very advancements in biotechnology that have caused increased concern have also put new tools in the hands of those conducting permitted biological defense research.

In particular, gene splicing techniques can have an impact on development of effective vaccines against those disease agents already identified. Advances in production of biological materials can greatly facilitate production of vaccines, once these have been developed. Development and production of highly specific antibodies using recently developed techniques may provide the hope of more rapid identification of biological agents and toxins. Nevertheless, these positive developments represent a partial and incomplete response to the potential dangers resulting from advances in biotechnology.

Improvements in equipment, speed of production and quality of product are a common occurrence in the history of the commercial development of any new technology. Because of the large number of technical innovations in biotechnology, especially in the area of industrial microbiology, the BWC has become more difficult to verify since its signature in 1972.

Developments intended to increase production, decrease cost and create safer conditions for handling biological materials have blurred former distinctions important for purposes of verification—for example, between a large production facility and a laboratory. Also, capabilities to break out of the Convention in a very short time have increased.

3. Outbreaks of Infectious Diseases

Acquired immune deficiency syndrome (AIDS) represents a newly recognized epidemic illness since the last Review Conference in 1980. Rift Valley Fever (RVF) represents a classic example of a long-known disease which spreads into a new geographical area with relatively disastrous results.

AIDS. AIDS in a short period of time has become a major worldwide health problem. AIDS is caused by human T-Cell lymphotrophic virus (HTLV-III), a retrovirus. The disease results from virus infection and destruction of T-helper cells, an important component of the immune system that helps the body ward off disease. Without these cells the patient is susceptible to a wide variety of opportunistic pathogens such as pneumocystis, fungi, and mycobacteria.

HTLV-III first entered the USA in 1977. HTLV-III antibodies have not been detected in serum specimens collected and frozen in the USA before 1977. HTLV-III probably evolved as a mutant of an African retrovirus. Serum specimens obtained from Ugandan children in 1973 had antibodies to HTLV-III or an HTLV-III-like virus. Epidemic AIDS was first recognized in 1981. Cases characteristically occurred among homosexual males. haemophiliacs, Haitian-born immigrants and intravenous drug abusers. Approximately 16,000 cases have been reported to date in the United States.

AIDS is a classic example of a new disease that has now become pandemic and which arose either from a mutational event of an existing human virus or introduction of an animal (monkey) virus into the human population.

Rift Valley Fever (RVF). RVF has long had a major role as a domestic animal and human pathogen in sub-Saharan Africa. RVF virus was first discovered in Kenya in 1931 as a consequence of a major epizootic in sheep with secondary human infections. There is no evidence that there has been geographic spread of the virus within Africa with two exceptions: (a) the 1977 Egyptian epidemic with the 1951 epizootic to be discussed below and (b) recognition of RVF in South Africa.

Sudan-reared sheep were being transported in 1977 from north central Sudan to live animal markets in southern Egypt at a time when sheep in Sudan experienced signs consistent with RVF. Rapid transport of sheep from epizootic areas allowed infected sheep to survive the trip to southern Egypt where RVF virus was spread to local animals.

Once introduced, the RVF virus spread rapidly and caused an impressive epizootic epidemic. In 1977, 18,000 human cases with 598 deaths were officially reported. There may have been more than a million infections in humans. Viral activity declined with onset of cool weather, but transmission of virus reoccurred in the warm season of 1978 and the disease extended its geographic distribution within Egypt. During 1979, there were occasional outbreaks and a few RVF virus isolations with further decline of virus activity in 1980. The potential for RVF infection in Egypt continues to exist, but for no documented reason, disease activity has diminished and perhaps even disappeared.

4. Summary

The past ten years have witnessed impressive strides in the fields of molecular biology and biotechnology. As the two juxtaposed words "molecular biology" imply, the distinction between biology and chemistry is becoming blurred. However, the US continues to believe that Article I, which defines the scope of the Convention, has proved sufficiently comprehensive to have covered recent scientific and technological developments relevant to the Convention. In many ways, recent progress in biological technology affects the ease of concealment of manufacturing plants and the availability of new delivery systems, particularly for biological chemicals such as toxins and peptides. Verification of the Convention, always a difficult task, has been significantly complicated by the new technology. The confidence derived from the belief that certain technical problems would make biological weapons unattractive for the foreseeable future has eroded. The ease and rapidity of genetic manipulation, the ready availability of a variety of production equipment, the proliferation of safety and environmental equipment and health procedures to numerous laboratories and production facilities throughout the world are signs of the growing roles of biotechnology in the world's economy. But these very same signs also give concern for the possibility of misuse of this biotechnology to subvert the Convention.

BACKGROUND DOCUMENT ON U.S. COMPLIANCE

Article I

The United States is in full compliance with the obligations contained in Article I. Facilities previously used for development, production or stockpiling of biological weapons are now devoted to peaceful purposes. The United States biological defense programme is limited to research on strictly defined prophylactic, protective or other peaceful purposes, such as immunization.

Article II

All United States stocks of agents, toxins, weapons, equipment or means of delivery prohibited under Article I were destroyed prior to the deadline specified in Article II. In January 1976, all heads of Federal departments and agencies certified to the President that as of the deadline (26 December 1975), their respective departments and agencies were in full compliance with the Convention.

Article III

The United States is in full compliance with its obligations under Article III not to transfer to any recipient whatsoever, directly or indirectly, and not in any way to assist, encourage or induce any State, group of States or international organizations to manufacture or otherwise acquire any of the agents, toxins, weapons, equipment or means of delivery specified in Article I of the Convention.

Article IV

Manufacturing and commerce in biological products are subject to strict governmental scrutiny and regulation.

Extensive existing legislation controls certain private actions concerning items and actions prohibited under Articles I and III. Such legislation includes the Arms Export Control Act, the Export Administration Act, the Hazardous Material Transportation Act, the Toxic Substances Control Act, the Public Health Service Act and the Federal Insecticide, Pesticide and Rodenticide Act.

All existing law and regulation are under continual review to ensure the sufficiency of coverage.

Article V

The United States has continued to invoke the consultative process called for in this article with the Soviet Union with regard to the Sverdlovsk anthrax outbreak in 1979, with the Soviet Union concerning their involvement in the production, transfer and use of trichothecene mycotoxins for hostile purposes in Laos, Kampuchea and Afghanistan, and with the Soviets on their maintenance of an offensive biological warfare program. We have also raised concerns with Laos and Vietnam regarding the use of trichothecene mycotoxins for hostile purposes in Laos and Kampuchea. To date, we have not been provided with any satisfactory responses to our inquiries.

[The United States did not address Articles VI–VIII in this document.]

Article IX

The United States has actively undertaken negotiations toward early agreement on effective measures for a comprehensive ban on chemical weapons.

In February 1983, Vice President George Bush announced in his speech to the Conference on Disarmament (CD) that the United States would like to see the work of the CD accelerated, and negotiations undertaken on a treaty to eliminate the threat posed by chemical weapons.

In November 1983, the United States sponsored a workshop on potential verification procedures to confirm the destruction of chemical weapons for member and observer nations of the CD.

In April 1984, Vice President Bush returned to Geneva and presented to the CD the United States draft chemical weapons convention which would prohibit the development, production, stockpiling, acquisition, retention, transfer or use of chemical weapons. This convention seeks a complete, effective and verifiable ban on such weapons.

Also in 1984, as a complement to the multilateral negotiations, the United States initiated bilateral discussions with the Soviets to consider how to ensure confidence in each other's compliance with the provisions of the convention. These *ad hoc* discussions have continued through the 1986 CD summer session.

Pursuant to an agreement between President Ronald Reagan and General Secretary Mikhail Gorbachev to accelerate efforts to conclude an effective and verifiable international convention on the general and complete prohibition of chemical weapons, delegations of the United States and the USSR have held three intensified rounds of bilateral discussions since February 1986. The purpose of these discussions has been to assist multilateral efforts to achieve a chemical weapons ban.

Additionally, the United States has contributed several working papers to the Conference on Disarmament to help further the discussions on various provisions of a chemical weapons convention.

Article X

The United States has undertaken a number of activities in accordance with the provisions of Article X to facilitate the fullest possible exchange of equipment, materials, scientific and technological information for the use of bacteriological (biological) agents and toxins for peaceful purposes. These activities include bilateral co-operative efforts as well as participation in international organizations concerned with the further development and application of scientific discoveries in the field of bacteriology (biology) for prevention of disease, or for other peaceful purposes.

The United States currently operates 34 World Health Organization collaborative specialty centres in the United States which participate with public health laboratories and programmes world-wide to deal with various diseases.

The National Institute of Allergy and Infectious Diseases (NIAID), a component of the National Institutes of Health (NIH), supports research in bacteriologic and other infectious diseases. Funds for this research amounted to $203 million in fiscal year 1985, the most recent year for which full data is

available. The major part of this research was conducted in NIAID laboratories, or through grants (1,086 in FY 1985) or contract awards (70 in FY 1985) totalling $168.6 million. While awards are made primarily to United States academic institutions, some awards have also been made to foreign institutions. Extensive international collaboration, however, is undertaken by NIAID staff scientists or awardees to develop new knowledge applicable to the diagnosis, prevention and treatment of tropical (such as malaria, schistosomiasis, cholera and leprosy) and arboviral diseases. The NIAID laboratories provide research training to non-United States scientists through participation in the NIH Visiting Scientists Program. The NIAID also has developed special emphasis domestic grants to United States institutions to engage in international co-operation in infectious disease research with counterparts in the developing world.

The National Academy of Sciences instituted a programme of exchanges of individual scientists with the Academies of Sciences of the USSR, Bulgaria, Czechoslovakia, Poland, Romania and with the Council of the Academies of Yugoslavia. The programme was initiated in 1959 when the first interacademy agreement was signed with the Academy of Sciences of the USSR. Since 1981, approximately 300 foreign scientists have visited the United States on the interacademy exchange programme either for short-term survey visits of 1–2 months or for long-term visits of three months or more for the purpose of collaborative research. A slightly higher number of American scientists have made scientific visits of the same type to the USSR and Eastern Europe during the same period of time. The most active areas of scientific exchange of both sides is that of the life sciences, with the narrower field of the biomedical sciences attracting the most activity. About 25 per cent of all visits since 1981 have been concerned with some aspect of biomedical research, such as neuroscience research and a number of collaborative efforts devoted to cancer research, cardiovascular disease and pharmacology.

The National Science Foundation (NSF) supports a variety of international, infrastructural activities related to biotechnology and basic research related to microbiology, virulogy and biochemistry. The NSF provides direct financial support for the Escherichia coli stock centre at Yale University and shares in the support of a European stock centre in Holland. In addition, NSF is the principal supporter for the United States of the International Congress of Scientific Unions which fosters international co-operation between all nations.

The Agency for International Development (AID) sponsored an International Symposium on Vaccine Development and Utilization in June 1986. This conference brought together more than 300 researchers and programme planners and managers from 49 countries to address critical issues in vaccine delivery and strategies for achieving universal immunization. Between 1984 and 1985, AID virtually doubled its budget for basic biomedical research and, in 1986, AID will commit $29 million, roughly 13 per cent of its health budget, to biomedical research. As a result of this commitment, two prototype malaria vaccines will be tested on humans this year, and AID is supporting development of measles vaccine that can be given to children as young as six months of age.

The United States Army Medical Research Institute on Infectious Disease (USAMRIID) publishes the results of research in open literature and, in 1985, contributed over 145 papers which were published in nationally and internationally recognized scientific peer-reviewed and refereed journals. Scientists from other countries have been invited and accepted invitations to visit and work within the Institute and the USAMRIID has hosted numerous visits by representatives of both domestic and foreign press. The USAMRIID hosted major international conferences in 1980, 1981 and 1984 and is currently planning another for April 1987 on "The Pathogenesis of Hemostatic Defects Associated with Haemorrhagic Fevers." ■

The Fiscal Threat to U.S. Foreign Policy

by Ronald I. Spiers

Address before the National Council in World Affairs Organizations on October 15, 1986. Ambassador Spiers is Under Secretary for Management.

I welcome this opportunity to talk to a distinguished group of leaders in the field of international affairs. Because you have the knowledge and interest, you are in a position to make yourselves heard and influence the course of American policies.

My message today is a simple and a blunt one: if we continue in the direction we are going, we will put at risk all that we have accomplished in recent years in the area of foreign policy. The tragedy will be that this is not a consequence of a deliberate national decision or the result of a national debate but of what history may see as a series of sins of omission.

I have worked in the diplomatic vineyard for over 35 years, and I believe the United States has consistently underinvested in the resources it devotes to its diplomacy and to its relations with the rest of the world. A continental power, secure behind two oceans for most of its history, preoccupied with the taming of a continent, putting its energies into molding waves of immigrants into Americans, protected for years by the military power of friendly countries, America has not had a strong national tradition in foreign affairs. World Wars I and II shook us into a realization that we were not an island unto ourselves. After World War II, we began to reach for a world role commensurate with our power and our interests. We made mistakes along the way, which raised questions about the wisdom of the way we played this role. But the public interest did not turn inward or retreat into isolation. Our self-confidence was shaken, public trust in government authority stumbled but did not falter. But funds for defense, foreign assistance, diplomacy, and intelligence—the four great national security "accounts"—were, for the most part, supported by American public opinion. And public support is the oxygen of government policy. What could be interpreted as a historic course correction had taken place.

The American diplomatic score card since World War II is one in which we can take satisfaction.

- We were in the forefront in rebuilding a world devastated by war.
- We have stood clearly as a beacon for political freedom and individual liberty around the world. People from all over the world still try to come to this country.
- We have built alliances with like-minded nations, necessary components of a stable peace.
- We have managed a potentially dangerous relationship with our principal adversary—the Soviet Union—without war and without relinquishing principle.
- We have applied our skills successfully to keep regional crises and conflicts from escalating to global confrontation. It is sobering to contemplate that warfare is now going on between or within 43 countries.
- We have contributed significantly to the economic development of poorer nations and to the self-defense capabilities of our friends and allies.
- We have focused world attention on the importance of human rights and have spotlighted abuses.
- We have made increasingly effective common cause with others in combatting the scourges of narcotics and terrorism, which transcend the ability of single nations to vanquish.

• Our example has brought ever more people and nations to the realization that free market economics offers more efficient, more productive answers to human needs—and are more compatible with political freedom.

These achievements do not come cheaply—except in comparison to the costs of their alternatives.

U.S. Foreign Policy and the Foreign Affairs Budget

Today, all this is under threat because of lack of understanding and attention to the resources that are required to run a successful diplomatic course.

Americans take pride in our nation's role as leader and defender of freedom. We take pride in our democratic institutions. Even the most cynical believe that our political and economic system holds the greatest potential for improving the human condition. It has a proven record. It is worthy of emulation.

But our nation's economic prosperity, its democratic freedoms, its military strength conspire to lull Americans into a false sense of self-sufficiency. We suffer from a national schizophrenia: on the one hand, we want to influence, and even control, international events. We seem somehow disappointed or angry when we can't or don't, especially during a crisis. On the other hand, the American public views foreign relations as a sometimes interesting diversion not requiring serious or sustained effort. The resource levels we provide for the conduct of foreign relations reflect this relatively low level of interest.

We are the world's greatest power, but we spend only 2% of the Federal budget to finance all of our nation's foreign affairs functions. Twenty years ago, we spent twice that percentage. During the height of the Marshall Plan, foreign affairs accounted for 11¢ from every budget dollar.

This year, President Reagan requested $22.6 billion to carry out his foreign policy. This figure took into account the need to cut costs, to keep budgets lean, and to increase efficiency. Although only 2% of his budget, this amount would pay the operating costs of the State Department and the United States Information Agency, including the costs of maintaining our 260 embassies and consulates around the world. It would pay for our nation's economic development and military security programs as well as humanitarian assistance. It would pay our contributions to multilateral development banks and international organizations. It would finance our efforts to combat the spread of narcotics and terrorism. Part of this amount would even pay for the Peace Corps and help us improve the safety and security of American personnel abroad. The taxpayer gets a lot from this small fraction of the Federal budget.

However, when Congress wants to cut the Federal budget, it too often casts a covetous eye toward the foreign affairs budget. The current continuing resolution cuts the Administration's already lean foreign affairs budget request by about 25%. In one fell swoop, over a quarter of our nation's foreign affairs budget disappeared.

The funds for the State Department's operation at home and abroad cost only four-tenths of 1% of the Federal budget.

Cutting the foreign affairs budget carries a price. We run the risk of dismantling the most important instrument of our foreign policy: our ability to represent and support our interests and objectives abroad.

Many Congressmen feel little pressure to spare the foreign affairs budget because most of their constituents are far more interested in domestic issues. Also, many Americans have the mistaken impression that our foreign affairs budget swallows up a large portion of the tax dollar. If we in the Department of State have a natural constituency, it is groups such as yours. We hope you continue your active interest.

The Department of State, which is the oldest and surely one of the most important departments of the government, is also one of the smallest. The funds for the State Department's operations at home and abroad cost only four-tenths of 1% of the Federal budget. I contend that's the bargain of the century.

The cost of a single Trident submarine (about $1.5 billion) could pay the salaries and expenses for all State Department operations for an entire year, leaving some over to help us enhance our much-needed security programs overseas.

There are only about 21,000 State Department employees spread over 260 locations around the globe, including Washington. Overseas and at home, the 4,000 professional diplomats in our Foreign Service are our nation's eyes and ears. They gather intelligence and report and analyze events. They look out for our nation's interests and help Americans in distress. They search out business opportunities and markets for American products. They are the front line of our war against narcotics and terrorism. They are among the first on the scene, looking out for our interests, during crises overseas.

To put the Department's manpower into perspective, consider the fact that there are 25 U.S. military personnel overseas for every single State Department employee. There are more Department of Defense school teachers in Europe alone than there are State Department personnel worldwide. Health and Human Services employees outnumber us seven to one. The Agriculture Department has five times as many employees. Even the Forestry Service has twice as many people as we do. IBM personnel outnumber us 19 to 1; Bank of America, 4 to 1.

Our resources are principally people and money. As a result, when Congress cuts our funding, we have to cut people. Because of the financial crisis inflicted on us earlier by Gramm-Rudman-Hollings and compounded just recently by the additional 25% or so cut in Congress' continuing resolution, our foreign affairs apparatus will shrink even further.

Effects of Congressional Budget Cuts

Post and Personnel Reductions. Even before the latest fiscal blows, we were making plans to reduce our overseas personnel by about 4%. We are hiring fewer people this year. Many vacancies simply will not be filled. We are also facing as much as a 7% cut in personnel domestically.

As of September 30 of this year, we hauled down the flag at seven of our consulates overseas. This year, in response

to budget cuts, we may permanently close the doors of another 11 posts overseas. These consulates are the capillaries of our system, and they enhance our ability to gather information, to expand our contacts and influence, and to provide service to Americans abroad.

Keep in mind that we are taking these steps in response to cuts of $20 million—one-tenth of the price tag of a single B-1 bomber.

Of course, not all of this belt-tightening is bad. We wholeheartedly endorsed the reduction of the U.S. Government's overseas presence. This exercise gave us an opportunity to focus the attention of all agencies on the level of their staffing at our mission overseas. It is frankly hard to justify the expense or the security risks of keeping some of these people and organizations overseas. It often comes as a surprise to observers that only 28% of the personnel in our diplomatic missions overseas are State Department Foreign Service.

Closing some of our less important consulates helped us spread our scarce resources more efficiently. But there are obvious costs. Closing posts hurts. It hurts our relations with the countries in which the posts are located. It hurts our ability to pursue U.S. Government interests. It hurts our ability to gather and transmit information.

There is a limit to how deeply we can and should cut. Indeed, many Americans would now agree that in the years immediately following Vietnam, we went a bit too far in our withdrawal from world affairs. Certainly we discovered in the late 1970s and early 1980s how expensive it was to rebuild our national presence and prestige. Frankly, our adversaries, including the terrorist, would be happy to have us, for budgetary reasons, do what they have not been able to accomplish on their own: force Americans to retreat.

Security Assistance. But it has not been the State Department's budget alone that has been affected by these deep budgetary cuts. Our foreign economic and military assistance programs have been gutted by the Congress. By reducing this portion of the Federal budget by over $3 billion and earmarking security assistance programs for several key countries, Congress has forced us to cut some important foreign aid programs by 50%–60%.

Egypt and Israel are the largest recipients of U.S. foreign security assistance, followed by eight countries which we aid in return for basing rights for U.S. Armed Forces. These 10 countries account for 80% of all of our foreign security assistance. This aid is of critical importance to us and to the recipient countries. It helps us secure bases, helps pave the way for access agreements, and permits the prepositioning of supplies. It helps us maintain peace around the world.

Would Congress or the American public suggest that we cut funds to countries such as the Philippines or Haiti or Bolivia or Uruguay which are struggling to build democratic institutions? Should we turn our backs on our neighbors in the Caribbean or Central America? Should we cast Senegal or Ecuador adrift just when they are pursuing economic reform programs? If Congress has its way, we would have to stop security assistance and economic development programs in all but a handful of countries.

International Organizations. The Congress has also reduced our contributions to international organizations. Here's a case where we are cutting off our nose to spite our face. We have been pressing for needed fiscal and administrative reform at the United Nations. The Kassebaum amendment withholds $42 million of our UN contributions as leverage to encourage reform. Congress just recently, in the continuing resolution, upped the ante and cut our UN contributions by yet another $25 million and deferred an additional $130 million in U.S. contributions to international organizations until next fiscal year. By withdrawing our financial support to the United Nations, we are abdicating our role in the United Nations and, in effect, reducing the leverage we have to influence its efforts toward reform. An additional result is that the shortfall in U.S. payments may now become the issue, rather than UN reform. Our critics will blame us when and if UN fiscal reform fails.

Besides the United Nations, our contributions to international peacekeeping efforts have been cut in half this year. The Administration considers the UN Interim Force in Lebanon (UNIFIL) vital to stability and peace in the Middle East. Cuts of this magnitude bring into question our commitment to peace in Lebanon and even the continued viability of UNIFIL.

We have been pressing for needed fiscal and administrative reform at the United Nations. . . . the shortfall in U.S. payments may now become the issue, rather than UN reform. Our critics will blame us when and if UN fiscal reform fails.

International Communications. The inadequate funding for international communications and exchange programs will mean reducing broadcasts by *Voice of America*, *Radio Free Europe*, and *Radio Liberty*. It could mean closing American libraries and American cultural centers overseas. This is wrong at a time when our adversaries are sparing no expense to feed their propaganda mills.

Diplomatic Security Programs. Two years ago the Secretary of State appointed a special panel—headed by retired Admiral Bobby Inman—to conduct an objective review of the state of security of our embassies and personnel overseas. The panel reported last year and recommended a massive infusion of resources. Over 60 of our embassies and more than 300 of our buildings needed total replacement if we were to meet minimum security standards. Some months ago, the Congress authorized a $4.4 billion, 5-year program to bring our security abroad and at home up to the level recommended by Inman. However, Congress has balked at actually appropriating the funds it has authorized at a level necessary to meet the Inman recommendations.

It makes little sense to cut funds for our overseas security programs just when events over the past few years have shown that our diplomats and our diplomatic facilities are especially vulnerable to terrorist attacks. The public's memory of the bombings of our

embassies in Beirut and Kuwait has faded. Many have forgotten the overrunning of our embassy in Tehran and the destruction of our embassies in Tripoli and Islamabad. Many of our embassies still front onto busy city streets. Many of our offices overseas are housed in highrise buildings where we cannot control who are our neighbors.

The discovery of sophisticated listening devices in our typewriters in Moscow once again emphasized that we are vulnerable around the world to increasingly sophisticated technical security threats. We cannot simply wish these vulnerabilities away.

Conclusion

Unfortunately, all of this costs money. And money is what we have in increasingly short supply.

If we want a safe and peaceful world, there is no alternative to a vigorous American presence. We may be able to turn off the budgetary tap on some Federal programs for a year or two, then reopen the tap without doing damage to American interests. That is simply not true in foreign affairs.

Clearly, the American public wants more services from the government than the present levels of revenue can provide. Gramm-Rudman-Hollings confronts Congress and the public with difficult choices of priorities if the mandated reductions in deficits—to zero by 1991—are to be met. Someone's ox has to be gored. But these choices should be made not inadvertently but in full awareness of their consequences. American diplomacy mans the forward edge of our international battlefield day and night. Its costs are small in relative terms, and the costs of "doing it on the cheap" are great. Every American with an interest in foreign affairs must share the burden of making our fellow citizens aware of this truth. ■

Toward a More Representative Foreign Service

by Ronald I. Spiers

Address before the Congressional Black Caucus Foreign Affairs Braintrust Workshop on October 3, 1986. Ambassador Spiers is Under Secretary for Management.

I welcome the invitation to participate in this discussion about the involvement—or lack of involvement—of black Americans in the formulation of U.S. foreign policy. I hope the discussion will be frank, open, and constructive.

I am the Under Secretary of State for Management and will, next month, have spent 3 years in this position. My responsibility runs across the spectrum of administrative management policy. Essentially, I supervise the planning, mobilization, and allocation of resources needed to carry out the Department of State's responsibilities to advise on and implement the foreign policies of the United States. Since our resources are principally money and people, my job is to oversee finance, personnel, security, and professional development as well as general logistic and administrative support for all Department of State and Foreign Service operations.

I believe that the Foreign Service of the United States has a major problem in the area of minority, including black, representation. This has been a matter of substantial concern to me since I took on this job; one of the first things that I did, shortly after assuming these responsibilities, was to convoke a meeting of eight black colleagues who had served or were serving as ambassadors to talk about the issue of blacks in the Foreign Service. Subsequently, this group was expanded to include some outsiders from the business and academic communities. We sought their views on how we could deal with the problem of making the Foreign Service more representative.

I began with the conviction that a Foreign Service that is not representative of American society cannot be an acceptable or fully effective instrument for the conduct of American foreign relations. It cannot be the more or less exclusive preserve of only certain sectors of American society. Therefore, it is my objective, and that of my colleagues, to explore every possible route to achieving a more representative Foreign Service. There are many obstacles in the path, but I believe that these obstacles can be overcome with intensive and purposeful effort.

For those of you who are not familiar with the Foreign Service, it is essentially a bottom entry, merit promotion, "up or out" system. The Foreign Service is one of our nation's most competitive institutions. This year approximately 200 new officers will be taken into the Foreign Service from the almost 16,000 who took the written entry examination last December. I know no university that is so selective. The examination process is like panning for gold. We are looking for the very best from an extremely talented pool of candidates. I am committed to the preservation of this kind of a competitive-entry Foreign Service, since I believe that the interests of our country are best served by such an institution.

Efforts to Increase Minority Representation

When I first joined the Foreign Service over 30 years ago, it had the reputation—deservedly, I fear—of being an elitist group recruited largely from the east coast, white, male, Anglo-Saxon, Protestant, Ivy League population. Some of the elders who occupied top positions considered it "a pretty good club." Most Foreign Service officers [FSOs] came from the same background. "Old boy networks" helped officers get promoted and assigned to the right job. The only senior black officer I knew of was Clifton Wharton, then our Ambassador to Norway. There was only a small handful of minority junior officers. I remember, in my first Foreign Service assignment in UN affairs, working with two other newly minted officers: Don McHenry, later Ambassador to the United Nations, and Terry Todman, now our Ambassador to Denmark. Terry is today the only black among our 40 or so career ministers, the top rank of the Foreign Service.

The situation has changed, but we recognize that it has not changed enough. The Director General of the Foreign Service and I consider making further improvements in the proportion of minorities and women in the Foreign Service one of our highest priorities.

Ten years ago, there were barely 100 black Foreign Service officers. Today, there are about 250. Since the mid-1970s, about one-tenth of our new FSOs have been blacks. Blacks are now about 6% of the FSO corps, and I am told this is approximately the percentage of blacks in the college-educated workforce. I would like to see an increase in this proportion without

departing from the principles which have made the Foreign Service one of our quality institutions. These aims are not incompatible.

The other, equally difficult half of our task, however, is to find ways to encourage the retention of black officers who are already on board and to encourage their advancement along with their colleagues to the middle and senior ranks. In an "up or out" system, this takes time. The paucity of senior officers reflects recruitment patterns of 25 years ago. Today, only nine of our 627 members of the Senior Foreign Service are black. However, all but two of these officers are currently serving or have recently served as ambassadors. I find it encouraging that three more blacks, including the first black woman, were among the 68 new promotees to the Senior Foreign Service on the list that is now awaiting congressional approval. While these 12 comprise only just under 2% of our senior officers, 6.6% of our mid-level and 7.8% of our junior officers are black.

I am, nevertheless, concerned about the flow of recent entrants up through the system in order to increase the proportion of blacks at the senior levels. In that regard, I am aware of the perception among many of our black colleagues that there is systemic discrimination against them in the Foreign Service. This alleged discrimination is hard to identify, but its existence is maintained by too many of my black colleagues whose judgment I respect for me to dismiss it as paranoia or as not having any foundation. I can assure you that where such discrimination is found, it will be dealt with ruthlessly.

This is a matter to which I have devoted substantial thought, and I am convinced that the most fertile ground for further improvement lies in our recruitment and assignment practices.

- We need an active and aggressive recruiting program aimed at convincing qualified blacks that the Foreign Service is a career that should interest them. We have recently launched a more targeted recruiting effort. This is a significant break with the traditional view that the Foreign Service is in a "buyer's market," able to lean back and simply let the applications flow in. As a result, our recruitment of black officers has begun to rebound in 1986, after two disappointing years in 1984 and 1985. We are doing more to reach out to historically black colleges and universities and to black college students in general. The results are most encouraging. We hired more black officers this year than last, and the number of black applicants to the Foreign Service is at an all-time high. We will have to devote continued effort and resources to keep moving in the right direction.

- We need to work on assignments within the system. I have given a lot of attention to ensuring that senior blacks are selected for responsible and visible assignments in which they can serve as "role models." We now have black career officers as ambassadors in Liberia (soon to be transferred to South Africa), Mauritius, Denmark, and Seychelles. Another holds the key job of director or of our Regional Administrative Management Center in Paris. One—a former ambassador—is principal officer in Cape Town. Two—also former ambassadors—are serving in senior positions in Washington, one at the deputy assistant secretary level in Management Operations and one as director of a major office in one of our regional bureaus. Over a year ago, I discovered, to my consternation, that there were currently no black officers serving overseas as deputy chief of mission, perhaps the key management level position in the Foreign Service and a proving ground for future chiefs of mission. During the past year, five black officers have been assigned as deputy chiefs of mission or as principal officers in American consulates.

The Path Ahead

I have to conclude by acknowledging that there are difficulties in the path ahead. Many blacks have told me that more lucrative and relevant career opportunities are open to the kind of people we seek for the Foreign Service. The Foreign Service has a dubious reputation among those sectors of the American population who even know what it is. The "cookie pusher" stereotype dies hard. Today, health hazards, spouse employment and family education problems, the large percentage of hardship posts among the more than 250 we staff, the high proportion of noncareer appointees at senior levels, and terrorism and security threats all make the Foreign Service a less attractive career to many. The call of public service—once having so powerful a pull in our history—has been muted, particularly with many in the political arena "running" against Washington and its "bureaucrats." In crass economic terms, government cannot compete for the services of people with the skills, education, and qualities we want. Although it is difficult to move forward against all of these obstacles, we argue that the psychic income and the rewards of public service make up for many of these drawbacks. This is the case we make whether our target audience is black or white, male or female. Whatever the problems, we will persevere.

Finally, I want to ask your cooperation and, through you, the cooperation of the black community in encouraging more bright young blacks to take the Foreign Service examination and apply for the various other categories of Foreign Service employment. On the basis of the examples we have seen among the blacks who have recently entered the service as junior officers, we are convinced there are a lot more out there who can pass the examinations and advance in their careers with the best and the brightest. The more you can do to identify them and encourage them to consider the Foreign Service as a career, the more likely we are to achieve the levels we are seeking.

We do not feel compelled to improve the representativeness of the Foreign Service for cosmetic reasons. We do not look upon our officers as so many precisely measured ingredients in a recipe for an all-American technicolor Foreign Service. We are doing this because we know it is right. We are doing this because we cannot represent our country overseas if we do not reflect our society at home. We need continued support for our efforts, particularly from groups such as this. ■

The Philippines and the United States

by Michael H. Armacost

Address before the Conference on the Philippines at the Fletcher School of Law and Diplomacy on October 6, 1986. Ambassador Armacost is Under Secretary for Political Affairs.

It is a pleasure to address this conference. The subject could not be more timely. I served as the American Ambassador in Manila for 2 tumultuous years and have spent many of my waking hours in Washington since 1984 dealing with Philippine-American relations. I think I've earned the right to offer some personal observations.

Let me begin with the dramatic, political revolution that occurred last February. Americans vicariously experienced those events along with Filipinos and shared their elation with the outcome. History has linked our countries inextricably over the past century. What happens in the Philippines matters to the United States. Americans first planted the seeds of democracy in the Philippines. We consequently shared the exhilaration of the Filipino people as we witnessed a restoration of democracy accomplished both swiftly and peacefully.

It was a Philippine revolution, and Filipinos earned the admiration and respect of the entire world for their courage and their fidelity to democratic principles. We pay tribute to that success. And we pledge our support to those who work, in the words of President Aquino, "to build a worthy and enduring house for a new democracy, that may serve as a redoubt for freedom in Asia."

Last February's revolution brought the Philippines to the consciousness of all Americans. To be sure, Ninoy Aquino's assassination in August 1983 stimulated a considerable increase in newspaper and media coverage of the Philippines. But the recent presidential election campaign and the events which followed were played out on American television. In the process, Cory Aquino, Doy Laurel, Cardinal Sin, Joe Concepcion, and many others became familiar figures in this country. Terms like "hidden wealth" entered our political vocabulary. And we all learned more than we wanted to know about Mrs. Marcos' wardrobe.

To be sure, some of the American media focus on the Philippines is superficial. But the explosion of media coverage of the Philippines has enabled thoughtful Americans to obtain a glimpse of more consequential aspects of the situation. Our public has gained an appreciation of the enormity of the political and economic problems which were the principal legacy of the Marcos Administration. Americans have discovered the resilience, the resourcefulness, and the good humor with which the Filipino people confront adversity. We have been reminded of the authority and the respect, the power and the opportunity accorded to women in the Filipino culture. We have observed the political clout exercised by the Church and heard the call for political reconciliation expressed in the idiom of the Scriptures. We have witnessed the status and the value which Filipinos attach to education as a source of social mobility. We have seen firsthand the Philippine preference for democratic evolution over violent revolution. And the remarkable events of last February confirmed for Americans the vibrancy of the Philippine press.

These are qualities which should not surprise us. We see them reflected in the growing community of Filipino-Americans who make such a large contribution to our own national life. But the television pictures and the occasionally illuminating commentary seared strong impressions in our collective memory. They served to increase our awareness and understanding of the Filipino culture and our respect for the Filipino people.

Those of us in government who bear some responsibility for managing this important relationship had special reasons for satisfaction at the outcome of last February's revolution. The final years of the Marcos Administration posed agonizing dilemmas for our government. The corruption and the venality of the Marcos regime were deeply troubling. So were the "crony" deals which distorted the economy and the cynical political maneuvers which mocked professions of faith in democracy. But there was a deeper source of anguish.

It was increasingly clear to those of us in Washington that we were doing business with a government whose authority was declining, which had forfeited much of its domestic support, and which displayed little genuine empathy for our values.

Worse yet, we saw no serious prospect for self-renewal.

- President Marcos had politicized the army; it was scarcely plausible that he would restore professionalism to the military.
- He had limited the scope for competition and private entrepreneurship; it was scarcely reasonable to expect that he would foster economic reform and reliance upon the interplay of market forces.
- He had perpetuated his tenure in office by manipulating constitutional and electoral rules to suit his political requirements; it was scarcely conceivable that he would permit an electoral contest in which he accepted a genuine risk of losing.

We had no choice but to deal with an existing government, but our growing doubts about the efficacy of reform under Marcos prompted the increasingly public expression of our concerns. His unexpected announcement last fall of a snap presidential election stimulated hopes here as well as fears. In all candor, I cannot say that I expected the result that occurred. Yet we did what we could to assure a free and fair contest.

By dispatching an election observer team and encouraging the international press to make the election a big story, we hoped to diminish the incidence of fraud. We recognized that, in the last analysis, the major deterrent to irregularities would have to be an aroused Philippine citizenry prepared to accept risks in order to assert their rights. Cory Aquino supplied inspired leadership; NAMFREL [National Movement for Free Elections], the Church, and various citizens' organizations the foot soldiers of the democratic revolution. The rest is history. It produced a new start for the Philippines and opened a new chapter—and a bright one, we trust—in Philippine-American relations.

American Perspective on the Aquino Administration

American support for the Aquino Administration is firm and unequivocal. The reasons are obvious.

First, she earned a mandate from the Philippine people.

Second, President Aquino has used her mandate to embark upon an ambitious agenda of long overdue reform.

- She appointed a Constitutional Commission whose work is nearly finished, promised early local and provin-

cial elections, imparted credibility to government, and impressed all who have met her with her own sense of command.

• She selected for the key Cabinet economic portfolios individuals of distinction who know how the market works and who believe in market forces. She has moved decisively to reform the tax system, liberalize trade, reduce the role of public sector enterprises and government financial institutions, and dismantle government monopolies that impede productivity in the agricultural sector. She has nailed down an International Monetary Fund (IMF) agreement. A new investment code is in the works. Labor stability is promised. The flight of capital has been staunched; inflation has been curbed; the current account is in balance; and the gross domestic product is beginning to grow.

• She has affirmed civilian control of the military and placed the armed forces under the command of respected officers who got ahead not by "going along" or by playing palace politics but by exhibiting dedication to high standards of professional conduct.

Thus, we believe she has made impressive progress in a short time in reshaping Philippine political and economic life without benefit of a leisurely transition period and despite the need to manage a diverse coalition.

The Aquino government recognizes that the communist insurgency represents a serious threat to Philippine democracy. The government has adopted a strategy aimed at seeking a political dialogue with the New People's Army (NPA) while the government implements political, economic, and military reforms designed to attack the root causes of the insurgency. President Aquino has also made it clear that the government will use military force if that is necessary to protect the Filipino people and preserve her country's newly restored democracy.

In sum, we believe the Philippines is pursuing a sound strategy that will produce significant results in the next few years.

It will require strong and bold leadership and a cohesive government which speaks and acts in support of a comprehensive program for national recovery. President Aquino has shown that she can provide that leadership.

U.S. Policy Guidelines

It is obvious that the United States has a large stake in the success of President Aquino's policy efforts. The issue for America is how we can most effectively express our support. These guidelines inform our efforts.

First, we will resist falling back into familiar habits in our relationship. For one thing, this means avoiding the tendency to offer gratuitous advice in lieu of tangible assistance. We have made a good start with the substantial package of supplemental aid unveiled during President Aquino's recent visit. I might add, parenthetically, that there is a corollary for Filipinos: that is, resist the temptation to treat the United States as a scapegoat or to regard massive external assistance as a substitute for domestic reform. The current emphasis on self-reliance is a healthy sign.

Second, we intend to display a sympathetic understanding for the magnitude of the policy dilemmas faced by the Philippine Government. President Aquino confronts a multitude of vexing problems.

• Prompt action is needed to contain an insurgency which challenges the authority of government in rural areas, impedes the flow of investment, and poses a danger to democratic institutions.

• There is the urgent need for swift economic revitalization. Growth is necessary to provide the economic margins necessary for compromise—the lifeblood of democratic politics. It is also a critical component of any strategy to cope with the New People's Army.

• The task of completing a new constitution and conducting local and provincial elections is equally pressing, since political stability is essential to economic revival. Foreign and domestic businessmen are waiting to see how the constitution will affect the future investment regime. A successful counterinsurgency effort will depend heavily upon the quality and representativeness of local officials.

Each of these tasks is fraught with difficulty. Each requires the application of massive intellectual, human, and material resources. No government can do everything at once, particularly when resources are scarce and time is limited. The establishment of clear-cut priorities is the more difficult when decisions must be reached within the framework of a very broad coalition.

Americans are an impatient people. We expect quick results. But we owe it to our friends in the Philippines to recognize that everything cannot be done at once; that Philippine problems require Philippine solutions; and that they must set their own priorities and their own pace. We should be prepared to offer counsel in a frank and confidential fashion. We intend to avoid gratuitous public criticism. Candor in private and discretion in public should be our motto.

Third, we should avoid loading additional problems onto the agenda before they require resolution. The bases issue is a good example. Our current agreement has several years, at least, to run. Our next 5-year review does not commence for 2 years. President Aquino has indicated her intent to honor existing legal obligations while preserving policy options for the 1990s.

I am personally confident that our security relationship with the Philippines will endure beyond 1991. Our access to facilities at Clark and Subic constitutes a source of regional stability which is welcomed by the ASEAN [Association of South East Asian Nations] countries, Japan, China, and other regional powers. So long as the base arrangements respect Philippine sovereignty, and so long as the balance of benefits is equitable, I see little reason to fear disruption of a pattern of defense cooperation that has served both our nations well. The time will come for renewed negotiations; for now we can afford to let this issue lie.

I hope the Philippine Government will follow suit. Some members of the Constitutional Commission have attempted to limit its government's future options on defense and other issues. We understand that President Aquino wisely urged the members of the commission, when they began their work, to define the constitutional framework of government without attempting to address issues more properly resolved through legislation or executive decision by an elected government. That is a sensible stance. It is in keeping with our own constitutional experience. It is consistent with the interest of both countries in seeing that issues subject to negotiations are not preempted by unilateral decisions of either side.

Fourth, we should welcome the diversification of Philippine relationships with other countries. On occasion, some Filipinos have seen their ties with Americans in kinship terms, viewing us as big brothers who offer protection in return for loyalty. This is a tribute to the intimacy of our connection over the past eight decades. There are respects in which we and Filipinos are family. Yet there is also a certain "hothouse"

character to our relationship which imposes heavy psychological burdens on us both.

In my experience as Ambassador in Manila, I found that my Filipino friends talked knowledgeably and eloquently about themselves, about America, and about the relationship between us. They exhibited surprisingly little interest in ASEAN or in more distant Asian neighbors. That is changing, and all for the good.

Our relationship with Manila will find a more equitable and mature balance as the Philippines benefits from the experience of its near neighbors and reduces to some degree its dependence upon the United States. Moreover, I see no reason why the development of Filipino links with others need dilute the quality of our own relationship—on the contrary. And we shall use our own considerable influence with other countries—in Asia and in Europe—to enlist support for our Filipino friends.

Fifth, we should express our support for the democratic transition in very concrete ways. Our material support should assume a variety of forms. In my judgment, it should be substantial, and it should be provided up front. We should not be penny wise and pound foolish. Happily, we have made a start, despite an extremely austere budget environment.

U.S. Support for the Philippines

Aid. Congress recently appropriated an additional $150 million in bilateral economic and military support, bringing our total for fiscal year (FY) 1986 to $550 million. The $300 million in economic support funds supplied over the past fiscal year were furnished as direct support to the Philippine Government budget to help finance ongoing programs aimed at reinvigorating the rural economy. In FY 1986, $90 million in military assistance program funds will assist Philippine Government efforts to reequip and retrain the armed forces. A $10-million package of Defense Department medical supplies and services plus $13 million in privately donated humanitarian supplies, announced during President Aquino's recent visit, should facilitate civic action by the Armed Forces of the Philippines. On October 3, $200 million in additional economic assistance was added to the FY 1987 Continuing Resolution by the Senate. The 82-to-14 vote reaffirms the underlying commitment of both U.S. political parties to the Philippines.

Investment. In recent decades the Philippines has relied too heavily on commercial borrowing and too little on equity investment to secure foreign capital for development. This contributed to the heavy debt burden which the Aquino government inherited—a burden compounded by large-scale capital flight and disinvestment caused by uncertain social, political, and economic conditions.

The Philippines needs equity investment, and we are actively encouraging it. During Mrs. Aquino's recent visit we arranged opportunities for her to meet directly with the chief executives of many "blue chip" American companies. President Reagan, Secretary Shultz, and others publicly pronounced their "bullish" outlook on the Philippine economy. This reflects our confidence in the macroeconomic conditions of the country, our respect for the abundant material and human resources of the Philippines, our conviction that the policy reforms being put in place by the Aquino Administration will unleash the productive energies of the private sector, and our firm belief that a nation as well endowed as the Philippines and situated in the Pacific Basin will inevitably prosper as political and economic reforms take hold.

Naturally, American businessmen will reach their tough investment decisions more swiftly as they see Philippine businessmen reinvest in the future of their own country and as they observe Philippine capital repatriated from "safe havens" abroad.

In this connection, I might say a word on "hidden wealth." I have no firm estimate on the size of Marcos assets outside the Philippines. I assume they are very substantial. The disposition of such assets as may be located in the United States must, of course, be resolved through the legal process. That process is complex and tedious. For our part, we intend to do what we can under American law to help the Aquino government recover the large sums that Marcos appropriated for his personal use.

A shrewd lawyer, Marcos can presumably tie up Philippine Government claims in our courts for years. In the meantime, neither Marcos, nor his family, nor anyone else will be able to use these resources. Ultimately, perhaps, only the attorneys will benefit. Former President Marcos has not solicited my view on this matter, nor will he. But I hope he will eventually conclude that a timely decision to repatriate a major portion of his assets to the Philippines would contribute to the well-being of his countrymen, help redeem his reputation in the eyes of future historians, and perhaps create circumstances in which he might ultimately live out his final years quietly in Ilocos Norte.

Multilateral Assistance. The United States has supported Philippine Government requests for a $500-million IMF standby agreement, as well as a World Bank economic recovery loan amounting to $300 million. We have also encouraged the expeditious completion of negotiations with private banks for further debt rescheduling. These private banks are prepared now to release additional credits of about $350 million held up when the Philippines fell out of compliance with the previous IMF agreement.

Trade. We are also working to increase opportunities for the Philippines to earn hard currency through expanded sugar exports. We have set up a special senior-level working group with State, Commerce, and the U.S. Trade Representative to examine a variety of specific measures. We also agreed to create a U.S.-Philippines Business Promotion Council to harness the vitality of the private sector in the effort to expand trade and investment. The United States has agreed to cooperate to maximize Philippines benefits under the generalized system of preferences. The Defense Department is taking steps to increase local procurement in the Philippines. Finally, the Overseas Private Investment Corporation will sponsor a major mission to the Philippines in February of next year to increase U.S. investment in the Philippines.

Educational Support. Historically, the United States has made an important contribution to education and training of Filipinos from all walks of life. We want to continue this tradition. We are working to put together a program to provide extended scholarships and training opportunities for faculty members and graduate students from Philippine universities and colleges. We are also encouraging state and private institutions to increase existing ties with various Philippine educational institutions.

Conclusion

Collectively, the Aquino government may possess more hope and pride than any government in modern Philippines history. It also faces problems of

unparalleled severity. Its objectives of maximizing Philippine freedom and development are aims which all Americans share. Its strategy for attaining these high purposes is beginning to demonstrate concrete and positive results.

President Aquino put the challenge to us directly in her stirring address to the Congress: "Join us, America," she said, "as we build a new home for democracy, another haven for the oppressed."

We accept that challenge and intend to demonstrate our support by deed and word. ■

Visit of Philippines' President Aquino

(White House photo by Pete Souza)

President Corazon C. Aquino of the Republic of the Philippines made an official working visit to Washington, D.C., September 15–19, 1986, to meet with President Reagan and other government officials.

Following are remarks made by the two Presidents after their meeting on September 17.[1]

President Reagan

It was truly a pleasure to welcome and meet today with Philippine President Corazon Aquino. Her courage and her commitment to democracy, mirroring those same qualities in the Filipino people, have inspired the world, and it's been an honor to have her as our guest.

President Aquino and I discussed her strenuous efforts to bolster the democratic institutions of her country and to ensure its security and strengthen its economy. And I assured her that all America wants the Philippine democracy to succeed and to prosper and that we'll do what we can to help.

These have been trying times in the Philippines. President Aquino has been overseeing a historic transition. In the coming months a new constitution will be submitted which will pave the way for strong, democratically elected local and national governments. In the meantime, President Aquino has been doing her level best to unite her richly diverse people under a banner of freedom and opportunity.

Her efforts to reconcile all elements of her society and bring them into the democratic process are applauded here. I might add that her personal bravery in this heroic endeavor to diffuse conflict has won the hearts and imagination of the people everywhere.

Despite President Aquino's efforts, however, well-armed communist guerrillas remain a threat to democracy in the Philippines. President Aquino and I discussed her strategy to meet this challenge. It includes attacking the root political, economic, and social problems that feed insurgencies. The second half of the formula is building the Philippine military into a professional, properly armed and trained force that is capable of dealing with any threat.

The United States stands ready to assist President Aquino in her quest to create a stable and secure land as well as in her commitment to invigorate the Philippine economy.

During our discussion today, President Aquino reaffirmed her belief that free enterprise is the surest path to development, the surest method of opening the door of opportunity and advancement to all her people. Her government stands for free trade and is encouraging private investment. She knows in the long run nothing would better serve the Filipino people than unleashing the entrepreneurial spirit and putting the creative and economy-building power of the marketplace to work.

As one might surmise after hearing this, I'm bullish on the Philippines. I would hope American as well as foreign investors take notice of the incredible opportunity to help build a country. For our part, we will mold our efforts to encourage development in the Philippines. Today, for example, we discussed the idea of increasing Philippine exports to the United States, including improved treatment under our generalized system of preferences. We also considered ways in which the Philippines can provide a larger share of the goods and services consumed by the U.S. military facilities within that country.

And just a side note, when talking about those bases, our two countries share common interests in the peace and stability of the Pacific region. I'm confident that we will continue to enjoy a strong mutual defense relationship for the foreseeable future. President Aquino reaffirmed today that the military bases agreement will be respected through its current term. I understand and am comfortable with her position. The next review of our defense relations is scheduled in 1988, and that gives us and the

people of the Philippines plenty of time to think about it.

In the meantime, I will continue to ask Congress for appropriate levels of economic and military assistance above and beyond existing U.S. base-related commitments. The latest installment of our current aid effort—a $100 million grant of economic support funds, which I'm pleased to announce will be signed by our respective Cabinet members in a few moments,[2] a $50 million grant of military assistance, along with a $20 million package of medical supplies and services—has been approved.

In the future, to the largest extent possible, future U.S. aid will be designed to provide the greatest benefit without exacerbating the country's debt burden.

And one last thought: Today governments, businesses, financial institutions, and individuals are dealing with a new kind of government in the Philippines. We're dealing with a noble and honest people—people with ideals, people we can trust. And we place a high value on character and hope everyone appreciates this and takes it into account.

A great Filipino hero, Dr. Jose Rizal, once wrote, "God is justice: He cannot abandon His cause, the cause of liberty, without which no justice is possible." Well, Jose Rizal, like President Aquino's husband, died for freedom and inspired his nation.

President Aquino and I reaffirmed the commitment of our two peoples to the ideals which so many Americans and Filipinos have given their lives, and we also reaffirm the bonds of friendship and affection between the United States and the Philippines.

President Aquino

This has been an opportunity to get to know each other, to explore common issues together. Above all, though, I can say that for my part the most important aspect has been the chance to meet each other.

We are both politicians who set great store on face-to-face encounters. Government-to-government contacts have their proper place, yet when the leadership of a country changes in such a dramatic fashion, as happened in the Philippines, it is only right that the Presidents of two such close allies meet and get to know each other. Issues do not generate of their own accord the decisions that will resolve them. In the end, decisions will be made by the people who have the responsibility to make them.

Philippines—A Profile

Geography

Area: 300,000 sq. km. (115,830 sq. mi.). **Cities:** *Capital*—Manila (pop. 7 million in metropolitan area). *Other cities*—Davao (600,000), Cebu (450,000). **Terrain:** 65% mountainous, with narrow coastal lowlands. **Climate:** Tropical, astride typhoon belt.

People

Noun: Filipino(s). **Adjective:** Philippine. **Population** (1985): 54.6 million. **Annual growth rate** (1985): 2.4%. **Ethnic groups:** Malay, Chinese. **Religions:** Catholic 83%, Protestant 9%, Muslim 5%, other 3%. **Languages:** Pilipino (based on Tagalog), national language; English, language of government and instruction in higher education. **Education:** *Years compulsory*—6. *Attendance*—above 95% in elementary grades, 57% in secondary grades. *Literacy*—about 88%. **Health:** *Infant mortality rate* (1985)—52.5/1,000. *Life expectancy* (1985)—65.4 years. **Work force** (20.6 million, 1984 est.): *Agriculture*—52%. *Industry and commerce*—16%. *Services*—13.5%. *Government*—10%. *Other*—9.5%. *Official unemployment rate* (1985)—7.3%.

Government

Type: Republic. **Independence:** 1946. **Constitution:** Provisional; new permanent constitution scheduled to be drafted and submitted in a plebiscite to electorate late 1986.

Political parties: Philippine Democratic Party (PDP/Laban); United Nationalist Democratic Organization (UNIDO); New Society Movement (KBL), Partido Nacionalista Philipina (PNP), and other small parties. **Suffrage:** Universal and compulsory.

Administrative subdivisions: 12 regions plus Metro Manila, 74 provinces, 60 chartered cities.

Central government budget: $4.9 billion.

Defense: (1985) 1.1% of estimated 1985 GNP.

Flag: Two horizontal bands—the top blue, the bottom red—joined at the staff side with a white triangle. Centered on the triangle is a yellow, eight-rayed sun. In each corner of the triangle is a yellow star.

Economy

GNP (1985): $32.6 billion (nominal). **Annual growth rate:** 12.8% (nominal); −3.8% (real). **Per capita income** (1985): $598. **Annual inflation rate:** 10%, 1983; 50.8%, 1984; 20.3%, 1985; 4.0%, 1986 (est).

Natural resources: Timber, copper, nickel, iron, cobalt, silver, gold, petroleum.

Agriculture (26.46% of GDP): Sugar, coconut products, rice, corn, pineapples, and bananas.

Industries (32.72% of GDP): Textiles, pharmaceuticals, chemicals, wood products, food processing, electronics assembly. **Services:** 40.82% of GDP.

Trade (1985): *Exports*—$4.6 billion. *Major markets*—US, Japan, EC. *Imports*—$5.6 billion. *Major suppliers*—US, Japan, EC.

Exchange rate (June 1986): 20.50 pesos = US$1.

Membership in International Organizations

UN and its specialized agencies, including World Bank Group (IBRD, IFC, IDA), International Monetary Fund (IMF), General Agreement on Tariffs and Trade (GATT), and International Atomic Energy Agency (IAEA); Association of South East Asian Nations (ASEAN); Asian Development Bank (ADB); INTELSAT.

Taken from the *Background Notes* of August 1986, published by the Bureau of Public Affairs, Department of State. Editor: Sharon R. Lotz. ■

From this meeting today both our governments will go out with a clear sense of priorities, with a recognition that we must both work hard to strengthen the bonds between us. I hope we have set the tone and direction for a new relationship. By recovering our democracy, we Filipinos have recovered our self-confidence and pride and hence our ability to deal with our major ally on an equal footing. This is the only basis for a relationship between friends, and I think we were able to start on that agenda today. I was able to explain to President Reagan the problems we have inherited, all of them rooted in a devastated economy. I was also able to outline to him what we are doing to set things right. I am gratified that President Reagan understands and supports what we are trying to do.

As you know, we have placed our faith in the private sector as the stimulus of growth. I also briefed the President on the wide range of reforms we have embarked on to resolve our difficulties. A new constitution is in the final stages of drafting. There will be a referendum on it followed by elections early next year. We are carrying out a long-overdue program of military reform. Within this context of an economic reconstruction, political rebuilding, and military reform, we can combat our remaining problem: the insurgency. As you know, we are pursuing a political approach, but this is backed by the military option. In all these areas of rebuilding, I hope we can count on American support and understanding.

But most important, reform is being done in a new environment of freedom, human rights, and democracy. So, as today's discussions showed, we have a lot of values in common again. We admire freedom and hard work in just the way you do. For two countries who have a faith in God, in freedom, in the family, and in democratic values, we should allow nothing to come in the way of an ever-growing friendship.

Today was a good beginning, and I thank you all for it.

[1]Made at the South Portico of the White House (text from Weekly Compilation of Presidential Documents of Sept. 22, 1986).

[2]Following the departure of the two Presidents, Secretary of the Treasury James A. Baker, III and Philippines Minister of Finance Jaime Ongpin signed an agreement providing the $100 million in U.S. economic assistance to the Philippine Government. ■

U.S.-Soviet Relations: Coping With Conflicts in the Third World

by Michael H. Armacost

Address at the opening of the Institute for International Studies at Brown University in Providence, Rhode Island, on September 26, 1986. Ambassador Armacost is Under Secretary for Political Affairs.

It is a great honor to speak at this conference inaugurating the new Institute for International Studies.

This conference is most timely. U.S.-Soviet relations are at one of those critical junctures which comes along periodically.

- The Soviet Union has a new leader, Mikhail Gorbachev, who is taking a fresh look at Soviet policies and priorities.
- We have an experienced and popular President who has restored American military and economic power and who is in a position to negotiate with adversaries with confidence in our own strength.
- New military technology is on the horizon which challenges the orthodox concepts of deterrence and opens the door to important opportunities for major strategic arms reductions.
- Our dialogue with the Soviet Union has been intensified, and last week's talks between Secretary Shultz and Foreign Minister Shevardnadze revealed hopeful possibilities for progress on a broad agenda.

Nonetheless, the Daniloff case once again illustrates the nature of the Soviet system and leaves a dark cloud hanging over the relationship. And unless that case is promptly resolved, a fruitful summit meeting is difficult to envisage. Many are skeptical about summit meetings under the best of circumstances. But I think former British Prime Minister Ramsey MacDonald expressed it well to a young Foreign Office specialist who exhibited doubts about high-level meetings. "The desire for peace," said the young officer, "does not necessarily ensure peace." "Quite true," replied MacDonald. "Neither does the desire for food satisfy hunger. But at least it gets you started toward a restaurant."

Others at this forum have addressed the central East-West arms control questions. I would like to discuss another important thread in our relationship with Moscow: Soviet ambitions in the so-called Third World, with particular emphasis on the adjustments of Soviet strategy which we are beginning to see under General Secretary Gorbachev and the guidelines the Reagan Administration has used to inform its policy in the developing world.

Historical Reflections

Let me begin with some general reflections. We and the Soviets are necessary partners in the task of avoiding nuclear war, restraining the arms race, and preventing regional conflicts from becoming global confrontations. But we and the Soviets are also natural geopolitical rivals. De Tocqueville foresaw, more than 100 years ago, an inevitable collision of interests between Russia—a great continental empire with a tradition of arbitrary authority—and America—a great insular republic committed to the principle of freedom.

The cold war began with such a clash. In the aftermath of the last World War, Stalin sought to alter the world balance of power by gaining dominance of the Eurasian land mass, especially in those peripheral areas where great centers of political and industrial power were concentrated. Having imposed his rule on Eastern Europe, Stalin tried to separate us, first from Europe by blockading Berlin and then from Asia by supporting the North Korean attack upon South Korea.

These events, combined with the clash of values and ideas between two antithetical social and political systems, led to the development of America's containment policy—a policy applied first in Western Europe and subsequently adapted to the requirements of other regions. This policy has been remarkably successful in stabilizing the original theater of conflict. Indeed, the only hostile Soviet military operations undertaken in Europe over the past generation have been directed against other communist countries—East Germany, Poland, Hungary, and Czechoslovakia.

The struggle in other regions has been more fluid. The Soviet Union has continued for nearly a generation to expand its influence and establish military footholds in the Third World. Khrushchev tried in the 1950s to turn newly decolonized nations against the West by cultivating such emerging figures as Nasser, Sukarno, Nkrumah, Toure, and Nehru. Moscow was all too ready to fan conflict in newly formed

nations beset by instability and internal conflicts.

In the Third World of the 1960s, there appeared to be some receptivity to Soviet blandishments. Marxist ideology still offered a model for social development which some found attractive; statist economic practices were much in vogue; the Leninist party appeared to offer leaders in newly independent nations an instrument for establishing and maintaining power; and the Russians were generous in supplying arms and, occasionally, economic assistance to select Third World governments and groups.

In 1962, we confronted one of the most dangerous situations of the post-war period in the Third World—Khrushchev's attempt to deploy intermediate-range missiles in Cuba. The missiles were removed, but Soviet influence and military presence on the island were not.

Following Khrushchev's ouster, the Soviets were for a time preoccupied with domestic developments. The Sino-Soviet split was a major strategic setback for Moscow, as was Sadat's bold decision to throw Soviet military advisers out of Egypt. In the heyday of detente in the early 1970s, an attempt was even made to codify "rules of the road" for managing U.S.-Soviet competition in the Third World.

It soon became apparent, however, that Moscow and Washington harbored vastly different interpretations of these "rules." And agreements—like the 1972 Treaty on Mutual Relations—could not induce restraint when the balance of power underlying such agreements was allowed to erode.

In the mid-1970s, Moscow moved boldly to exploit turmoil in several different regions against the backdrop of what it perceived to be a new "correlation of forces" emerging from Hanoi's victory in Indochina, post-Vietnam malaise in the United States, and the uneasiness of our friends and allies caused by the apparent decline of American power and will.

- As the Portuguese empire in Africa crumbled, the Soviets airlifted thousands of Cubans to Angola and worked to establish a close relationship with a Marxist regime in Mozambique.
- Cuban troops, with Soviet help and advisers, intervened in the conflict between Ethiopia and Somalia.
- In 1979, Vietnam invaded Cambodia only a week after signing a friendship treaty with Moscow.
- The Soviet Union supported the triumphant Nicaraguan communists who proclaimed a "revolution without frontiers."
- The Soviet invasion of Afghanistan in 1979 constituted the first massive use of Soviet troops outside Eastern Europe since World War II. This brazen move destroyed the independence of a nonaligned neighbor, threatened the security of Pakistan, and extended forward by several hundred miles the Soviet capacity to project military power toward the Persian Gulf.

These actions suggested a broad effort by Moscow to shift the global balance of forces, tore the fabric of our bilateral relationship with the Soviets, undermined any practical prospect of Senate ratification of SALT II [strategic arms limitation talks], and discredited proponents of detente in this country.

Recalling these episodes reminds us of these lessons.

- Containing the spread of Soviet power requires that we resist provocative Soviet actions "on the ground"—with sufficient resources and, if necessary, by force.
- Negotiations on regional issues only work when the Soviets know that their use of force will not yield them easy gains.
- Containment cannot be accomplished by military means alone or by the United States acting alone.
- Soviet gains in the Third World have, on occasion, proved transitory. Moscow has suffered its own setbacks.
- Nationalism can be a principal ally in containing the extension of Soviet influence and in reversing it. In Yugoslavia and China, Tito and Mao mobilized their partisans behind the banner of national independence as well as a commitment to create communism. They enlisted broad local support and improvised their own strategy for attaining power. These leaders accepted assistance from Moscow, but the Soviet Union did not achieve durable control because the Yugoslav and Chinese revolutions triumphed through their own efforts and as a consequence of their own independent strength. Their nationalism—in the absence on their soil of Soviet troops—precluded subservience to any foreign power—including the Soviet Union.
- The explosive character of many regional conflicts only underscores the need for U.S.-Soviet dialogue—even when negotiated solutions are not in sight. In a nuclear age, we cannot afford the kind of miscalculations that prompted Stalin and his North Korean ally to interpret Dean Acheson's remark about our Asian defense perimeter as license to initiate aggression in Korea.

Gorbachev's Policy in the Third World

What of Mr. Gorbachev? Gorbachev has made clear his intention of revitalizing the Soviet industrial base as a means of preserving its power and prestige abroad. Although his immediate priority may be cosmetic, Gorbachev has already injected a new dynamism into Soviet foreign policy. He has emphasized the need for fresh ideas and has shuffled people in the central foreign policy apparatus.

- He has put forward a variety of arms control initiatives and sought to mobilize Western public opinion in their support.
- He has courted key West European countries and Japan in hopes of enhancing the Soviet strategic position and encouraging divisions within the Western alliance system.
- By making new overtures to China in his recent Vladivostok speech, he has hinted at the possibility of new diplomatic flexibility and highlighted Soviet ambitions for influence in the Asia-Pacific area.

In this flurry of diplomatic activity, the developing world has not escaped Mr. Gorbachev's attention. The Soviet position in many Third World countries has declined in recent years as a result of the waning appeal of Soviet ideology and exposure of the real meaning of Moscow's commitment to "national liberation" in Afghanistan and Cambodia.

Soviet involvement in the Third World economy has been modest at best. The U.S.S.R. has provided neither a prime market for Third World exports nor a source of technology and finished goods; Soviet nonmilitary aid to the developing world has been negligible; and, its statist, highly centralized command economy has lost much of its earlier allure in the face of the progress achieved in recent years by more market-oriented economies.

To refurbish his country's tarnished image, General Secretary Gorbachev has reactivated Soviet diplomacy in the Third World. He has renewed efforts to cultivate market-oriented Third World countries. Establishment of diplomatic relations with Oman and the United Arab Emirates in 1985, growth of Soviet economic ties with Argentina and Brazil, new efforts to improve ties with the nations of ASEAN [Association of South East Asian Nations] and the South

Pacific, greater emphasis on UN multilateral diplomacy, and Foreign Minister Shevardnadze's upcoming trip to Mexico are all indicative of a new approach.

This new activity is directed toward a variety of goals.

- It aims to enhance the Soviet capacity to influence the resolution of outstanding regional disputes. The renewed emphasis on convening an international conference on the Middle East as well as the recent consular talks with the Israelis are illustrative of this desire.
- Several recent Soviet initiatives, particularly the call for Soviet participation in Pacific Basin economic development and application for full membership in the General Agreement on Tariffs and Trade (GATT), reflect a desire to take advantage of economic opportunities from which the Soviets have excluded themselves in the past.
- This new Soviet activism also diverts attention from Moscow's sizable military buildup in the Pacific over the past decade, its occupation of Afghanistan, and support for Vietnam's occupation of Cambodia. Soviet endorsement of regional nuclear-free zones plays on regional anxieties about nuclear weapons, particularly in the South Pacific.

The bottom line, however, is clear: support for Third World clients remains firm—support for friendly regimes in Afghanistan, Angola, Cambodia, Nicaragua, and North Korea has been augmented.

In Afghanistan, Soviet tactics have, if anything, increased in their brutality. Efforts to intimidate Pakistan have also increased over the past year.

In Angola, the Soviets have substantially increased their military and economic aid to the Popular Movement for the Liberation of Angola (MPLA). Since 1984, such assistance exceeds $2 billion. They also directed a 1985 offensive against Savimbi's UNITA [National Union for the Total Independence of Angola] forces and, along with the Cubans, are engaged in preparations for another offensive.

In Nicaragua, the Soviets have already delivered more military aid in 1986 than in any previous year.

In Indochina, the Soviets continue to provide roughly $1 billion a year in aid to Vietnam. In return, the Vietnamese have permitted the Soviets expanded use of military facilities in Cam Ranh Bay and Da Nang.

In Northeast Asia, the Soviets have provided advanced MiG-23 fighters to North Korea, increased port calls to military ships of the Soviet Pacific fleet, and have secured in return Pyongyang's support for expanded U.S.S.R. intelligence activities against our friends and allies in the area.

Soviet support for such client regimes imposes more than simply financial costs. Politically, Soviet and Soviet-supported military interventions have put the Soviets on the diplomatic defensive, exposed them to UN condemnation, alienated them from the Muslim world, and left them backing a number of governments of dubious legitimacy confronting a rising tide of indigenous nationalist resistance.

These costs are likely to increase. In Nicaragua, the democratic resistance is growing in strength and numbers; in Angola, Savimbi's UNITA forces have extended the area under their control; in Cambodia, Hanoi's puppet regime cannot maintain itself without the presence of nearly 150,000 Vietnamese troops; and in Afghanistan, the resistance has successfully held its own against overwhelming odds for over 6 years. Mr. Gorbachev's recent acknowledgment that the Afghan regime needs to take into account elements from outside the country is eloquent, if unintended, testimony to the *mujahidin's* fortitude and staying power.

The Soviet leadership is undoubtedly sensitive to the growing burden of foreign interventionism. General Secretary Gorbachev's address to the 27th Party Congress devoted little attention to Third World nations. In the recently adopted party program, there were no specific offers of military and economic help to "liberated" Third World clients; instead, there were injunctions that Third World friends must build socialism "mainly by their own efforts."

The precise meaning of these statements is unclear. There is no evidence to date that the Soviets are cutting back on existing commitments. General Secretary Gorbachev may be reluctant, however, to assume new risks and new commitments in the Third World and may try, as in Afghanistan, to get client regimes to shoulder a greater share of the security and development burden. Over the longer term, as these insurgencies continue to gain strength, Moscow will have to make more far-reaching reassessments. Their judgments will depend heavily upon the consequences of our own commitments to support those who are fighting for their independence and a more open political system.

U.S. Policy Toward the Third World

The United States possesses a strong hand for dealing with the challenge posed by the Soviet Union in the Third World. Our cards include our military strength, the dynamism of our economy, and the diversity and vitality of our culture and political system. Our greatest asset is our openness to the world—to people, to ideas, to enterprise, and to change.

Our economy is open. Despite protectionist pressures, the United States remains the largest market for developing countries' exports. U.S. imports of manufactured goods from developing countries more than doubled from 1980 to 1985. In the latter year, the United States purchased 62% of all manufactured goods imported by industrialized nations from developing countries. Agreement last week in Punta del Este to launch a new GATT trade round promises to give developing countries expanded trading opportunities and access to our markets.

Beyond working for freer and more open trade, we have also addressed obstacles to economic development in specific regions and countries. For example, [Treasury] Secretary Baker proposed at the last IMF [International Monetary Fund] and IBRD [International Bank for Reconstruction and Development] meeting an imaginative response to the less developed countries' debt problems. We continue to assign a high priority to developmental assistance.

The most impressive index of change in the Third World, however, is not found in statistics on aid or trade but, rather, in the growing acknowledgment by leaders of developing countries that reliance on the market is the key to growth and prosperity. The two most populous countries in the world—China and India—have begun to deregulate and decentralize their economies. The newly industrialized economies of East Asia—e.g., Singapore, Taiwan, South Korea, and Malaysia—became economic "miracles" because they gave economic incentives and open markets a chance. At the May UN Special Session on the Critical Economic Situation in Africa, the African nations—including those hardest hit by experiments in collectivist planning—issued an extraordinary document calling for more open markets and less state intervention.

In sum, the problems faced by Third World developing countries accentuate U.S. strengths and Soviet weaknesses.

Reagan Doctrine and Negotiations

Let me be clear: the United States does not challenge the Soviet desire to play a global role. Our concerns derive from the fact that the Soviets rely to an excessive degree upon military power and military force to pursue their objectives in the Third World. Consequently, we cannot rely exclusively on nonmilitary means to meet the challenge they pose in the Third World.

Building on the lessons of the past, an American strategy to counter Soviet military intervention in the Third World should include the following elements.

First, we should support indigenous resistance to Soviet expansionist moves. As President Reagan has stated, "Resistance forces fighting against communist tyranny deserve our support."

The form and extent of our help will vary in individual cases, but increasing the political and economic costs of Soviet intervention is the most promising method of deterring Moscow from future adventures. For this reason, we have pledged our support to the Afghan people; we welcomed the repeal of the Clark amendment; and we enlisted Senate and House support for aid to the resistance in Nicaragua.

Second, we should also promote dialogue and negotiation as a means of resolving Third World regional conflicts. We support the Contadora process in Central America, the UN Secretary General's efforts to bring an end to the conflict in Afghanistan, ASEAN's diplomatic initiatives to resolve the conflict in Cambodia, and proposals to achieve independence for Namibia along with a withdrawal of Cuban troops from Angola.

We recognize that only agreements accommodating the interests of the parties directly concerned can have any durable effect. For that reason, in the Middle East, we have supported direct negotiations between Israel and her Arab neighbors. In Korea, we favor direct dialogue between North and South.

In a speech to the United Nations last year, President Reagan outlined a broad three-stage plan for dealing with the internal conflicts raging in Angola, Afghanistan, Nicaragua, Cambodia, and Ethiopia. The President called for:

- A negotiating process between the warring parties to achieve an end to violence and to bring about national reconciliation and the withdrawal of foreign troops;
- U.S. and Soviet talks on how to support such negotiations between the parties and on how to achieve the verified elimination of foreign military forces and the flow of outside arms; and
- Generous U.S. support for reintegration of these countries into the world economy if a political resolution of existing conflicts can be achieved.

In keeping with these principles, U.S. policy in Afghanistan has been directed toward a negotiated political settlement embodying the prompt and complete withdrawal of Soviet troops. No settlement is foreseeable unless the Afghan people have the opportunity to select their own form of government and to resume a status of genuine nonalignment. We are pledged to guarantee an outcome that achieves these objectives.

Similarly, in Angola, we have consistently urged the Luanda government to sit down at the negotiating table to work out its differences with UNITA. On the basis of UN Security Council Resolution 435, we have called for the independence of Namibia and the withdrawal of Cuban troops from Angola. In Nicaragua, we have called for an end to Cuban and Soviet intervention as well as a genuine dialogue between the Sandinistas and the democratic opposition on the basis of the draft Contadora agreement calling for the democratization of the political life of the country.

Unfortunately, none of the regimes involved in these conflicts has responded yet to our call for negotiations with the opposition. Nor have proposals for the withdrawal of foreign troops borne fruit. The Soviets and their clients apparently continue to believe that more is to be gained on the battlefield than at the bargaining table. That is why we must continue to support the indigenous resistance forces.

The Need for Superpower Dialogue

A third element in our policy involves a dialogue with the Soviet Union on the geopolitical competition itself. In September 1984, President Reagan called for more regular exchanges with the Soviets on regional problems. Moscow was initially cool to the idea but subsequently agreed to the proposal, and over the past 2 years, we have held two

Departure of Soviet Espionage Agents

DEPARTMENT STATEMENT, OCT. 21, 1986[1]

The United States advised the Soviet Union this morning of a number of steps designed to respond to the Soviet expulsion of five U.S. diplomats and to ensure that from this point forward the Soviet diplomatic representative in Washington and San Francisco will be based on the principle of strict equality in numbers with our counterpart representations in Moscow and Leningrad. Specifically, Soviet representatives were informed:

- That the number of personnel in the Soviet Embassy in Washington and the Soviet Consulate General in San Francisco must be reduced by November 1 to levels equal to those, respectively, of the U.S. Embassy in Moscow and Consulate General in Leningrad. New, equal ceilings for the two countries' combined bilateral missions will thus be established as follows: for embassies—225 positions; for consulates general—26 positions. Fifty Soviet Embassy and Consulate employees who will be obliged to depart the United States pursuant to this measure have been identified by name;
- That, as a result of the recent Soviet action to expel five U.S. diplomats, an additional four members of the Soviet Embassy in Washington, and one member of the Soviet Consulate in San Francisco, are declared *persona non grata*, and must depart the United States by November 1.

We have repeatedly informed the Soviets—most recently when we expelled 25 named officials from the Soviet UN mission in September—that we would not tolerate the abuse of their UN mission as a safehaven for espionage activities. Moreover, when we expelled the 25 in response to their abuse of the UN mission, we indicated that we would not tolerate actions against our diplomatic missions. There is no counterpart U.S. presence in the U.S.S.R. to the Soviet UN mission.

The United States regrets that the Soviets have insisted on taking actions that have made these steps necessary. In taking the actions described above, the United States has corrected a long-standing imbalance in our relationship.

[1]Read to news correspondents by Department spokesman Charles Redman. ■

rounds of talks on five different subjects: the Middle East, East Asia, Central America and the Caribbean, southern Africa, and Afghanistan. As part of the review process leading up to the recent Shultz-Shevardnadze meeting, I conducted 2 days of discussions with senior Soviet officials to review the results of these expert discussions. Secretary Shultz and Foreign Minister Shevardnadze devoted considerable attention to these issues when they met in Washington. It is our intent that such exchanges will become a regular feature of Soviet-American dialogue at the political level.

The purpose of these talks is not to negotiate solutions to regional conflicts behind the backs of the parties concerned. Rather, they provide a forum for airing concerns in order to lessen the risks of misperception or miscalculation. The talks have been professional, frank, and wide ranging. No attempt has been made to mask our differences. Both sides came away with a fuller understanding of each other's perceptions on the central issues. On a few issues we have identified parallel or converging concerns and interests.

Conclusion

I am convinced that the strands of our policy for dealing with regional issues—our openness and involvement in the international economy, our support for freedom and self-determination, and our efforts to resolve problems by negotiation and dialogue—make the United States a natural partner for key countries in the developing world. America is a powerful and constructive force for freedom and progress.

Yet a new wave of isolationism beckons Congress and threatens to turn America's back to the world. Support for protectionist legislation is higher in the Congress today than at any time since the 1930s. Such legislation threatens poor countries burdened by debt, the export-oriented economies of Asian friends and allies, and new democracies eager for trade rather than aid. All these depend on an open and accessible American market. If we abandon the free trade system, we will do untold irreparable damage to their economic prospects, forfeit our most significant advantage in the competition with the Soviets, and raise the cost of goods to American consumers while removing the spur of foreign competition from our industry.

Another danger sign is the congressional attack on our foreign affairs budget. We cannot maintain our influence in the Third World without resources. Yet the present congressional budget resolutions will impose deep cuts (25%–50%) on our foreign aid program. This will deprive struggling and deserving friends of our political and diplomatic support and withhold from them the economic and security assistance they need to build for the future.

Nor can we be reluctant to support the struggle of peoples resisting the imposition of communist rule. History has shown what happens when we remain aloof. In the 1970s, our adversaries took advantage of our disengagement to project their arms and influence into key developing countries. Today, as yesterday, failure to perform our responsibilities now can only invite greater burdens and challenges later.

Yet, history need not repeat itself. These dangerous trends can be reversed. But only if our people are guided by a sense of duty and responsibility to future generations and reawaken to our dependence on the world and the world's dependence on us. We must never forget that the United States is the strongest force in the world for progress in human freedom. The United States faces a critical choice: we can continue to be engaged in the Third World on behalf of our deepest values and commitments, or we can choose to stand aside and allow events in that part of the world to play themselves out with less U.S. involvement and a corresponding reduction in our influence. That decision is ours to make. It is urgently important that we remain engaged. ■

U.S.-Soviet Relations: Background and Prospects

by Jack F. Matlock

An English translation of an address before the Chautauqua Conference on U.S.-Soviet Relations in Jurmala, Latvia, on September 15, 1986. The Chautauqua Institution, sponsor since the late 1800s of public affairs debates, organized this conference featuring U.S. and Soviet spokesmen as a followup to its 1985 Conference on U.S.-Soviet Relations in Chautauqua, New York. Debates by U.S. and Soviet Government representatives took place before an audience of Soviet and American citizens. Ambassador Matlock addressed the group in Latvian and Russian.

Ambassador Matlock is special assistant to the President and Senior Director for European and Soviet Affairs at the National Security Council.

It is a great pleasure for me to have the opportunity to visit Latvia again. It has been 25 years since I first visited Riga, admired its beauty, and witnessed a splendid performance in your National Theater. I hope to have a chance to meet many of you who are participating in this meeting. We Americans have a special interest in Latvia, since many of your relatives and descendants are now Americans and have made a distinctive contribution to our society.

Thank you for providing such beautiful surroundings for our discussions this week. All of us visiting from outside Latvia, whether Americans, Russians, or others, are in your debt for your wonderful hospitality. And now, I am sure you will understand if I speak in Russian, rather than continuing to torture your beautiful language with my barbaric accent.

As I have explained to our Latvian hosts, I am very pleased to have the opportunity to visit Latvia again. The topics we have to discuss with our Soviet counterparts are vitally important ones.

Nevertheless, I come to you with a heavy heart. A shocking event has cast a deep shadow over U.S.-Soviet relations and cannot help but have an impact on our deliberations.

The arrest of Nicholas Daniloff[1] by Soviet officials, on charges which were obviously trumped up, almost led to the cancellation of this conference. Several of our counterparts withdrew from participation since they felt that they could not, in conscience, attend.

Why are American feelings so strong? Because Nick Daniloff's arrest seems to us nothing other than seizure of a hostage. It is obvious that Mr. Daniloff was framed by Soviet officials after Gennadiy Zakharov, a professional Soviet intelligence officer residing in the United States under cover of UN employment, was arrested in an act of espionage. But let it be understood that we cannot and will not equate a professional spy caught redhanded with an innocent American journalist.

Although Mr. Daniloff is no longer physically incarcerated, he will be a hostage so long as he is not allowed to leave the Soviet Union. If U.S.-Soviet relations are not to suffer a severe setback, Mr. Daniloff must be allowed to return to the United States without delay. The longer his freedom is denied, the more severely the outrage of his arrest and detention will affect U.S.-Soviet relations.

Although I am a government official, I would like to talk to you today as an individual American, one who has lived several years in the Soviet Union and several more elsewhere in Europe and also in Africa. This has given me the opportunity to learn firsthand about the lives and cultures of people in countries outside my own. I have also learned another thing: that international relations is not some abstract discipline dealing with impersonal geopolitical forces and ideologies but a process that affects the lives of people throughout the world. Therefore, I will not be speaking of generalized "forces of history" but of attitudes held by people and actions that affect the lives of people.

We will be able to solve problems only if we understand them, understand our respective points of view, and make a special effort to find solutions. Therefore, I will speak candidly about the view many Americans hold of the relationship. Discussion is worthless if it is not frank, and we all need to make the most of the splendid opportunity this meeting provides.

The U.S. and the Soviet Union: A Historical Perspective

How is it that two countries which have never fought each other, which do not covet any of the other's territory, and the people of which want nothing so much as peace find themselves so frequently at odds?

It has not always been so. We Americans treasure the memories of our wartime alliance and know very well the immense sacrifices made by all the peoples of the Soviet Union in that fateful struggle. We also know that, historically, American relations with Russia were close and friendly in the 19th century.

I am reminded of a conversation which took place not long ago in the White House. An important Soviet official was visiting Washington, and the President arranged a luncheon for him. As the group was sitting in the State Dining Room, one of the guests called attention to a portrait of Abraham Lincoln on the wall. The Soviet visitor remarked that, "During Lincoln's time, relations between our countries were very friendly."

The President agreed, then said that this reminded him of an anecdote. A couple, married for 10 years or so, were riding in their car, the husband driving and the wife sitting beside him but near the door. The wife observed wistfully, "Remember how it was when we were first married? We sat very close together, and I often put my head on your shoulder as you drove. Now we are sitting so far apart!"

The husband's answer was, "But, honey, I haven't moved!"

And so it often seems to us Americans. As your proverb goes, "There's no inheritance for us to fight over." We do not seek conflict and confrontation. So why have we had recurrent tensions and, at times, come close to conflict during the years since World War II?

Some might say it is because we have different values, social structures, and political systems. These differences are real. Yet we have always had such differences, and they did not lead to conflict. Tensions arose even before the revolution, when Americans protested czarism's abuses of human rights. They intensified when, after adopting a Marxist-Leninist ideology, your leaders declared themselves the enemy of those of a different persuasion and treated the world as an arena for a struggle that would end only with your victory. Thus, it is both actions and ideology that have spawned apprehension and distrust. And given this ideology, you leave us no alternative but to expect that we will be rivals in many areas for the foreseeable future.

But do the problems caused by ideology doom us to conflict? I cannot believe that they do. Let us take a look at the recent past for some clues as to what sort of events and practices have brought us into confrontation.

When the Second World War ended in 1945, Americans, in their joy, thought of nothing more than bringing their fighting men home from the battlefields of Europe and Asia, demobilizing them, and settling down to building a better life at home. We hoped that the new UN organization would preserve peace and freedom of choice for all nations. We hoped that we would never again be drawn into conflicts outside our borders, as we had been during both world wars. President Truman announced a policy of bringing our boys home before Christmas. Most were home for Christmas, but our hopes turned out to be unrealistic.

For what did we witness? Although no one challenged Soviet security, in country after country of Eastern and Central Europe occupied by the Soviet Army, governments were imposed which were not the result of the free elections which our leaders had pledged at the Yalta Conference. The United States incorporated not one square millimeter of territory as a result of the war. Indeed, shortly after the war's end, it granted independence to the 19 million residents of the Philippines. The Soviet Union, on the other hand, appropriated to itself vast territories, without seeking or obtaining the consent of the residents. The use of force and the absence of freely given consent are the reasons the United States has never recognized and will not recognize the legality of the forcible incorporation of Latvia, Lithuania, and Estonia into the Soviet Union.

The United States emerged from the war with a monopoly of a new, immensely destructive technology—the atomic bomb. Had it chosen to flex its muscles and make demands upon others, few—if any—could have resisted. But this was not the course we took; instead, we proposed that all nuclear weapons and the technology to make them be turned over to an international authority, which would destroy existing weapons and maintain an inspection and control of all countries to ensure that they could not be created again. It is a tragic fact of history that Stalin rejected this plan and the inspection and control which would make it feasible.

By 1947, it was clear that the devastated countries of Europe and Asia could not promptly rebuild their societies and economies without outside assistance. The United States, which had not suffered wartime destruction of its industry and agriculture, offered the most farsighted and generous plan of economic cooperation the world has known. The Marshall Plan was offered both to wartime allies and to erstwhile enemies, for we knew that if we were to have peace and security, all nations must have the opportunity to rebuild their economies as they chose. The nations of Western Europe accepted and, within a very few years, were accomplishing economic miracles. Once again, Stalin refused, and not just for the Soviet Union but also for countries of Eastern and Central Europe under Soviet influence.

What conclusions did Americans draw from these and other associated events? Basically, that the Soviet Union

was determined to use military force whenever it could to extend its dominance, was contemptuous of democratic values, and had no interest in cooperation.

Much has changed since those early postwar years, but every time Americans have rekindled their hope that the Soviet Union is prepared to enter a new era—one of cooperation and peaceful, constructive competition ultimately leading to a world when all men and women are free—events have shattered the hope and have reconfirmed those conclusions drawn from Soviet actions just after the war. From the invasion of Hungary in 1956, to the invasion of Czechoslovakia in 1968, to the invasion of Afghanistan in 1979, we have witnessed the Soviet resort to force when no reasonable person would judge that Soviet security, or that of its allies, was threatened. The issue seemed to be one of Soviet insistence on dominating neighbors, pure and simple.

Many will doubtless say that the United States also has used force since World War II, and this is true. We led a UN effort to resist aggression against the Republic of Korea in the 1950s. We tried to help South Vietnam defend itself against North Vietnam—though, after we left, North Vietnamese force prevailed. We provide limited assistance today to people trying to defend their country's independence from armed attack. But the important thing to understand is that all of these actions were reactive—a response to armed aggression by others. The object was never to extend American dominance but only to avoid a world in which military strength is the ultimate arbiter of national independence. Those countries we have helped have always been free to choose their own form of government and alignment in the world.

I cite these snippets of history not primarily to debate—though we can do so if you wish—and not to reopen old sores but to explain why the United States reacts as it does to today's events. We must understand each other's frame of mind and understand how we perceive events if we are to find a way to avoid repeating the shocks and disillusionments of the past.

Key Factors

Once, when I was discussing such matters after dinner with a Soviet friend, he asked me, in a tone of desperation, "Just what do you want of us, you Americans? Do you insist that we give up our system, change our values, just surrender if we are to have peace?" Of course, I told him that was not the point. But I'm not sure I gave a coherent answer as to what we do want. I have often thought about his question since, and would like to try an answer.

What is important to Americans in the U.S.-Soviet relationship? The differences in our values and political systems are important, and we will, of course, defend them. We expect the same from others. We believe firmly, however, that every nation must decide its own destiny, and we respect such choices when they are made by democratic means.

Use of Force. What disturbs Americans is the use of force to resolve disputes, to impose a political and economic system on others, or simply to gain influence and dominance in the world. We find it abhorrent when a faction within a country imposes its will by force of arms and are likely to speak our minds. But we don't involve ourselves unless the force is introduced from the outside.

History has taught us that when one country begins to throw its weight around by military force, the seeds are sown for a wider conflict in the future. In a nuclear age, the world cannot risk wider conflicts.

Look where your troops or weapons are present today where they were not 10, 20, 30, or 40 years ago. You call this the "advance of socialism" in your May Day and November 7 slogans. But how does it look to others—especially to your neighbors?

Moreover, armed force can be a source of tension even when it is not used directly. If one country attempts to force another country to do its bidding under the threat of superior military force, this, too, is destabilizing and only encourages others to try to counter the threat which is invoked.

This means that one of the most basic things Americans are looking for is a movement away from the use of military force to establish new footholds and to settle disputes. Unless we can learn to deal with our differences by nonmilitary means, we will always have a rocky road ahead in the relationship.

Sanctity of Agreements. A second thing which is very important to Americans—and, I believe, to all people—is the sanctity of agreements. Nothing is more destructive of trust than the feeling that a partner to an agreement ignores it and fails to meet its terms if they seem inconvenient. We feel that, unfortunately, some past agreements with the Soviet Union have not been fully and faithfully implemented.

Human Rights. A third matter of great importance to Americans stems, in part, from their own history and values, but also from their assessment of what will promote a peaceful world. Americans are, frankly, deeply influenced in their attitudes by the way a government treats its own citizens. Are citizens free to come and go within and beyond their borders; to have contact with whomever they choose; to practice their religion without constraint or disability; to write and speak their minds publicly as they wish, without reprisals or repression? Or, conversely, does a government act as if its citizens are its own property, to be herded in, forbidden the right to travel, prosecuted for studying the language of their religion, and "shielded" from information or views the government considers unpalatable or inaccurate? As we speak, powerful jammers are blocking broadcasts from many foreign stations. Why? What do your authorities fear, that they would go to such extraordinary expense and effort to shut out information and opinion from the outside world?

Now, some would say that human rights in other countries are none of our business but are internal matters. Others would say that the United States has its own problems—and so we do. We know that our society is not perfect. But we constantly strive to correct injustices and are attentive to the suggestions of others. And any American who prefers to live elsewhere has an absolute right to do so and to come and go as he or she pleases. In fact, one of our problems is that, with all our shortcomings, millions of people are trying to get into our country to live.

But we do not accept the proposition that questions regarding human rights are purely a matter of internal jurisdiction. We believe firmly that human rights are a legitimate international concern, for at least three reasons: legal, practical, and ethical.

- From the standpoint of legality, most nations of the world adhered to the Universal Declaration of Human Rights in 1948, and all the nations of Europe—save only Albania—along with the United States and Canada subscribed to the Helsinki Final Act in 1975. These establish certain rights as internationally accepted standards.
- From the standpoint of practicality, it seems to Americans that nations

with governments which respect the basic rights of their citizens are much less likely to resort to the aggressive use of military force than those who cut their citizens off from contact with the outside world, and suppress the free expression of opinion. All ordinary people throughout the world want peace, and if they are allowed to influence the political processes in their own country, this would provide a bulwark against the practice of military adventurism.

• From an ethical standpoint, nobody has expressed the matter more clearly than the great Russian thinker, Alexander Herzen, who wrote in 1852 about the need for international attention to abuses of human rights in czarist Russia: "The time has come when Russian serfdom should be made, if not a European, at least an English question." He compared the intense attention the British public gave to slavery in the United States to the scant attention given to serfdom in the Russian Empire. Fortunately, both American slavery and Russian serfdom were abolished a few years after Herzen's article, but his basic point is as valid today as it was then: it does matter to the international community how citizens of a country are treated by their governments.

And so, to return to my Soviet friend's question—what do Americans want in the U.S.-Soviet relationship—I would reply as follows: they want to deal peacefully and relegate the use and threat of force to the ashbin of history; they want to reduce military arsenals radically and move toward the ultimate elimination of nuclear weapons and other weapons of mass destruction; they want to pursue the hope of a non-nuclear space defense which could lead us away from the threat of mutual assured destruction; they want honest, fair agreements, faithfully observed; and—if they are to develop a cooperative relationship free of fears that breed the accumulation of weaponry—they want to deal with a society which is open to the world and an integral part of international intellectual and social intercourse.

Armed Conflicts

As I have said, one of the most disturbing factors in U.S.-Soviet relations has been the resort to armed force in an attempt to extend influence or to be the arbiter of local conflicts. In Afghanistan, the Soviet Union is still conducting a full-scale war. Elsewhere, it has supplied arms or supported foreign troops in ways which exacerbate local conflicts. Cambodia, Angola, and Nicaragua come to mind in this context. In some instances, after many years of foreign military interference, the United States finally began providing some limited support—though not its own military forces—to those struggling for national independence and democracy.

Military involvement of the superpowers in these conflicts increases the risk of military confrontation between us. If we are serious about dealing with each other in peaceful ways, we should find a way out of this cycle of action and reaction and work toward a world in which disputes are settled peacefully.

Last year, President Reagan made a far-reaching proposal in his address to the UN General Assembly. It was that the United States and the U.S.S.R. should encourage the parties to these various conflicts to initiate negotiations aimed at finding political solutions. Then, when this is done, the United States and U.S.S.R. should enter into bilateral talks in an effort to terminate their own military involvement, direct or indirect. This would encourage the warring parties to compose their differences—and if they could not find a solution, at least the means for destructive combat would be reduced. Finally, if a peace settlement could be achieved locally among the parties, the United States would join in an international effort to promote reconstruction of the countries despoiled by fighting.

The overall goal of this proposal is to remove regional military conflicts from the agenda of U.S.-Soviet problems. We believe it is important to continue to explore its potential.

One thing is certain: few developments would have a more salutary effect on U.S.-Soviet relations than the withdrawal of Soviet troops from Afghanistan and the withdrawal of Cuban and Vietnamese forces, armed with Soviet weapons, from battlefields outside their borders. Another thing is certain: if the Soviet Union were not involved in these disputes militarily, the United States would not be either.

Arms Reduction

The level of arms, particularly nuclear weapons, is much too high in the world. Chairman Gromyko, when he was Foreign Minister, spoke of our countries sitting on respective mountains of nuclear weapons. We have both agreed that it is imperative to start reducing these bloated arsenals.

We are encouraged that our leaders were able to agree in Geneva to a 50% reduction in strategic nuclear weapons and to the ultimate goal of the complete elimination of nuclear weapons. It is time we got on with negotiating the concrete arrangements to permit a radical reduction of nuclear weapons. There are many other important issues in the arms control area, but none are so urgent as the need to begin, at long last, a substantial reduction of these weapons. Let us not forget that when the Anti-Ballistic Missile (ABM) Treaty was signed in 1972, it was signed on the presumption that an agreement would follow to reduce the levels of offensive weapons. However, we have not been able to achieve such reductions up to now.

So far as the United States is concerned, we are eager for deep, equitable, and verifiable reductions in offensive nuclear weapons. Furthermore, we believe that such reductions should be structured so that neither side need fear a disarming first strike from the other—whether or not there are defenses in place.

We have noted that the Soviet Union has made a series of arms control proposals this year. We have welcomed many elements in these proposals, but, overall, I would be less than candid if I did not say that some strike us as designed more to create a public image than to solve the concrete problems involved. If we are to solve the problems, we must speed up work at the negotiating table.

Human Rights

I have already spoken of the importance of human rights to the American people and their government. I regret that the situation still remains an important source of tension in our relationship. Spouses continue to be divided and families split apart. Persons are in prison for no apparent reason other than expressing views distasteful to their authorities. Emigration is at the lowest level in over 15 years. Suffice it to say that until this situation changes, the possibilities for a true improvement in U.S.-Soviet relations will be severely limited.

Confidence and Dialogue

The fourth group of issues are those remaining ones which affect the confidence both sides have in dealing with each other. Abiding by past agreements—of which I have spoken—is one of these, but there is much more. We are seeking a radical expansion of ties and increased dialogue. This would help both

sides to understand the other better and would bring both government officials and private citizens in both countries into broader and more regular contact.

President Reagan proposed last fall that both governments consider the possibility of a vast expansion of contacts between private citizens. We have lived too long in isolation from each other, and this has created an atmosphere which makes accommodation difficult. The point is not that all problems can be solved by better understanding—many problems are too deep and too real for that to be true—but that lack of contact and lack of understanding exacerbate the real problems and make it more difficult to solve them.

Last November, President Reagan and General Secretary Gorbachev conducted 2 days of intensive, fruitful meetings in Geneva. Their meeting was important, and not just because it was the first meeting of American and Soviet leaders for 6 years and because it gave them an opportunity to get to know each other. These factors alone would have justified the meeting, but the other achievements of the Geneva summit were even more important: the establishment of a structure of dialogue between our governments and the agreements to intensify negotiations on nuclear arms reduction and to reduce strategic nuclear arms by 50%, to name only a few.

Most important, however, the Geneva meeting demonstrated that it is possible to meet and to make progress in the relationship without either side triumphing over the other. It was truly a meeting in which both sides gained.

Joint Goals and Future Prospects

So where does this leave us? Should we begin our discussion this week in an optimistic or pessimistic mood? Of course, whether one is an optimist or pessimist depends upon what question is asked and what goals are assumed. Perhaps it is better to ask what joint goals we should set and then discuss what will be required to achieve them.

The most basic of the joint goals which have already been set is to make sure that the United States and the Soviet Union never wage a war with each other. As our leaders agreed at Geneva last November, "...a nuclear war cannot be won and must never be fought." And, therefore, they "emphasized the importance of preventing any war between them, whether nuclear or conventional."

I am confident that this solemn commitment by our highest political leaders is a genuine one and, therefore, am very optimistic that the United States and Soviet Union will continue to avoid direct military conflict, as they have throughout their history.

The real question in my mind, therefore, is not whether there will be war or peace between the United States and the Soviet Union, but whether the U.S.-Soviet relationship will continue to be full of tension, shaken by recurrent crises, and largely confrontational, or whether we can find ways to compete peacefully and even cooperate on a widening range of issues.

We must expect competition, since the vast difference in the values held by your political leadership and those held by our society requires us to defend what we hold dear. In the 1970s, when many Americans exaggerated the degree of understanding which had been achieved, it was Soviet leaders who reminded us that there could be no slackening of what they called the "ideological struggle." We took note of this reality, and we accept its implications.

Nevertheless, these differences and this competition need not prevent increasing cooperation in many areas where we—and other countries of the world—face common problems. Surely the most urgent of these problems are diminishing the use of force to resolve political and social conflicts, reducing the level of arms in the world, and establishing patterns of broad and open contact and communication between our countries and throughout the world community.

I look forward to hearing the views of our Soviet spokesmen on these important questions, as well as those of my own compatriots whose views may differ from mine in many respects. Let us use this meeting to clarify and debate our various points of view, in the hope that we will all emerge with a clearer understanding of how we each, in our individual capacities, can contribute to building a better and safer world for our children and grandchildren.

---

[1]Nicholas Daniloff, Moscow correspondent for *U.S. News & World Report*, was arrested in the U.S.S.R., allegedly for espionage activities, shortly after the arrest of a Soviet UN employee in New York. Daniloff was released September 29, 1986, as a result of U.S. diplomatic efforts. ■

NATO Nuclear Planning Group Meets in the U.K.

The Nuclear Planning Group of the North Atlantic Treaty Organization (NATO) met in Gleneagles, (Scotland) United Kingdom, October 21–22, 1986. The United States was represented by Secretary of Defense Caspar W. Weinberger. Following is the final communique issued October 22.

The NATO Nuclear Planning Group (NPG) met in Ministerial session at Gleneagles, United Kingdom, on 21st and 22nd October, 1986.

2. We reviewed the outcome of the recent meeting between President Reagan and General Secretary Gorbachev in Reykjavik. We extended our warm appreciation to the President on his conduct of the talks and fully endorsed his bold attempt to seek far-reaching arms control agreements with the Soviet Union. We fully endorsed the President's programme presented in Iceland and stressed that this programme provides the opportunity for historic progress. We welcomed the United States intention to build upon the progress achieved which provides the opportunity for progress towards very significant arms control agreements.

3. We urged the Soviet Union to redouble its own efforts in this direction. Noting that the Soviet side has agreed last year to conclude a separate INF [intermediate-range nuclear forces] agreement, Ministers called on the Soviet leadership to reaffirm its commitments not to hold an INF agreement hostage to any other agreement. A failure to do so would destroy the credibility of the highest Soviet assurances.

4. We agreed that instead of simply codifying the existing levels of arsenals, agreements reached in Geneva should seek to achieve substantial reductions in offensive nuclear forces in ways that will enhance stability and minimize the risk of war. In this context, we fully endorsed the United States positions at Geneva on intermediate-range, strategic and defense and space systems. We strongly support the United States exploration of space and defense systems, as it is permitted by the ABM [Antiballistic Missile] Treaty.

5. We reviewed the status of nuclear forces and discussed related issues, including arms controls. We expressed our continued support for the efforts of the United States and the United Kingdom to maintain the effectiveness and credibility of their nuclear deterrent capabilities. We also received comprehensive briefings by the United States Secretary of Defense on the Soviet nuclear threat, United States' strategic forces and the requirement for nuclear testing.

6. We reviewed a number of issues and nuclear related programmes and reconfirmed our policy and planning related to NATO's nuclear forces. We agreed that both the force

structure itself and the conceptual planning underpinning it are essential components for maintaining a credible deterrent posture.

7. We remain deeply concerned about continuing Soviet efforts to upgrade and expand their military capabilities across the board. We noted with particular concern Soviet efforts involving the full range of strategic forces, shorter- and longer-range INF and short-range nuclear forces, including artillery. We also noted with concern the major Soviet effort into continuing improvements in strategic and tactical anti-missile systems.

8. We noted evidence presented by the United States of continuing Soviet violations of existing arms control agreements. We renewed our call on the Soviet leadership to take the steps necessary to ensure full compliance with its arms control commitments. We noted in this connection that a double standard of compliance with arms control agreements would be unacceptable and would undermine the security of the Alliance. We strongly endorsed the need for effective verification as part of any arms control agreement. In particular, we call on the Soviet Union to agree to such concrete measures as mandatory on-site inspection.

9. In contrast to the growth of Soviet nuclear forces at all levels, it is NATO's policy to maintain only the minimum number of nuclear weapons necessary for deterrence. At this meeting SACEUR [Supreme Allied Commander Europe] reported on the status of the implementation of the Montebello Decision. We noted the reductions and improvement measures which are currently being undertaken by the nations concerned. We shall continue to review the progress of further implementation.

10. We noted the progress made on longer-range INF (LRINF) deployments by the NATO nations concerned including the completion on schedule of Pershing II deployment at the end of last year and the continuing deployment of ground-launched cruise missiles as planned. In the absence of a concrete INF arms control agreement with the Soviet Union obviating the need for deployment, we emphasized NATO's determination to continue the deployment of LRINF missiles as scheduled. We reiterated our willingness to reverse, halt or modify the LRINF deployment— including the removal or dismantling of missiles already deployed—upon achievement of a balanced, equitable and effectively verifiable agreement calling for such action. We emphasized that the United States' proposal in the INF negotiations, developed in close consultation with the Allies, calls for the global elimination of United States and Soviet longer-range INF missiles, accompanied by other appropriate provisions concerning rights and constraints on shorter-range INF (SRINF) missiles.

11. We accepted with pleasure an invitation from Mr. J.J. Holst, the Norwegian Minister of Defense, to hold our next meeting in Norway in Spring 1987.

12. Greece expressed its views in a statement included in the minutes. Denmark reserved its position on INF and space and defense systems. ■

World Food Day, 1986

PROCLAMATION 5527, SEPT. 18, 1986[1]

We Americans are blessed with nature's bounty. As children, our first prayers teach us to give thanks for the abundance we enjoy. We take for granted our full tables and the peace and security in which we enjoy them.

But, unfortunately, many do not share in our abundance. Hunger stemming from poverty and famine retains its cruel grip in many parts of the world, especially in Africa. This year, hunger is not as widespread as it was in 1985, in part because of the humanitarian spirit of Americans and other donors. No nation has been more generous to those less fortunate. We have sent billions of dollars to help other countries rebuild after war or disaster strikes. We have sent billions of tons of food to feed the hungry. And, we have sent our sons and daughters to work alongside our neighbors to help them help themselves.

The nobility of our purpose was made manifest in the great outpouring of aid Americans gave spontaneously to the victims of the African famine. Our help, both public and private, saved hundreds of thousands of lives. Last year, rain returned to Africa, and famine subsided. But hunger has not been overcome and another natural disaster, brought by locusts and grasshoppers, is bringing the threat of continued suffering.

The world is making progress in ending hunger, albeit slowly. In some countries, civil strife and socialist policies continue to fuel famine. We must continue to work towards peace and incentive policies if we are to eliminate famine caused by poverty, drought, environmental decline, and inappropriate economic policies. Many governments throughout the world have recognized that the health of their nations and their people depends on a strong agriculture, based on free enterprise and competitive markets. To this end, my Administration has encouraged policy reform efforts throughout the world, through our economic assistance programs as well as a new Food for Progress program, under which we provide grants of U.S. food to countries adopting sound agricultural policies.

Since its birth as a nation, the United States has relied on the twin pillars of individual freedom and individual enterprise as the foundations of its national economy. Political and economic freedoms cannot be separated; together, they foster a sense of social, economic, and political responsibility that sustains individual growth and fuels economic development. Without self-reliant, creative citizens, no nation can be self-sufficient politically or economically, nor can it provide sufficient food and fulfill the basic human needs of its people. Free market policies can promote economic growth based on social justice, self-reliance and the skills of the people.

Today, millions of Americans in more than 3,000 communities will participate in a variety of World Food Day activities. The spirit of voluntarism has never shone more brightly throughout our Nation.

I ask that the American people use this day to reaffirm their commitment to ending world hunger. Ending hunger throughout the world will require a long-term commitment of the public and the private sectors, of people and their governments, and of developing and donor countries. The technological solutions to end world hunger are known to man; now we must demonstrate that we have the will to eliminate hunger and its primary source, poverty.

In recognition of the desire and commitment of the American people to end world hunger, the Congress, by Public Law 99-288, has designated October 16, 1986, as "World Food Day" and has authorized the President to issue a proclamation in observance of this event.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim October 16, 1986, as World Food Day, and I call upon the people of the United States to observe this day with appropriate activities to explore ways in which our Nation can further contribute to the elimination of hunger in the world.

IN WITNESS WHEREOF, I have hereunto set my hand this eighteenth day of September, in the year of our Lord nineteen hundred and eighty-six, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Sept. 22, 1986. ■

The Systematic Repression of Soviet Jews

by Roger Pilon

Address before the Metrowest Conference on Soviet Jewry in East Orange, New Jersey, on September 28, 1986. Mr. Pilon is Director of Policy for the Bureau of Human Rights and Humanitarian Affairs.

It's a pleasure to be here this evening to speak to your Solidarity Sunday Rally for Soviet Jews. Of course, it would be an even greater pleasure if I did not have to be here, if none of us had to be here, if we could all go home to the quiet enjoyment of our families and friends. But we are here because there is great suffering today in the Soviet Union. The kind of quiet enjoyment we take for granted in America is increasingly difficult to find there, especially for Soviet Jews. Amidst this suffering, we cannot rest; we must speak out.

I will return shortly to the particular plight of Soviet Jews. At the outset, however, I believe it should be said that to one degree or another *everyone* is suffering in the Soviet Union. Life there is difficult even for the ruling elite, the *Nomenklatura*—else how to explain the defections from even that class of the classless society. Life is difficult for all the reasons we know too well but tend to forget too easily, especially when we project our own habits of political thought upon other political systems. It would be well to recall, then, just what some of those reasons are.

The Constitutional Basis for Soviet Repression

They begin, of course, with Marxist-Leninist theory itself. This is a theory, let us remember, that has nothing to do at all, really, with *individual* well-being—material, much less spiritual. Unlike our own moral, political, and legal heritage, stemming from the classical liberal tradition, Marxism begins not with the individual but with the group. It subjects the individual to the group, whether he wishes it or not, in order to build communism. In other words, it *uses* people for the greater social good; it treats people as means, not as ends in themselves.

But let me go to the current source of this treatment by way of illustration, the Soviet Constitution of 1977, the Brezhnev Constitution. If you have never read through the Soviet Constitution, I urge you to do so. Go to your library, look it up, read it, and then reflect upon what it really says. It is a marvelous statement of what the Soviet system really is all about, perhaps the best you will find. But you must read it carefully and critically. Let me touch upon a few salient passages here, to lay the foundation for what I want to say shortly.

The Constitution begins, in article 1, by saying that the U.S.S.R. "is a socialist state of the whole people, expressing the will and interests of the workers, peasants, and intelligentsia, the working people of all the nations and nationalities of the country." No mention here of inalienable rights or of securing the blessings of liberty; just an assertion that the U.S.S.R. is a socialist state and that it expresses the *will* and *interests* of its constituents. How do we know that the socialist state represents the will and interests of all? The question is not a little problematic, of course, especially since we know that, in fact, there was nothing like a meaningful constitutional ratification process, there is no meaningful franchise, nor is there even a recognized right to emigrate—a right to vote with one's feet about whether the socialist state does, indeed, represent one's will and interests.

But that problem looms ever larger when we move to article 2: "All power in the U.S.S.R. belongs to the people." Now on first blush that proposition looks innocuous enough, even commendable. After all, better that all power be in the hands of the Communist Party? Upon reflection, however, it becomes clear just what is going on here. The difficulty is not with the quantifier, "all," not at the outset, at least, but with the other three-letter word, "the," before "people"—"All power in the U.S.S.R. belongs to *the* people." I'm reminded here of a remark made by one of my teachers at the University of Chicago, Professor Milton Friedman, about a slogan heard so often in the late 1960s: "Power to the people." But for the word "the," Professor Friedman said, he was in complete agreement with that slogan. That word, however, institutionalizes "people." "Power to People," that is, implies that people be empowered *as individuals*. Add the word "the" before "people," however, and you're calling for institutionalizing those individuals. No longer are they to have power as individuals but only as the institution "the people." Let me emphasize that this is no mere semantic or syntactical point I am pressing here; it is rather a point of the profoundest moment. For once we realize that as a *practical* matter "the people" can exercise their power, can express their will and interests, not by discrete, individual pursuits but only through complex institutional arrangements, the focus is shifted immediately from people, as individuals, to institutions.

At this point, moreover, the force of the quantifier "all" comes into play. For if *all* power in the U.S.S.R. belongs to "the people," that is tantamount to saying that all power is institutionally exercised, that no power belongs to people as such—indeed, that there is no place in the Soviet system for *private* power, individual or institutional.

But the matter does not end there either. For if all power is to be exercised institutionally, there must be some mechanism by which the people decide and act institutionally. Don't look for a Western-style voting mechanism: article 3 tells us that "[t]he Soviet state is organized and functions on the principle of democratic centralism, namely the electiveness of all bodies of state authority from the lowest to the highest,. . .and the obligation of lower bodies to observe the decisions of higher ones." But "electiveness," it turns out in article 9, means "ever broader participation of citizens in managing the affairs of society and the state,. . .greater openness and publicity, and constant responsiveness to public opinion."

Clearly, "electiveness" is a long way from "elections." It remains an open question, therefore, just how decisions get made and actions get taken in the Soviet Union. Only when we turn to article 6 do we find the answer to that question:

> The leading and guiding force of Soviet society and the nucleus of its political system, of all state organizations, is the Communist Party of the Soviet Union. . . .
>
> The Communist Party, armed with Marxism-Leninism, determines the general perspectives of the development of society and the course of the home and foreign policy of the U.S.S.R., directs the great constructive work of the Soviet people, and imparts a planned, systematic and theoretically substantiated character to their struggle for the victory of communism.

There, precisely, is how the "will and interests" of "the people" get determined and carried out in the Soviet Union—by the Communist Party. Like some giant, *deus ex machina*, lumbering

down from on high, the Party directs the great constructive work of building socialism.

But have I not ignored the rights individuals enjoy in the course of this grand undertaking? After all, the Soviet Constitution does speak of "freedom of speech, of the press, and of assembly, meetings, street processions and demonstrations." Indeed, it does, but read article 50 carefully: these freedoms are guaranteed "[i]n accordance with the interests of the people and in order to strengthen and develop the socialist system." Speech in defense of the system, yes; against it, no. As Fidel Castro has said in his own little world, "Within the revolution, everything; against the revolution, no rights at all." Through "defeasance clauses" just such as this, the Soviet Constitution renders meaningless every right it purports to guarantee. Indeed, just to be safe, article 39 sets forth a general defeasance clause: "Enjoyment by citizens of their rights and freedoms must not be to the detriment of the interests of society or the state. . . ." When "interests" rise to the level of rights, rights are in trouble.

Is it any wonder, then, that there is massive repression in the Soviet Union? There, right in the Constitution, is the rationale for it—to build communism. Toward that end, individuals are means—to be used. So far is this from our Western approach to political organization as to be its polar opposite.

Soviet Reality Follows Soviet Theory

It is particularly important to grasp, then, that the Soviet system is not simply a case of good intentions gone awry. It is not, that is, that the Soviet Constitution is basically sound, that the system is one of promise—if only the men who run it would live up to that promise. (On the contrary, it is fortunate that they do *not*, because they *cannot*, live up to the system's promise.) What we have, instead, is a system that itself is fundamentally flawed, a system that is fundamentally wrong—but a system that delivers, tragically, on much of what it promises.

By design, then, citizens of the Soviet Union are subjugated, at virtually every turn in their lives, to the interests of the state, as determined by the Party. With a centrally planned economy, the daily decisions of life, from production to distribution, from education to employment, to income, housing, and on and on, are all out of the hands of the individual to a degree vastly greater than anything we know in a free society. Over this public control of the daily affairs of life, the individual has very little influence. There is no effective franchise, of course, nor any effective way to object to the decisions that determine one's daily life. Indeed, the attempt to protest is itself a sign that you don't understand your own best interests, that you may, in fact, be a candidate for psychiatric incarceration. At the very least, protest is a threat to the authority and integrity of the all-encompassing system and thus marks the protester for repression.

The result, of course, is a drab and mean existence and a constant daily struggle just to survive. Far from a life of meaning, a life that inspires, it is a life that suffocates. Surrounded by scarcity, by bureaucracy, by the constant din of slogans, propaganda, and lies, is it any wonder that people turn inward, to themselves, or to their religious and cultural heritage? Even among those formerly committed to the system, there is broadening realization that, after seven decades of struggle and sacrifice, the building of communism is going nowhere, except for more of the same. The rebirth of interest in religion across the Soviet Union should not surprise, therefore, despite relentless efforts to stamp it out.

The Repression of Soviet Jews

But Jews have come in for particular repression—insults, deprivation of cultural rights, quotas at institutions of higher learning, denial of professional opportunities, not to mention outright arrest and incarceration for practicing their traditions—all based simply upon their being Jewish, all of which urges us to reflect upon why this is so. There are the usual explanations from anti-Semitism, of course, couched in the Soviet Union as anti-Zionism, which have a long history in Russia. But there are other, systemic reasons at work as well, which in many ways are more interesting.

There is first the belief that Jews, as a class, cannot be trusted, a thesis developed recently by Professor Matatyahu Minc of the Diaspora Institute at the University of Tel Aviv, a student of the history of the Jews in the Soviet Union. Observing that the ruling *Nomenklatura* selects its members primarily on the basis of evidence of total loyalty to the system—loyalty, above all, to one's fellow *Nomenklatura* members and complete subservience to one's superiors—Professor Minc argues that Stalin's successors concluded, just as Stalin had, that Jews, as a group, came from a cultural pattern that made them unfit for a system of this kind. Drawing upon this thesis, Ambassador Richard Schifter, presently Assistant Secretary of State for Human Rights and Humanitarian Affairs, observes that "gradually, almost imperceptibly, the job level beyond which Jews may not rise in the Soviet Union was lowered. Increasingly, prestigious institutions of higher learning closed their doors to them entirely or permitted only a tiny number of applicants to enter. As the years passed, Jews thus began to be moved to the margins of Soviet society."

Yet another, closely related explanation for the particular repression of Soviet Jews returns us to the character of the Soviet political system. Although Jews were repressed under the czars, the character of that repression was not totalitarian: the czars allowed Jewish cultural and religious institutions to flourish, for example. Soviet rulers, by contrast, distrust any institutions they do not control; in fact, they will not, indeed cannot, allow independent institutions to coexist with the state since these are a threat not only to their total control but, more importantly, to the rationale for that control. The "new Soviet man," after all, does not need independent institutions. The return of Soviet Jews to their religious and cultural heritage is thus a slap in the face of the system itself. It must be repressed, especially when it takes the form of group or institutional activity.

In recent years, however, that repression has increased substantially, to the point of a crackdown, over the past 2 years, even upon teachers of Hebrew. Arrests of Hebrew teachers and Jewish cultural activists on trumped-up criminal charges are common, as are beatings and other mistreatment. Is it any wonder then that Jews are asking to leave?

Jewish Emigration

But there, of course, is the rub, for the Soviet Union does not recognize any right of free emigration, notwithstanding that it is a signatory of the Helsinki accords wherein it promised recognition of such a right. In practice, as we know, emigration is possible, for reasons, primarily, of family reunification. Yet the regulations governing emigration are unavailable to applicants; and procedures are lengthy, usually arbitrary, and invariably surrounded by persecution. Those denied permission, the *refuseniks*, frequently endure years of suffering. Fired from their jobs, or at least demoted, they are shunned by their friends out of fear of guilt by association. Often their apartments are

searched, their mail seized, and their telephones disconnected. Moreover, the more vocal they become about their right to emigrate, the more they expose themselves to official harassment and possible repeated refusals of permission. When this suspended animation goes on for years, life can become all but unbearable.

Regrettably, these conditions describe the Soviet Union even, indeed especially, today. In fact, emigration of Soviet Jews is at its lowest level in 20 years. During the first 9 months of 1986, only 631 were allowed to leave. At its present rate, emigration this year will be down by about 99% from the rate in 1979. Yet we know the names of at least 11,000 Soviet Jews who have been refused permission to emigrate; and approximately 380,000 others have requested invitations from relatives abroad as required by Soviet law. Clearly, the situation under Mr. Gorbachev is not improving, notwithstanding a few high-visibility gestures such as the release of Anatoliy Shcharanskiy and the visit of Yelena Bonner. In fact, the situation is as bad as it has been at any time in the post-Stalin era. The loose associations of dissenters have been destroyed. The arrest and punishment of dissenters has discouraged others from following the same path. We are back to the days of total repression.

The Administration's Response

Well, what are we in the Administration doing about this? Perhaps a better question would be what *can* we do about this? One thing that comes readily to mind, of course, is conditioning trade agreements upon an improvement in the human rights area. But here the possibilities are limited by the fact that it is a world economy we need to coordinate if we are to be effective; and that economy is by no means ours to coordinate. Nevertheless, where we can be effective in this area, we try to do so.

In general, however, we have followed a dual policy of private and public diplomacy by way of trying to improve the situation. In particular cases where we believe we can be effective, that is, we try quietly to obtain relief. Clearly, however, we have had only limited success in these efforts at quiet diplomacy. Accordingly, we have had increasingly to go public in our criticism, in the belief that Soviet leaders have at least some concern for their standing in the international community. Rightly or wrongly, that is, we have assumed that if we speak often and loudly enough, the public relations price Soviet leaders will have to pay will influence them to improve the situation.

There is considerable evidence, of course, that Soviet leaders do care about Western public opinion—else why the intense media efforts of Mr. Gorbachev since he came to power. They care because, notwithstanding all their military might, they can effect favorable deals with the West most efficiently by manipulating constraints on Western decisionmakers. It is democratic public opinion, therefore, and Western democratic opinion in particular, that is up for grabs here—the only public opinion that matters because the only opinion that can be translated into public policy. And let us be clear, more precisely and more fundamentally, it is *moral* opinion that is ultimately at issue.

Soviet Reaction

Which brings me to my final considerations: the Soviet response to our human rights public diplomacy is presently going through an interesting change, which presents a fundamental challenge to us that I'd like to share with you this evening. No longer do we hear what we used to hear so often when we complained, namely, that we were interfering in the internal affairs of the Soviet Union. Rather, we are met today with a two-pronged counterattack. The first is to charge, in reply, that the United States, too, has massive human rights problems, from hunger, to homelessness, to unemployment. The second is to try to shift the name of the game from "human rights" to "humanitarianism." These two threads, let me note, are closely connected. Moreover, they play to patterns of thought that have evolved in the West, and especially in Europe, for nearly a century now, from at least the Progessive Era—patterns that have come under serious intellectual scrutiny only in the last decade or two and serious political challenge only in this decade.

Let me briefly address these two lines of response in order. The first points to what we in the West loosely call "social problems," which the Soviets then convert into "human rights" abuses. But, in doing so, they point as well, by implication, to the great international debate over two very different conceptions of "rights": our own conception of "civil and political rights," derived from the classical liberal trinity of life, liberty, and property; and the socialist conception of "social and economic rights," so-called rights to the goods produced by the society organized along socialist lines. In this country, for the most part, we have steadfastly resisted recognizing these social and economic "rights," not least because attempts to enforce them involve both the planned economy, with all its massive inefficiencies, and repeated violations of our traditional rights.

In this last connection, recent scholarly work has shown clearly that you cannot have it both ways: every attempt to compel the production and distribution of these social and economic goods and services, that is, ineluctably amounts to a violation of individual rights to be free. Here again, it is no accident that the Soviet system, which attempts to secure these "rights," is as unfree as it is. The better approach to these admitted social problems, we have said, is to encourage private, voluntary solutions and to turn to forced solutions only when and to the extent necessary. Only thus do we conform to the principles that define us as a free society.

The second tactic we have increasingly seen from the Soviets by way of response to our charges is to attempt to shift the terms of the debate from "human rights" to "humanitarianism." Witness, for example, their recent creation of a Humanitarian and Cultural Affairs Office in the Ministry of Foreign Affairs. This move plays, again, to confusions that have set in in our own understanding of our moral foundations, which is why the remarks of the President on the subject last Monday before the UN General Assembly were so critically important. Indeed, they state the point so well as to bear repeating here:

> I note that Mr. Gorbachev has used in recent speeches the same categories I have used here today: the military, the political, and the economic; except that he titled his fourth category: humanitarian.
>
> Well, the difference is revealing. The United States believes that respect for the individual, for the dignity of the human person—those rights outlined in the UN Universal Declaration of Human Rights—does not belong in the realm of charity or "humanitarian" causes. Respect for human rights is not social work; it is not merely an act of compassion. It is the first obligation of government and the source of its legitimacy.

How clear and to the point those remarks are. It is up to us now to bear them in mind as we press on with our important work, as we cry out against the suffering that is going on in the Soviet Union today.

This is not a pretty picture I have drawn for you this evening. I wish I

could be more sanguine, but as the legal latinate has it, *res ipsa loquitur*—the case speaks for itself. I am here, in part to tell you about it, in part to assure you we are listening, but mostly to try to make it clear just what the nature of the problem is and what we must do about it. We must be resolute, but we must also realize that we are in this for the long haul. It is, after all, our children and our children's children who will inherit this world from us. ■

Supporting U.S. Interests in the Middle East

by Richard W. Murphy

Statement before the Subcommittee on Europe and the Middle East of the House Foreign Affiars Committee on October 8, 1986. Ambassador Murphy is Assistant Secretary for Near Eastern and South Asian Affairs.[1]

Several events have occurred in the peace process since I last joined the committee in open session in August. Today, I would like to review a number of the developments, including the Alexandria summit and the Hassan-Peres meeting. At the same time, I would also like to draw attention to trends here in Washington that ironically threaten to undermine our ability to sustain and encourage the positive developments we see in the region.

Peace Process

Several recent developments have created an atmosphere in the region more favorable to the achievement of real progress toward peace.

The Alexandria summit—and the Taba arbitration agreement which made it possible—are important indicators of where we are today in the peace process. They mark an important step forward in the Israeli-Egyptian relationship, the opening of a "new era," in the words of the summit communique. That relationship remains the key building block to Middle East peace. As President Mubarak and Prime Minister Peres noted in their joint communique, the signing of the Taba arbitration compromise once again demonstrated that direct dialogue and negotiations are the *sine qua non* for progress.

The growing realization in the Arab world that direct contacts with Israel are acceptable and beneficial was clearly exemplified also by King Hassan's meeting with Shimon Peres and the muted reaction to it, including in the Arab world. The Moroccan monarch joined those who forthrightly declare to the world that they are willing to take risks for peace—to face threats from rejectionists who all too often resort to cowardly terrorism and intimidation to block peace. We applaud Morocco's action.

The Hassan-Peres meeting, Alexandria summit, and Taba agreement are among a number of positive developments that we have seen in the region over the past several months.

- King Hassan abrogated his treaty of union with Libya.
- The reaction to the U.S. raid on Libya was, with few exceptions, moderate and contained.
- King Hussein has increased Jordan's involvement on the West Bank.
- Common areas of understanding as regards the peace process have developed among Israel, Jordan, and Egypt, as the Vice President noted at the conclusion of his recent trip to the region.
- Egypt has returned its Ambassador to Israel and is actively engaged in ways to increase trade and tourism between the countries.

We can have no illusions. The core problems affecting the peace process remain to be settled, to be sure. But there is a clear desire on the part of many leaders in the region to find a way to sit down and together resolve even those most difficult problems. There are many signs that the parties in the region will continue their efforts to advance the prospects for peace, and we look forward to continuing our constructive work with the Israeli Government after the upcoming rotation. The United States remains and will remain actively engaged with the parties as they seek to find a way forward.

I do not predict any sudden breakthrough in the near future. But the kind of undramatic, steady progress we have made over the last few years will continue, thanks to the efforts of our friends in Israel, Jordan, Egypt, and now other moderate Arab states like Morocco.

It is regrettable that King Hussein's initiative, nurtured and encouraged by Prime Minister Peres and President Mubarak, was blocked by the PLO's [Palestine Liberation Organization] inability to meet the King's three challenges last February. But, importantly, the parties have not abandoned efforts, hopes, or aspirations for progress. They continue to build on areas of common agreement. All recognize the Palestinian people and their right to participate in the determination of their future. The remaining question is how.

All also are of one mind that a productive route for working together is to seek ways to improve the quality of Palestinian life on the West Bank and Gaza. Their efforts go beyond economic indicators. It involves a common realization that Palestinian residents of the occupied terrorities must have a greater sense of control over their livelihood, civic life, and future prospects.

The United States has encouraged the parties to take practical steps to improve living conditions on the West Bank and to highlight the dynamic nature of the ongoing peace process. Recent successes include the introduction of measures to reduce barriers to trade between the West Bank and Jordan.

Central to improving the quality of life for West Bank-Gaza Palestinians is provision of economic assistance to finance a variety of developmental projects. We have provided $14 million for that support and will continue to give these programs high priority next year. These funds are disbursed through several private voluntary organizations operating in the West Bank and Gaza. We have made an additional $5.5 million available through Jordan during this fiscal year. We are also active in encouraging our European and Japanese allies to contribute to Jordan's efforts on the West Bank. Without any doubt, these efforts merit our continued assistance. But I am gravely concerned that we will not be able to be as generous as the importance of these programs would warrant.

Egyptian Economy

Egypt's difficult economic situation continues to draw our full attention as it involves one of our key peace process partners. In recent months, the Egyptian Government has taken some important steps in implementing economic reform. One indicator of progress is a substantial fall projected in the

gross domestic product/budget deficit ratio for the fiscal year ending in June 1987—a result of increased revenue and restraints on expenditures. The Egyptians have made hard decisions, and many others lie ahead. We welcome the government's resolve to deal with Egypt's economic problems.

We are also encouraged by the intensive talks underway between the Egyptian Government and the International Monetary Fund (IMF) and World Bank. A team of senior Egyptian officials followed up discussions with the Fund and Bank in Cairo in August and September with nearly 2 weeks of talks in Washington during the IMF/IBRD [International Bank for Reconstruction and Development] annual meetings. These talks produced progress, and the Fund and Bank agreed to resume discussions in Cairo within the next few weeks. We hope these negotiations will produce a sound, timely program which addresses Egypt's financial needs and produces the basis for future economic growth and continued political stability.

Challenges

It is a challenging period in the Middle East; a time when many Middle East leaders alike are in agreement on the common goal of negotiation aimed at resolving the Arab-Israeli dispute. It is a time when the parties are actively, openly, and creatively probing for routes around barriers. Paradoxically, it is also a period when forces and trends finding expression on resources we allocate to the foreign affairs budget hinder us from encouraging positive development.

Secretary Shultz expressed his grave misgivings during his address at Harvard University's 350th anniversary last month. His remarks, although global in scope, go to the heart of many of our concerns regarding U.S. policy in the Middle East. The Secretary spoke passionately of an "extraordinary development: the congressional attack on the foreign affairs budget."

The Secretary noted that congressional reductions and earmarking of aid levels to a few countries deprive us of over half of all our security and economic assistance to many countries in the world. To be sure, two of our closest Middle East friends greatly benefit from earmarks—Israel and Egypt—but several of our other friends will be severely penalized. At a time when some moderate Arabs are more prepared than ever before to move toward Israel and when they themselves face mounting economic difficulties, we simply do not have the means to offer developmental support.

The Secretary correctly noted that the dollars we spend on such assistance are the most cost-effective bargain among all of our national security activities. For example, the assistance we provide to Jordan for developing the West Bank is an inexpensive investment in regional peace. As I mentioned earlier, our support, both moral and financial, for the quality of life of Palestinians is welcomed by Israel, Jordan, and Egypt. The struggle for a comprehensive, fair, and just Middle East peace will not be won by the opening of a bank or the completion of a water project. But the context in which the peace process works cannot but be affected by the quality of life on the West Bank.

The severe reductions of U.S. security and economic assistance in the Middle East come at a time when our closest friends face grave economic difficulties, owing in part to the oil glut and debt crisis. During this type of crunch, the strong support of the United States is most needed and appreciated. Included in this group are small nations such as Tunisia and Jordan—both of whom speak forcefully against Qadhafi's state-sponsored terrorism and worked courageously behind the scenes in the Arab League to prevent a strong condemnation of the U.S. Libyan raid. There were others. Morocco defied Qadhafi in August by unilaterally abrogating the Oujda accord with Libya. King Hassan's bold initiatives with Israel have done much to further peace in the region. Many of these same friends stand to be heavily penalized by our assistance cutbacks.

Secretary Shultz warned of other dangers. He spoke of an alarming swing in America from involvement to isolation. Rather than giving in to our "impatience with diplomacy," the Secretary challenges our nation to pursue practical political solutions in this world. This requires "perseverance, understanding of ambiguity, and a recognition of the need for compromise." Specifically, he decried those who despaired at the disturbing trends in the United Nations and called for strengthening our role in the United Nations for affirmative reasons and also lest others whose interests are adverse to ours step into our place.

I can think of no better example of Secretary Shultz's point than the opportunity we have to continue U.S. involvement with the UN Interim Force in Lebanon (UNIFIL). We have supported UNIFIL since it was established in 1978. Its objective was to confirm the Israeli withdrawal from Lebanon, to assist the Lebanese Government to return its effective authority to south Lebanon, and to contribute to the restoration of international peace and security to the area. It could play a key role in future security arrangements. The force has not been able fully to carry out its mandate. But we believe it makes an important contribution to stability in the area. I want to thank the members of this subcommittee for their letter of support for UNIFIL.

We are deeply concerned that the Congress may provide less than half our $42.9 million request for fiscal year (FY) 1987 after making a similar cut in our FY 1986 request. Congress' move first to eliminate and then to reduce our contribution to UNIFIL has made our policy of consistent support for the force more difficult to carry out. The governments of the troop contributors, who look to us for leadership on this issue, indicated serious concern at these developments. They take it as evidence of eroding U.S. political and diplomatic support for UNIFIL. Perhaps in the face of our wavering, the Soviets—for the first time since UNIFIL's establishment—in April voted in favor of renewing UNIFIL's mandate and expressed a willingness to pay their share. It is clear that for the Soviets, our funding difficulties represent an opportunity to gain propaganda and political advantage at our expense in Lebanon and at the United Nations.

The case can be made equally well for recent congressional efforts to reduce U.S. support for the UN Relief and Works Agency (UNWRA) and the Sinai Multinational Force and Observers (MFO). The United States has a deep and fundamental commitment to seeking stability in the Middle East. Reducing funds for UNWRA only sends a false signal that our resolve to acknowledge and support the needs of Palestinian refugees is weakening. Similarly, we have a firm political commitment to Israel and Egypt to contribute one-third of the costs of the MFO. To dishonor that promise would be interpreted as our backing away from the Egyptian-Israeli peace treaty.

In this context, I want also to reiterate the Administration's concern that the suffering of the Lebanese people be soon alleviated. We strongly support the current Lebanese initiative, through the committee of dialogue, to find a blueprint for political and security reform. We believe that the continued violent interference of militias in an effort to restore the rule of law is reprehensible. Militias should be disbanded.

Perhaps more than any other current congressional initiative, I am concerned at the long-term threat to the President's ability to conduct foreign policy and, importantly, to advance U.S. interests in the region constituted by the proposed Biden-Levine bill to change the Arms Export Control Act legislation. Although the Administration has not yet completed a detailed examination of the full legal and policy effects of the bill, I would like to take this opportunity to express my personal and profound misgivings now—early in the process of its consideration. In the press conference announcing the bill, one of the sponsors stated that the objective of the bill is to respond to the constitutional concerns raised by *Chadha*—the Supreme Court's 1983 decision striking the legislative veto—and to require a majority vote of both Houses of Congress to approve "sensitive" arms sales. The bill adequately addresses the *Chadha* issue by providing for a joint resolution to be presented to the President. However, the bill raises other questions by restricting the President's foreign affairs powers. In this regard, while the bill is apparently neutral, the sponsors make no secret of the intent of the legislation—to block approval of such sales to the moderate Arab states.

With all respect to the sponsors of this legislation, I fear that it is another example of the tendencies now developing in the American policy that Secretary Shultz identified in his Harvard speech. It is a reflection of isolationism—best understood as an unwillingness to recognize the complexities and realities of the world we live in. It reflects a desire to withdraw from regional engagements, to bypass diplomacy, and to impose congressional restraints on the President's constitutional ability to conduct foreign policy.

The Secretary's view is well illustrated by the continuing course of events in the Persian Gulf. As this committee well understands, one of our nation's highest priorities is to assure the free flow of oil from the gulf. Our friends in the region such as Saudi Arabia and the other Gulf Cooperation Council countries must have the means to protect themselves and their interests and, in the process, maintain freedom of international navigation. Their need is very much in line with U.S. interests. Over the years, we have taken important steps to maintain these common security interests. We have provided both eyes and ears and sword and shield to our friends in the gulf, and as the crisis goes on, we will be required to do more so that they can defend both their interests and our own.

Since I last talked with you in mid-August, the preparations for a large Iranian offensive have proceeded apace. The offensive (or offensives) could be launched during the next few weeks. There is mounting concern both here and in moderate Arab capitals that the combination of Iran's stated intention to launch the "final" offensive and the change in Iraqi air tactics since mid-July has led to a heightened tempo and pace of the war.

Despite their very substantial economic problems, the Iranians continue to believe that they have a good chance of making a "breakthrough" of some sort with this offensive. Iranian troop concentrations are gathering in both the central and southern sectors of the front, from Mehran to Faw. Domestic preparations—readying hospitals to receive the wounded, Khomeini blessing the army and Revolutionary Guard leadership—have taken place.

If there was any doubt about Iran's commitment to victory, they were laid to rest August 24 when Ayatollah Khomeini intervened in the war discussion and, in the midst of a lengthy exhortation on the war, made the following comments:

> We must . . . refuse to submit to either an imposed peace or an imposed arbitration. We must continue this war, as decided by ourselves and our nation and as stated by the entire nation. This war must continue until, God willing, victory is achieved. The victory, God willing, is near . . . . If our nation wishes to see this victory achieved, then it must be mobilized. Our entire nation must be mobilized in the true sense of the word for the battlefronts.

The Iraqis are well aware of Iranian plans and troop movements and have made their own preparations over the summer, mobilizing new troops and sustaining a very vigorous air war against Iranian economic targets since mid-July. In fact, since we last met, the Iraqis have done substantial damage to Iranian oil targets in the gulf, with strikes on Kharg, Lavan, and Sirri Islands, as well as refineries and oil production networks on land. As for the expected offensive, we believe that Iraq should be able to sustain its defenses.

While all attention is focused on the imminent offensive, we continue to be concerned about the long-term outlook of the war. As the level of violence and destruction escalates, so do the chances for the spreading and spillover of the war. Already, gulf shipping has become a renewed target for both sides. We continue to press our 3-year-old diplomatic initiative to prevent arms from getting to Iran. We do this because of our desire to see the war wind down. We target Iranian procurement because Iran is the intransigent party in the war, refusing to consider any negotiation or mediation proposal made to date.

We also continue our diplomatic exchanges on the war—in an effort to see what we might be able to do—at the United Nations or elsewhere to help draw the war to an end. Our problem, again, has been Iranian commitment to the war. There are any number of potential, even eager, mediators—and Iraq has agreed to various proposals, but Iran has not.

In conclusion, and to emphasize the Secretary's thoughts, we live in a dangerous and highly interdependent world. The preeminent task of the Executive and Congress is to meet the challenges before us by working together to construct a wise and just foreign policy that protects the best interests of the United States. This requires adequate resources, including a fair and flexible arms transfer statute.

---

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Israeli Prime Minister Peres

Prime Minister Shimon Peres of the State of Israel made an official working visit to Washington, D.C., September 14–16, 1986, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and Prime Minister Peres after their meeting on September 15.[1]

President Reagan

It has been a great pleasure for me to welcome, again, Shimon Peres to the White House. He's a valued friend, a statesman and a spokesman for peace, and a leader of the Government of Israel, a country with which the United States has deep and special ties.

Our meeting today reflected the close dialogue that Israel and the United States enjoy as friends and partners. We discussed our broad bilateral agenda as well as regional and international issues.

Item number one was our commitment to continuing the search for a negotiated peace between Israel and all of its Arab neighbors. We noted favorable trends in the Middle East, not just the longing for peace by the Israeli and Arab peoples but constructive actions taken by leaders in the region to breathe new life into the peace process.

No one has done more than Prime Minister Peres to that end. His vision, his statesmanship, and his tenacity are greatly appreciated here.

In this connection, we have just witnessed an auspicious event: the meeting between Prime Minister Peres and President Mubarak of Egypt following successful negotiations on a formula for resolving the Taba dispute. Egypt and Israel have once again demonstrated that Arab-Israeli differences can best be resolved through direct negotiations.

We're also heartened by the continued efforts of King Hussein of Jordan as well as the historic meeting between King Hassan of Moroccco and Prime Minister Peres. There is reason for optimism and hope.

Prime Minister Peres and I have agreed that a steady, determined effort is needed by all if the remaining obstacles to direct negotiations are to be surmounted. So, our two governments today reiterate our pledge to keep pushing toward a lasting peace.

In our discussions we also reviewed many aspects of the close and mutually beneficial relations between our countries, including the need to maintain a strong and secure Israel. To this end, not only is military strength essential but also a vigorous, growing Israeli economy. Prime Minister Peres and his colleagues in Israel's national unity government have achieved remarkable success in stabilizing their economy. They are now turning their attention to growth, with our full encouragement and support.

I emphasized to Prime Minister Peres that the U.S. Government remains deeply concerned about the plight of Soviet Jewry and that this subject will continue to be an important part of our dialogue with the Soviet Union.

We also discussed the scourge of terrorism and our revulsion over the recent murder of the innocent in Istanbul and Karachi.[2] The lives of Jews, Muslims, Hindus, and Christians were taken in this attack on civilization. These were acts of horror and outrage.

Israelis and Americans can be proud of the relationship between our two countries. The common values and interests that bring us together sustain us both, and the many levels of cooperation between us provide a rich substance to our ties.

We look forward to building on the good will and trust so evident between our governments and peoples.

Prime Minister Peres

It is with satisfaction that I join you at a conclusion of yet another most productive meeting where your dedication to peace in the Middle East and your long-recognized friendship to the people of Israel—may I say, to the Jewish people all over the world—found one small, concrete expression.

When we met 2 years ago, we laid out policies and strategies for peace, security, and economic development. These were mostly accomplished, much, due to your friendship and determination. Today we look at the future. I am certain that what we have planned will be implemented with equal imagination, dedication, and resolve.

On the peace front, we have prepared the ground for a new drive. The end of the war in Lebanon, the beginning of what President Mubarak termed a new era in the Israeli-Egyptian relations, a policy that keeps doors open for coexistence and peaceful relations on the West Bank and Gaza, the search for a Jordanian-Palestinian platform for progress—all pave the ground for the next phase.

There is always a difference between up-rooting a tree and making a forest grow. Confrontation is by definition a single event. Peacemaking is a process which requires constant patience, cultivation. I am certain that together we can sail to new shores of understanding in pacifying our region. The good offices of the United States has demonstrated its effectiveness by demonstrating restraint in appearance and dedication in content.

The next step should be directed toward negotiation between the parties concerned. The international community can support such negotiations, not substitute it. We are for, clearly, direct negotiation on a bilateral ground between each of the parties concerned. And international support can provide the parties with an opportunity of an opening occasion, but negotiations should remain between the parties concerned.

For the international participation, we shall accept only parties that respect peace and human rights, and we shall not compromise on it. Small as we may be, we are not going to depart from conviction and principles that should be respected by all, small and large at the same time.

Again, I would like to thank you for the depth of your understanding, for the empathy, enjoying the basic rights, the basic rights of a people under your leadership, Mr. President. The free world has made real progress toward democracy, toward freedom, toward security, and toward prosperity. And all of us, wherever we may be, have enjoyed this very imaginative and determined leadership.

I would like to thank you for a wind of hope and optimism that you have added to the life of the free world and to our own country and our own people.

---

[1]Made in the Rose Garden at the White House (text from Weekly Compilation of Presidential Documents of Sept. 22, 1986).

[2]President Reagan referred to the massacre at Neve Shalom Synagogue in Istanbul, Turkey, and the hijacking of Pan American Airways Flight 73 in Karachi, Pakistan. ■

Compact of Free Association With Pacific Islands

EXECUTIVE ORDER 12569, OCT. 16, 1986[1]

MANAGEMENT OF THE COMPACT OF FREE ASSOCIATION WITH THE REPUBLIC OF THE MARSHALL ISLANDS, THE FEDERATED STATES OF MICRONESIA, AND THE REPUBLIC OF PALAU

By the authority vested in me as President by the Constitution and laws of the United States, including the Compact of Free Association (the Compact) and Public Law 99-239, (the Act), it is ordered as follows:

Section 1. Responsibility of the Secretary of State. The Secretary of State shall conduct the government-to-government relations of the United States with the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau (the "Freely Associated States"), including any subdivisions, officials or persons thereof, and may delegate or allocate such of his authority under this Order to such other United States officials as he may from time to time deem desirable. The authority of the Secretary of State shall include, consistent with Article V of Title One of the Compact and section 105(b)(1) of the Act, the establishment and maintenance of representative offices in the Freely Associated States and supervision of the United States representatives and their staff. The Secretary also shall provide, in accordance with applicable law, for appropriate privileges, immunities, and assistance to representatives and their staff. The Secretary also shall provide, in accordance with applicable law, for appropriate privileges, immunities, and assistance to representatives to the United States designated by the Governments of the Freely Associated States, together with their officers and staff. In accordance with applicable law and the provisions of this Order, the Secretary also shall have the authority and responsibility to take such other actions as may be necessary and appropriate to ensure that the authorities and obligations of the United States set forth in the Compact and its related agreements and in the laws of the United States as they relate to the conduct of government-to-government relations with the Freely Associated States are carried out. The Secretary shall provide from appropriations made to the Department of State such funds as may be necessary to carry out the provisions of this Order in relation to the activities of the Department of State.

Sec. 2. Responsibility of the Secretary of the Interior. The Secretary of the Interior shall be responsible for seeking the appropriation of funds for and, in accordance with the laws of the United States, shall make available to the Freely Associated States and the United States economic and financial assistance appropriated pursuant to Article I of Title Two of the Compact; the grant, service, and program assistance appropriated pursuant to Article II of Title Two of the Compact; and all other United States assistance appropriated pursuant to the Compact and its related agreements. The Secretary shall coordinate and monitor any program or any activity by any department or agency of the United States and shall coordinate and monitor related economic development planning. This Section shall not apply to services provided by the Department of Defense to the Freely Associated States or to activities pursuant to Section 1 of this Order, including activities under the Peace Corps Act.

Sec. 3. Interagency Group on Freely Associated State Affairs and the Office of Freely Associated State Affairs.

(a) There is established an Interagency Group on Freely Associated State Affairs for the purpose of providing guidance and oversight with respect to the establishment and implementation of policy concerning the Compact and United States relations with the Freely Associated States.

(b) The Interagency Group shall consist of the Secretary of State or his designee, who shall chair the Group, and of the principal officers or their designees from the Departments of the Interior, Defense, Commerce, Energy, and Justice, the Organization of the Joint Chiefs of Staff, the Office of Management and Budget, the National Security Council, and such other departments and agencies as may from time to time be appropriate.

(c) The Interagency Group shall make such recommendations as it shall deem appropriate to the President, through the Assistant to the President for National Security Affairs, concerning United States relations with the Freely Associated States. The Interagency Group also shall provide such guidance as it deems appropriate to departments and agencies delegated authority by this Order concerning administration of laws with respect to the Freely Associated States.

(d) If any department or agency charged by this Order with implementation of the Compact or other laws of the United States with respect to the Freely Associated States concludes that noncompliance sanctions pursuant to section 105(g) of the Act are appropriate, it shall make appropriate recommendations to the Interagency Group. The Interagency Group shall consider these recommendations and report its findings to the President for his review in making that determination.

(e)(1) There shall be in the Department of State an Office of Freely Associated State Affairs to conduct United States relations with the Freely Associated States and carry out related matters, as the Secretary of State shall direct or delegate, and provide appropriate support to the Interagency Group.

(2) The Office shall be headed by a Director designated by the Secretary of State, to whom the Secretaries of State, Defense, and the Interior may, to the extent permitted by law, delegate any or all of their respective authorities and responsibilities as described in this Order, including the authorities referred to in Section 4 of this Order. The Director shall serve as Executive Secretary of the Interagency Group.

(3) Personnel additional to that provided by the Secretary of State may be detailed to the Office by the Executive departments and agencies that are members of the Interagency Group, and by other agencies as appropriate. Executive departments and agencies shall, to the extent permitted by law, provide such information, advice, and administrative services and facilities as may be necessary for the fullfillment of the functions of the Office.

Sec. 4. United States Representatives to the Freely Associated States. The United States Representatives assigned to a Freely Associated State in accordance with Article V of Title One of the Compact shall represent the Government of the United States in an official capacity in that Freely Associated State, and shall supervise the actions of any Executive department or agency personnel assigned permanently or temporarily to that Freely Associated State.

Sec 5. Cooperation among Executive Departments and Agencies. All Executive departments and agencies shall cooperate in the effectuation of the provisions of this Order. The Interagency Group and Office of Freely Associated State Affairs shall facilitate such cooperative measures. Nothing in this Order shall be construed to impair the authority and responsibility of the Secretary of Defense for security and defense matters in or relating to the Freely Associated States.

Sec. 6. Delegation to the Secretary of the Interior. The following authorities are delegated to the Secretary of the Interior:

(a) Reporting to the Congress on economic development plans prepared by the Government of the Federated States of Micronesia and the Government of the Marshall Islands, pursuant to sections 102(b) and 103(b) of the Act;

(b) The determination required by section 103(e) of the Act concerning the qualifications of the investment management firm selected by the Government of the Marshall Islands;

(c) Reporting to the Congress with respect to the impact of the Compact of Free Association on the United States territories and commonwealths and on the State of Hawaii, pursuant to section 104(e)(2) of the Act; and

(d) Causing an annual audit to be conducted of the annual financial statements of the Government of the Federated States of Micronesia and the Government of the Marshall Islands, pursuant to section 110(b) of the Act.

Sec. 7. Delegation to the Secretary of State. The following authorities are delegated to the Secretary of State:

(a) Reporting to the Congress on crimes in the Federated States of Micronesia and the Marshall Islands which have an impact upon United States jurisdictions, pursuant to sections 102(a)(4) and 103(a)(4) of the Act;

(b) Submitting the certification and report to the Congress for purposes of section 5 of the Fishermen's Protective Act of 1967, pursuant to section 104(f)(3) of the Act; and

(c) Reporting with the concurrence of the Secretary of Defense, to the Congress on determinations made regarding security and defense, pursuant to section 105(q) of the Act.

Sec. 8. Supersession and Saving Provisions.

(a) Subject to the provisions of section 9 of this Order, prior Executive orders concerning the former Trust Territory of the Pacific Islands are hereby superseded and rendered inapplicable, except that the authority of the Secretary of the Interior as provided in applicable provisions of Executive Order No. 11021, as amended, shall remain in effect, in a manner consistent with this Order and pursuant to section105(c)(2) of the Act, to terminate the trust territory government and discharge its responsibilities, at which time the entirety of Executive Order No. 11021 shall be superseded.

(b) Nothing in this Order shall be construed as modifying the rights or obligations of the United States under the provisions of the Compact or as affecting or modifying the responsibility of the Secretary of State and the Attorney General to interpret the rights and obligations of the United States arising out of or concerning the Compact.

Sec. 9 Effective Date. This Order shall become effective with respect to a Freely Associated State simultaneously with the entry into force of the Compact for that state.

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Oct. 20, 1986 ■

The Strategic Importance of the Emerging Pacific

by Gaston J. Sigur, Jr.

Address before a conference cosponsored by the Georgetown University Center for Strategic and International Studies and the Pacific Islands Association on September 29, 1986. Mr. Sigur is Assistant Secretary for East Asian and Pacific Affairs.

I am delighted to have this opportunity to address you this morning on the strategic importance of the Pacific region as we in this Administration see it. It seems to me particularly timely to devote a forum to the discussion of developments in Oceania—the nations and islands of the Pacific. In both economic and political terms, they are an increasingly valuable part of the emerging Asian-Pacific profile on the world stage. As our attention becomes focused more and more on the Asian and Pacific region generally, we recognize full well the role being played by the smaller oceanic entities in the emergence of that area. The United States is actively engaged in consultations with our island friends on a broad range of common interests and concerns.

We are proud of our historic association with the area. The United States paid a precious price in the Pacific 45 years ago. We have assisted the islands in their social and commercial development to improve the livelihoods of their people, and we have helped wherever we could to ease their transition to full sovereignty. We maintain ongoing political and commercial relations with the region on a mutually beneficial basis. To the extent that issues arise, as they do in any normal relationship, we will address them candidly and sensitively. In short, this Administration welcomes the "emergence" of the Pacific, and we are confident of its positive consequences.

U.S. Interests and Involvement

Let me step back now, for a moment, and look at the larger picture of America's growing interest and involvement in the entire Asian-Pacific region. Contrary to the fears of many 10 years ago, we never "abandoned" our Asian commitments. There was a period of reassessment, but our fundamental linkage to the economic and security interests of the region was deeply rooted and inseverable. The remarkable progress achieved throughout the region in the post-Vietnam era heralds a new and significant role for it in the decades ahead, and our national interests there have evolved accordingly.

Today, the implications of daily events in Asia and the Pacific are truly global. The economic, political, social, cultural, and security developments of the region all impact on the international system and influence, in some way, our own lifestyles and policies in this country. We cannot afford to regard the area casually as we deliberate our labor policies, trade strategies, or security provisions. Nearly every event that occurs there must be factored into our own national planning. In very many respects, we depend on the Asian-Pacific region, just as it depends on us. Our relationship is one of broad interdependence and reciprocal influence. The United States must respond realistically to this fact.

Our own interests and goals in the Asian and Pacific region have been carefully identified, and they must be just as clearly articulated so that they are well understood by all. The United States has an abiding interest in the continuing peace, political stability, and economic prosperity of the entire region. For this reason, we actively strive to nurture closer cooperation and consultations on a broad spectrum of common concerns. In support of our many defense commitments, we seek to maintain the overall strategic balance among major powers in the region which ensures our own operational ability, maneuverability, and access in time of crisis. This important goal necessarily depends upon the reliability of our regional partners in shouldering their portion of political and security responsibilities. And, of course, we endorse and support broader democratization and respect for human rights wherever deficiencies exist, as well as the strengthening of the open market trading system for greater common prosperity.

For our part, we pledge sensitive leadership and ample support to our regional friends without attempting to dictate or dominate local processes. We do not consider the Pacific an "American lake" but do acknowledge our responsibilities and legitimate national interests there. We are a Pacific nation, and have been, historically. We are proud of that fact and proud of the contributions we have made to the welfare and development of the region.

Micronesian Relations

In Micronesia, the United States has been working closely with the several governments of the Trust Territory of the Pacific Islands to forge a new political relationship. Be it the commonwealth status the peoples of the Northern Mariana Islands have chosen or the freely associated relationship preferred by the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands, these new relationships represent the clearly stated will of the Micronesian people as expressed in a series of UN-observed plebiscites held over the past several years. The Reagan Administration is proud of the role it has played in

bringing the political aspirations of the peoples of the trust territory to fruition, and it joins with the leaders of the region in rejecting the demands of the Soviet Union that these aspirations be arbitrarily denied.

As many of you know, the situation in Palau is in flux. Two weeks ago, a legal challenge to the Compact of Free Association was upheld by the Palau Supreme Court. What is important to keep in mind when examining this issue is that the challenge to the compact was weighed and tested by the legal system of Palau—not that of the United States. That is to say, the legal challenge is, in a very real sense, the measure of the success we and all of the people of the trust territory have had in nurturing and bringing into full blossom a vigorous and democratic indigenous political life. It is now up to the Palauan people themselves to determine what their future course should be. Regardless of what course is chosen, we intend to work with the elected leaders of Palau to help build for the future they choose.

Naturally, the uncertainty of the situation in Palau has had an effect on our plans for the termination of the trusteeship and the implementation of the compacts and the Commonwealth Covenant. It has not, however, changed in any way the Administration's firm commitment to the peoples of the trust territory to move ahead without delay toward the conclusion of the self-determination process. In that context, we were extremely pleased last August when the leaders of the South Pacific Forum stated again their strong support for the political status arrangements the governments of the trust territory had chosen and called for the prompt termination of the trusteeship and implementation of the compacts and covenant.

Commercial and Development Ties

While our two-way trade with the Asian-Pacific region as a whole is quite large—almost one-third of our total world trade—the volume of U.S. commerce with the Pacific islands has been small. This has been due, of course, to many factors, not the least of which are the limited range of products and means of transport available in the island area. We are making some progress, however, and hope to facilitate greater commercial exchange in the future.

The U.S. role has been much more evident through the years in terms of direct regional aid programs to help develop the Pacific private sector and in terms of the educational, technical, and other forms of social assistance. Our government's International Visitor Program has given a great many Pacific leaders their first introduction to an industrialized democracy. The Asia Foundation has active programs in legal education, media education, and in small business and entrepreneurial training for Pacific islanders. The Fulbright Program and the Peace Corps also have provided direct support to the area's development in many ways. Private and semiprivate institutions, like Honolulu's East-West Center, have done much to establish valuable research and training programs, as is seen in the support the East-West Center has provided the Pacific Islands Development Program. We will play a significant role in bringing appropriate technology to the Pacific to improve the job market and living standards of the area's people.

But more can and should be done. We can facilitate even more the area's entry into U.S. commercial markets, where feasible, and continue to encourage private investment in local industries, such as food processing plants. We can help encourage and develop the Pacific's potential for expanded tourism.

The one commercial issue over which we and the nations of the South Pacific have disagreed most in recent years involves "coastal state jurisdiction over highly migratory species." In a less elegant but considerably more understandable formulation, our conflicting views on the tuna fishery have been a source of great irritation in our relations over the past decade.

Having said that, however, I should hasten to add that neither we nor the island states have let this juridical difference prevent us from addressing the problem in a friendly and constructive manner. The leaders of the region share with Secretary Shultz a clear understanding of the need to solve this problem and move ahead on the many issues before us where we share a common interest and a common goal.

We are now, and have been for some time, actively engaged with the region's states in negotiations that will produce, when finally concluded, one of the most comprehensive and complex fisheries agreements ever negotiated. The remarkable progress we have made in these negotiations since their inception in late 1984 results from a determination by all parties that no problem is too complex to be resolved.

While a final solution to some of the most difficult issues before the negotiators still evades us, we have every reason to believe that soon—perhaps as early as next month, when the next round of talks begins in Tonga—an agreement can be reached in principle on the broad outlines of a regional fisheries treaty benefiting all parties. At that time, both sides can report to their individual capitals that an agreement has been reached which at once provides the U.S. tuna fleet access to the region's fishery and the island states an adequate and reasonable compensation for their resource.

The Nuclear Age in the Pacific

Pacific people have enjoyed a largely tranquil history. No one cherishes peace and harmony more than they. The islands claim a tradition of peace and good-neighborliness which we Americans fully appreciate.

There is, today, a detectable phenomenon of rising antinuclear sentiment in some quarters of the South Pacific. It stems, in part, from the natural human aversion to weapons of mass destruction and, in part, from past practices of nuclear testing in the area by the United States and others. We understand that sentiment. The United States has, for years, been at the forefront of efforts to prevent the proliferation of nuclear weapons and to enforce rigid global standards of nuclear safety. We have neither the desire nor the intention to foist nuclear armaments onto others.

In the nuclear age, the potential for worldwide destruction demands that everyone work to prevent such a catastrophe. In response to this challenge, the leaders of the South Pacific last year drafted the South Pacific Nuclear Free Zone Treaty. At this year's meeting of the South Pacific Forum, those same leaders invited the nuclear weapons states to sign the treaty's protocols. We appreciate the effort the authors of this treaty made to ensure that vital Western interests are taken into account.

I want very much to assure this audience that the U.S. Government understands the concerns expressed in the South Pacific Nuclear Free Zone Treaty. We are giving the treaty and its protocols serious, high-level study.

We do have, however, wide-ranging global responsibilities. These require that we examine carefully and in detail the full implications of any treaty undertaking that would limit our ability to defend free world interests. I believe the leaders of the region understand that obligation and would not wish my government to act in any less responsible manner.

The nuclear issue also has been highlighted in connection with New Zealand's abrupt decision in 1984 to deny port access to nuclear-powered or nuclear-armed vessels and aircraft. Given our longstanding and universal policy of neither confirming nor denying the presence of nuclear weapons on our vessels, we concluded that we had no alternative but to suspend our security obligations to New Zealand under ANZUS [Australia, New Zealand, United States security treaty]. The conditions which Wellington chose to attach to our access to its naval ports rendered impossible our practical alliance cooperation, though we, of course, remain friends.

Let me say just a word about alliance responsibilities, since this conference is devoted to strategic considerations for the Western alliance. Allies occasionally differ on political issues; but fundamental cooperation and mutual confidence require an appreciation for the concerns and risks involved for all when one ally decides to set its own arbitrary rules for others to follow.

It may be paradoxical, but it is not at all surprising that a nation at peace must be prepared for war if it is to deter war. The necessary sacrifices of preparedness must be shared equitably among democratic allies, for whenever partners do not reinforce one another, the safety and unity of the entire alliance are jeopardized. We all face similar domestic pressures and limited resources, and that is why each ally must dependably help maintain the strength of the alliance according to its own capabilities.

Not all allies need to possess their own nuclear deterrent. But if one undermines America's ability to maintain its essential naval presence, then it weakens its own national security in the process. Our shared responsibilities go beyond simply deterring military threats, of course. Our partnership depends on deeper and broader bonds of reciprocal cooperation that include the entire range of relations, including economic and political ties. We know for certain that our Western alliance unity across the board is essential to the success of East-West negotiations, and, therefore, our mutual support on the smaller issues—like port access—is so very important to the larger picture.

Soviet Presence

The historic involvement of Americans and West Europeans in the Pacific islands extends back many generations. The legacy of 19th-century commercial and cultural contacts is reflected in our continuing close relationships today. The United States has been directly involved throughout the decades in the development of local industries and social programs that have improved the life of islanders. By and large, they have established their own political institutions that reflect the same values of popular democracy as our own. Our heritage of commonality is long, and it is strong.

Very recently—within the past 3 or 4 years—the Soviet Union has demonstrated newfound, virtually unprecedented interest in the Pacific states. They have sent their emissaries to explore commercial and diplomatic opportunities in the area. The reception has been largely skeptical, tentative, and quite limited in scope. Moscow is discovering, in its belated arrival, that its reputation has preceded it. As Pacific governments weigh the benefits of commercial cooperation against the risks of association with the polar bear from the north, they cautiously consider the price of political dependence that inevitably accompanies economic dependence on the Soviet Union.

I do not anticipate a groundswell of greeting to the Soviet newcomers. Frankly, the political traditions of the Pacific area are wholly incompatible with those of the Soviet Union. Moscow knows it and, most importantly, the Pacific people know it. The sad history of Soviet involvement in the Caribbean, in the Middle East, and in Africa—not to mention Eastern Europe—betrays little promise to the forward-looking people of the emerging Pacific.

For our part, we do not view the recent Soviet initiatives in the South Pacific with particular alarm or distress. We do, however, sense the importance of preventing the area's conversion into yet another arena of major power confrontation. This consideration calls into question the long-range role and goals of the Soviet Union in penetrating this area of the Pacific.

The dramatic record of Soviet military buildup in the Asian-Pacific region more broadly, over the past 10 years, is well known. Both the quality and quantity of its regional armed forces have expanded perilously as Moscow seeks to impress and intimidate its Asian neighbors. The Soviet Pacific naval fleet is now its largest. Moscow has regularly supplemented its force capabilities at Cam Ranh Bay and its military aid to North Korea, while targeting one-third of its SS-20 nuclear missiles on the Asian region. As they probe incessantly for weak points in the U.S. defense alliance system, the Soviets attempt to expand their own political and military tactical maneuverability. Fortunately, Moscow's adventurism, thus far, has had negative political consequences for itself in the region.

Two months ago, Soviet Premier Gorbachev delivered an address at Vladivostok devoted largely to sweeping, amorphous "confidence-building measures" that ignore the root causes of insecurity in the Asian region. Many Asian observers have pointed out that the Vladivostok address reflects more stylistic nuance in Soviet foreign policy rather than any significant new substance. Even so, it seems to represent an expression of Soviet determination to play a more activist role in the region. What we might hope to see in terms of real Soviet peace initiatives in Cambodia, Afghanistan, Korea, and the Japanese Northern Territories, however, remains largely elusive. Until these specific sources of regional conflict and instability are addressed, there is little room for hope that grand schemes of "confidence" promotion will bring any real relaxation of Asian and Pacific tensions.

Regional Cooperation

As I see it, one of the most fascinating and encouraging phenomena operating in the Pacific Basin region today is the trend toward a sense of community. In a region as diverse as this—culturally, geographically, politically, religiously, and historically—it is a dramatic development when nations begin to think in terms of common interests and commercial goals. True, we are a long way from witnessing anything on the scale of the European Common Market. But for 6 years now, private representatives from many of the regional states and islands have met periodically, under the auspices of the nonofficial Pacific Economic Cooperation Conference (PECC), to review and deliberate upon trade and resource policies as they affect regional well-being. The PECC will meet in plenary session for the fifth time this November in Vancouver to discuss such issues as fisheries cooperation and development, direct foreign investment in the region, and the supply and distribution of minerals and energy resources. Their conclusions and recommendations are nonbinding on any government. Yet, perhaps more important than any product they might produce is the fact that this dialogue exercise has achieved an aspect of regularity and a new sense of commonality.

The PECC is just one outgrowth of a subtle, delicate, organic process that

reflects the growing concept of common identity among Asian-Pacific nations. And the Pacific islands are very much a part of that process. Indeed, with the "Pacific way" of cooperation and consensus as their guide, the leaders of the island Pacific can play a vital stewardship role in this process. Gradually, habits of cooperation and consultation are becoming well established. No doubt in the years ahead we will see the plethora of bilateral economic arrangements in the region yield, here and there, to bold multilateral initiatives to foster common prosperity.

There are very real limitations, of course. This gradually evolving process does not, in my view, portend the establishment of rigid regionwide institutions; nor does it foreshadow the creation of grandiose political or security pacts, as Moscow frequently charges. The process does, however, reflect something very positive and encouraging about the spirit of regional cooperation now taking root. It is important that the people of the Pacific islands take advantage of every opportunity to participate in this collegial atmosphere and share in the benefits that common efforts can produce.

Conclusion

The emergence of the Pacific as an important regional and even global actor is one of the great phenomena of the 1980s. It holds great potential but also carries with it a certain degree of risk and responsibility. The Pacific islands realize this, and they are taking appropriate control of their own destinies. They are set on a course targeted for success—popular democracy, free enterprise, and a high degree of literacy, combined with a shrewd understanding of international politics. It is a course running in tandem with our own.

Positioned on the periphery of a dynamic, industrializing Asian continent, the Pacific entities have much they can learn from and much they can offer in return to their Asian neighbors. In some respects, the free states of the Pacific have established an indigenous style of democratic process that well might be emulated by some larger and wealthier Asian nations. They have far to go in their own industrial evolution but possess valuable assets in their remarkable combined literacy rate and in the entrepreneural determination of their peoples.

Pacific potential is vast. We applaud that. We welcome that. And we will support it. ■

U.S. Refugee Policy and Programs for FY 1987

Following are statements by Ambassador Jonathan Moore, U.S. Coordinator for Refugee Affairs, before the Subcommittee on Immigration and Refugee Policy of the Senate Judiciary Committee, September 16, 1986, and by Robert L. Funseth, Acting Director of the Bureau for Refugee Programs, before the House Committee on the Judiciary, September 26, 1986, in Washington, D.C.[1]

AMBASSADOR MOORE

It is my privilege to appear for the first time before this committee as U.S. Coordinator for Refugee Affairs. I look forward to being in close touch and in good communication with you, not just in formal consultations but in informal and continuing contact as well.

I begin this job with high aspirations and strong idealism but with no illusions as to its difficult, complicated, and multifarious character. There are many tensions to be balanced, many competing pressures and requirements to be understood and respected.

Early in my tenure—to use an academic term which has a very different meaning in politics—I will be examining the role of U.S. Coordinator with some care to see how it might be strengthened, how it might be practiced more effectively. And I will look forward to talking with you further and seeking your views about that.

Clearly, it is based on a concept of collaborative effort, and I am pleased in that spirit to join my colleagues from the Departments of State, Justice, and Health and Human Services (HHS) at this table. I want to contribute to this consultation, but also I am here to learn, especially because I am not yet familiar enough with many of the questions at issue.

I have some prior experience in Southeast Asia and the very special benefit of having recently served on the Indochinese Refugee Panel chaired by former Governor Bob Ray, as has been mentioned, but at the same time do not want to view an urgent worldwide concern too much via the perspective of a single region.

Likewise, even though the subject before us this morning is to consult on the refugee admissions ceiling to this country for the coming fiscal year, I want to emphasize, first, that third-country resettlement represents a third durable solution, and new energy and imagination must be brought to pursuing the first two—voluntary repatriation and regional resettlement—and, second, that the United States cannot be left to address these humanitarian needs by itself but must continue to work within a dedicated international system.

MR. FUNSETH

Thank you for this opportunity to make additional comments about the U.S. refugee program. Rather than comment further on the President's proposals for refugee admissions for the coming year, as reflected in the statements of the Secretary of State and the U.S. Coordinator [for Refugee Affairs, Jonathan Moore], I thought it would be useful to share with you and the committee a brief look at the State Department's stewardship of the U.S. refugee program.

Simply put, our mission is to provide humanitarian assistance to refugees—those victims of persecution and conflict who have fled their homelands. Accordingly, the Refugee Bureau manages and operates the U.S. Government's efforts to assist refugees in need overseas and to admit certain refugees to the United States.

Refugee Situation: Markedly Different

The nature of the world refugee population is markedly different today—both in number and composition—from that of only 6 years ago, as is our response to it.

When the Refugee Act of 1980 was enacted and this consultation process began, there were over 6 million persons recognized as refugees; in 1986, there are now over 10 million—an increase of 4 million.

In 1980, just under two-thirds of the refugee budget was devoted to funding the admissions program, and one-third was the U.S. contribution to international assistance. In 1987, those proportions have been reversed—roughly two-thirds of the budget is now devoted to helping care for refugees in first asylum and one-third to funding the reduced admissions program.

(Courtesy of UNHCR: S. Jensen)

(Courtesy of UNHCR: M. Vanappelghem)

. . . In this period of budgetary constraint, we are ever mindful of the importance of ensuring that we make the best possible use of every appropriated refugee dollar. . . .

Malaysian refugee (above) and Ethiopian refugees (right) in vocational training.

(Courtesy of UNHCR: V. de Mello)

(Courtesy of UNHCR: A. Billard)

Salvadoran refugees planting crops in Costa Rica (above); food aid in Sudan (right).

In fiscal year (FY) 1980, the U.S. budget for refugees totaled over $445 million; for FY 1987, the requested refugee budget is $347 million—a reduction of nearly $100 million.

Refugee admissions in 1980 totaled 207,000, including 164,000 from Southeast Asia; the President's FY 1987 admissions ceiling is 70,000, including 32,000 from first-asylum camps in Southeast Asia—thus, the global ceiling is 137,000 less; the Indochinese ceiling is 94,000 less.

Refugee Program Organization

By Washington standards the Bureau for Refugee Programs is a relatively small organization. Our American staff of 106 persons (81 officers and 25 staff support) is divided between 74 in Washington and 32 at overseas posts. At the same time, we oversee both assistance and admissions operations which are worldwide.

The programs by which we prepare refugees for their new lives in this new land have been of special interest to this committee and are programs which have been further improved during the year.

Initial Resettlement

As the committee is aware, the Department of State is responsible for the management of programs for initial resettlement services—commonly known as "reception and placement" services—under which the private voluntary agencies provide transitional assistance to refugees for their first 90 days in the country. Two of our principal tools for administering this program are the Bureau's cooperative agreement, or contract, with the voluntary agencies and onsite monitoring.

During FY 1986, Refugee Bureau monitoring teams visited 10 states, and since 1982, we have conducted 34 onsite reviews nationwide, covering all states with an Indochinese refugee population greater than 10,000, which account, cumulatively, for more than 90% of all resettled refugees. We have now tripled the resources we devote to the monitoring function. In this regard, may I say that your written expression of support was instrumental in our ability to obtain additional resources after several years of seeing our repeated requests frustrated in the appropriations process.

The monitoring visits have led to significant improvements in the delivery and documentation of services provided to refugees at the local level—a conclusion which was confirmed by the General Accounting Office (GAO) report of April 1986, which found evidence that 94% of all refugees had received the required core resettlement services. This is a tribute to the dedication of the voluntary resettlement agencies and the thousands of volunteer workers who have strived sincerely ever to improve the quality of refugee resettlement.

Onsite monitoring reinforces the bureau's regular review of the private voluntary agencies' financial reports, tracking of refugee placements, oversight of sponsorship assurances, and ongoing liaison with the agencies. We believe that the oversight mechanism and the monitoring reports, which we share with the committee staff as well as with the State coordinators and Office of Refugee Resettlement (ORR), further demonstrate our commitment to press actively for improvements in voluntary agency resettlement performance and accountability. We have worked diligently with the voluntary agencies to assist them in improving their own internal monitoring capabilities and performance.

Implementation of GAO Recommendations

The focus on the management responsibilities of the voluntary agencies was the thrust of the April 1986 GAO report, which recommended that the bureau:

First, clarify program goals;
Second, establish performance standards; and
Third, enhance financial reporting and accountability.

I am pleased to report that we have made substantial progress in all three of these areas.

- New financial reporting requirements have been put into effect, retroactive to April 1, 1986.
- New program guidelines and performance standards have been agreed to between the bureau and the voluntary resettlement agencies. These guidelines address, *inter alia,* required resettlement services, documentation and monitoring, employment, and coordination with state-administered social service programs.
- A statement of goals and objectives has been incorporated into the program announcement for FY 1987. The bureau will evaluate proposals against this announcement for new cooperative agreements to take effect on January 1, 1987.

We believe that these actions respond fully to the concerns expressed by this committee and that there will be tangible improvements in the services received by refugees and, especially, in the coordination with HHS-funded, state-administered social service programs. The bureau benefited greatly from the opportunity to attend the seven regional consultations organized this year by ORR, which extended our understanding of the perspectives of State and local government and of mutual assistance associations and other community-based organizations.

Refugee Transportation Loans

Another area where we have made real progress in the improved management of the refugee resettlement process is in the collection of transportation loans made to refugees. The bureau continues to work closely with the Intergovernmental Committee for Migration (ICM) and the participating voluntary resettlement agencies to encourage the repayment of these loans. Significant improvement has been made in the amount of funds collected by the voluntary agencies. In 1981, repayments amounted to only $1.5 million, while in 1985 more than $13 million was collected. Earlier this year I chaired a workshop in New York with representatives from ICM and the voluntary agencies to discuss procedures and policies that might be implemented to further improve the collection rate. I am pleased to report that ICM recently confirmed that 1986 collections will again show an increase from last year.

English Language Training

In addition to our efforts to improve our reception and placement programs, major improvements and refinements have been made in the English as a Second Language/Cultural Orientation (ESL/CO) programs which refugees receive in Southeast Asia prior to resettlement in the United States. I am pleased to report that in FY 1985 and 1986, over 90% of all refugees arriving from Southeast Asia received ESL/CO training prior to their arrival.

We are not resting on our laurels, however, and continue to make further improvements in these programs. Training has been extended to 5 months for all adults ages 17–55. The adult program includes a special work orientation component which reinforces the language and behavior required to obtain and keep a job. For refugee adolescents, a program has been introduced to prepare them to succeed in American secondary schools. This program, called PASS [Preparation for American Secondary Schools], simulates an American public

school environment. Students receive training in English, American studies, and mathematics. To help their parents learn what will be expected of them in the U.S. educational system, they attend Parent-Teacher Association meetings and parent-teacher conferences. This month, the Department intends to undertake funding of a program for children ages 6–11 at the Philippine Refugee Processing Center at Bataan. Like the program for adolescents, this program will prepare children for the American school experience. Major areas of instruction will be English, mathematics, and classroom orientation.

Other programs have been developed to address the needs of special groups such as pregnant women and mothers with children under 6 and for young adults ages 17–19 who may either attend high school or enter the job market upon arrival. In Thailand, there are also special programs for the hearing impaired which are taught in sign.

International Organizations

As both the Secretary of State and Ambassador Moore expressed in their statements, the number of refugees for whom resettlement in this country is necessary or even appropriate is extremely small when compared to the much larger numbers of people who find themselves outside their homelands and unable to return. For these people, the aid and protection of international organizations are critical—indeed, the difference is often between life and death. In recent years, the United States has put great effort into bringing about careful management by these international organizations, with considerable success.

This committee has clearly expressed its objective that management of the UN High Commissioner for Refugees (UNHCR) be improved. We are very pleased that the new High Commissioner came to the UNHCR with an outstanding record at the International Committee of the Red Cross (ICRC) in the management of its multimillion-dollar humanitarian assistance programs. Under his vigorous leadership, the UNHCR has begun a major effort to improve the organization of the headquarters' staff, strengthen field operations, and examine all ongoing programs for effectiveness. This effort has been undertaken with the assistance of one of the top management consulting firms in the world, which was engaged last April to initiate an external audit of UNHCR operations.

UNBRO and UNRWA

The UN Border Relief Organization (UNBRO), and its implementing partner, the World Food Program, has exhibited extraordinary organization and effectiveness in providing assistance and protection for the some 245,000 Cambodians along the Thai border. The UN Relief and Works Agency (UNRWA) runs schools and medical facilities for Palestinian refugees in the Near East for considerably less than these same services would cost were they provided by the asylum country governments.

In providing our support to the improved management of these international organizations, we recognize that any success we may have in bringing about their improved effectiveness and efficiency will multiply the value of each assistance dollar we contribute.

Refugee Officers Abroad

Because of the history of our Southeast Asian involvement and the complexity of the situation there, much public attention is focused on that part of the world. We must remember, however, that refugees in Southeast Asia represent less than 5% of the world's total. While every American Embassy has an officer designated responsible for refugee affairs, the bureau itself has officers in every country and region where there are critical refugee situations:

Pakistan, where almost 3 million Afghans have received temporary asylum in their flight from Soviet military occupation;

Sudan and Somalia, where millions have fled from Ethiopia and Uganda;

Central America, where political turmoil has caused thousands to leave their homelands and seek asylum in neighboring countries;

Southeast Asia, where oppression by the Indochinese communist regime continues to cause people to flee their homelands or to languish as political prisoners; and

Western Europe, where thousands of refugees seek refuge from the tyranny of Eastern Europe and the Soviet Union.

Conclusion

It has been my intention, in focusing these brief remarks on the management aspects of the refugee program, to share with you some of the success we believe we have achieved. In this period of budgetary constraint, we are ever mindful of the importance of ensuring that we make the best possible use of every appropriated refugee dollar.

To do any less would not be faithful to the responsibility entrusted to us by Americans from the 50 States who support and finance this great national humanitarian endeavor through their hard-earned tax dollars. To do any less would be irresponsible and unfair to those to whom life has been less than fair already—the 10 million refugees in the world for whom our responsive and responsible management of the refugee program may mean life itself.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

A Spotlight on Cuba

by Kenneth N. Skoug, Jr.

Address before the World Affairs Council in St. Louis, Missouri, on October 22, 1986. Mr. Skoug is Director of the Office of Cuban Affairs.

It is a special pleasure and a conspicuous honor to be your guest today in St. Louis to discuss the situation today in Cuba. There are a number of critical observations one can make about Fidel Castro's Cuba.

First and foremost, it is one of the tightest dictatorships in the world, with no independent institutions allowed and no form of freedom permitted to challenge the system. This policy is based on Castro's historic dictum: "outside the revolution, no rights at all." For 28 years, Cubans have enjoyed no rights at all other than what Fidel Castro determines to be within his revolution.

Second, although Cuba in 1959 had one of the highest living standards in Latin America—with per capita income close to that of Argentina, Venezuela, and Uruguay—Cuba now is one of the poorest countries in the hemisphere. Cuban economic performance is now bitterly condemned by Castro himself, who blames it on lack of discipline. The Soviet Union, which subsidizes the Cuban economy at the rate of $4.5 billion

per year, itself rates Cuba a very poor country. A Soviet spokesman at a *Znaniye* Society lecture in Leningrad last spring rated it about 20 on a scale where the U.S.S.R. economy would be 100 and that of communist Czechoslovakia would be 150. Recently, according to *Institutional Investor*, 75 international banks rated Cuba 14 on a scale of 100 as a credit risk, in 17th place of 24 countries in the Western Hemisphere. It is hard to be precise about economic statistics in a country which does not have a convertible currency. One thing is clear: the total loss of freedom in Cuba has not been the bitter price of economic advancement but has contributed to economic decline in a country which formerly was a leader.

Third, Castro has made Cuba into a formidable military power, with the largest armed forces in Latin America despite the fact that its population is only 10 million. This vast armed force of approximately 300,000, including active reserves, is supposedly necessary to defend Cuba against the United States. In fact, however, for over two decades its battles have been far from home, mainly against black Africans in the Horn of Africa or in the Angolan civil war but also in the mountains and jungles of this hemisphere. They have fought our forces only once, for 2 or 3 days on Grenada.

Fourth, this Cuba, despite its own enormous political and economic shortcomings, seeks to be a model for likeminded elite groups in Latin America. It wants to see the Cuban revolution replicated, and it has been constantly engaged in the business of fomenting revolution for more than a quarter century. It has used its own forces in third countries, trained and armed foreign revolutionaries, and provided advice and logistical support to their efforts. Where such elite groups have gained power, through coup d'etat or national uprising as in Grenada and Nicaragua respectively, Cuba has moved at once to consolidate the regimes so that they might become as permanent as the rule of Fidel Castro himself has been.

There are indigenous roots in Latin America for the social stirring that has produced revolutionary violence; yet it is the particular role of Cuba to channel that violence into a system that denies all rights to those that the elite vanguard decides are outside the revolution. It is not change that is wrong. What is wrong is that change is corrupted into a mold from which further progressive development is denied.

Fifth, Cuba has played out this militant role in close alignment with Soviet power and in total harmony with Soviet strategic interests. The Soviets did not put Castro in power, but they had one of history's greatest windfalls. He is cheap for them at any price, although the price is very high in economic costs, because he has introduced the East-West struggle into the heart of America. Castro has called his Cubans the "mediators" and "lecturers" between the U.S.S.R. and the Latin American revolutionaries. He has said the Russians did not even know who the latter were until he introduced them. Castro has made Cuba the linchpin between Soviet power and a hemisphere which is engaged in a struggle to see if its future lies with liberal democracy or totalitarian communism dressed up as national liberation.

The High Price of Dissent

The revolutionaries—as the Salvadoran guerrilla high command radioed from its headquarters in Managua, Nicaragua, on the 25th anniversary of Castro's seizure of power in Cuba—regard the Cuban revolution as "the greatest event in Latin American history." As one of them said last year, "the New Cuba is successful evidence of what the New Latin America and the Caribbean will be."

I would like to look today at one aspect of that model that has not had enough public scrutiny: the way it deals with the persons who are in the country but outside the revolution and who hence enjoy "no rights at all."

Since Fidel Castro achieved power on January 1, 1959, many a stalwart in Cuba has gone before a firing squad shouting *"Viva la libertad!"* or *"Viva Cristo Rey!"* Hundreds of persons have spent their lives in prison under conditions so pathetic as to beggar description—conditions that made them wonder if the dead were not lucky. Many have suffered confinement of 25 years or more for such offenses as smuggling small children, with the consent of their parents, to freedom outside Cuba. We welcomed some of these valiant individuals and their families to the United States last month. They have trickled out, as it meets the pleasure of Fidel Castro to let them go. But over 300 of these so-called historic prisoners of conscience remain incarcerated. Thousands of others are in jail for similar reasons. A new wave of political arrests has been underway since 1982. The cause for such punishment is that they, in some form, resisted the autocracy that was imposed on Cuba by Fidel Castro. They have no rights at all.

Those who have left Cuba as refugees or expolitical prisoners have sometimes described bits and pieces of their existence. Few have been willing or able to portray those long years of suffering behind prison bars in Cuba. One who has done so meticulously is Armando Valladares, who in his book, *Against All Hope*, a best seller in four languages, has graphically recounted those horrific experiences which befell so many brave and honorable persons in Cuba after 1959. Valladares himself spent 22 years in those prisons and developed under the most savage repression into a lofty example of how such suffering can ennoble by developing a sterling quality of character that successfully resists all tyranny and befriends humanity. Valladares speaks with the same quiet eloquence, the same persuasive force, as does his book. I warn you that the book is not pleasant reading. Of it, Ronald Radosh wrote in the *New York Times Book Review* on June 8, 1986: "It has taken us 25 years to find out the terrible reality—Mr. Castro has created a new despotism that has institutionalized torture as a mechanism of social control."

It should not have taken 25 years. The facts about Cuba were known early, but they were greeted with incredulity or accepted more or less as statistics without regard for the human condition not only of the thousands in prison but of the millions who have lived more than a quarter century in a country where a single will has decided and where the leader's opponents went before the firing squad, to prison, to exile, or withdrew into themselves. The exiles, of course, can relate their experiences. In Cuba, dissenters are condemned to silence. Recently, one told a representative of our Interests Section there: "Sometimes the depression becomes overpowering. But I realize there is nothing I can do, so I just grit my teeth and continue with my job."

In an interview last May with French television, Fidel Castro reiterated again his famous doctrine about what is permissible under his rule. To his French audience Castro declared acceptable "criticism from within the revolution, not from outside the revolution, nor criticism to destroy the revolution." Castro assured the French that he loves criticism. "I criticize myself very harshly," he said. "I do it, and I am very satisfied. It is a practice I never plan to give up. Never." This autocratic autocriticism presumably takes place in the

shower or in front of his mirror. Perhaps the greatest dialogues in Cuba take place on such occasion. We do not know their substance. Judging by what he has been saying this year in public about life in Cuba, however, he has probably been upbraiding himself for too much leniency.

"Discipline" as a Remedy

Mr. Castro is, in fact, having a great deal of trouble with the people of Cuba. He has found that they are not working hard enough, that they are guilty of making money by supplying products to the population that are really wanted on the market, and that they are neglecting their socialist labors to devote their time and efforts to their own affairs. He called on the Third Congress of the Committees for the Defense of the Revolution, those ever-watchful block wardens of Cuban communism, to be even more vigilant, to strengthen sanctions. "Other socialist countries have pretty severe penalties," Mr. Castro noted. "I read cables from the Soviet Union saying that they tried and even executed someone over there. So maybe our sanctions for those who are responsible... undoubtedly are going to have to be a little harsher." He lamented in that speech that Latins lack discipline. "What brings a little discipline," he said, "is the revolution." He added:

> But we have to get rid of that lack of discipline we still have, of corruption, of irresponsibility, so it does not turn into a cancer that spreads and allows the day to come when everyone steals. That is one of the great tasks of the revolution and one of the great contradictions of our society.

To deal with these evils and contradictions, Castro recently countermanded himself, presumably after a vigorous session of autocriticism, and abolished the farmers free markets and the rental markets that had recently allowed a bit of encouragement for enterprise in Cuba. As he put it:

> Institutions were created here which promoted trade and capitalism—they were being promoted. The wheeler-dealers emerged. They are lazy people who do not want to work, who steal. The managers who began to relax the norms are to blame. The farmers free market created a lot of millionaires. They made money with anything they put on the market. What was happening? Well, enterprises decided to manufacture goods for the people.

I must tell you that manufacturing goods for the people is not necessarily a virtue in communist society and especially in Cuba. It smacks of what good communists call "consumerism," an opprobrious epithet for what we call consumer sovereignty.

Cuba's economy is, indeed, a problem. Cuba has been rescheduling its debt to Western countries since 1983 and has reached the point where it cannot even pay interest and seeks several hundred million dollars in new money. Cuba's chief export for convertible currency has been a commodity scarcely found in Cuba at all: it is the reexport of Soviet oil. But the price of oil has fallen, and Moscow can no longer give Cuba the dollars which Cuba so badly needs. For the Russians, whose annual commodity subsidy to Havana is valued at more than $4.5 billion per year, the Cuban economic dilemma is disturbing. Cuba is today doubtlessly far more egalitarian than it was in the days of Fulgencio Batista. There are few rich, except for the goods and services available to the privileged vanguard who run the country, such as the houses of those who fled the revolution. Cuba, a country given to the monoculture of sugar, nevertheless rations sugar, like coffee and all basic commodities. There is now rationing even of beer. Only a half bottle of beer is available per family per day. In Cuba there is no "this Bud's for you" after a day in the tropical sun. Maybe it is the absence of reward that produces the lackadaisical work ethic which Castro is criticizing, but his remedy of discipline and vigilance does not address the underlying problem, and it has an ominous sound. By the way, the Cubans who fled his rule and settled in the United States show no such sloth. It is, perhaps, a matter of freedom and incentive, rather than a so-called Latin lack of discipline, that troubles Cuba.

Arrest of the Human Rights Committee

Given the Castro regime's well-documented treatment of its opponents, given its growing concern over the passive attitude of the Cuban population and such manifestations of unrest as a rapidly rising urban crime rate, it is not surprising to see the authorities accentuating their crackdown on what passes for human rights activities in Cuba. This is a country which never permits any outside authority, whatever its humanitarian credentials, to put a flashlight, much less a spotlight, on Cuba. Cuba enjoys standing in the prosecutor's corner, condemning real or imagined violations of human rights in dozens of other countries. Its chief so-called labor leader recently wished the workers of Chile a prompt return to "democracy and freedom." He did not wish as much, of course, for Cuba. Cuba is careful to keep its own skeletons, real and allegorical, living and dead, well hidden from public scrutiny. Those who wonder how authorities can keep people from telling the crimes of the regime against their own persons should read Robert Conquest's account of the Great Purge in the Soviet Union. There is always another loved one who can be punished if there is an outcry. There is always something more one can lose.

Cuba recently arrested the remaining members still at large of the unofficial Cuban Committee on Human Rights, a group of brave souls who have tried valiantly with their candles to illuminate those dark areas which need a spotlight. Late last month the Cuban police arrested Elizardo Sanchez, Adolfo Rivero Caro, and Enrique Hernandez—the last members of this unofficial committee still at large. They had dared to inform a Reuter correspondent in Havana of the arrest shortly before of two other members of the committee, Dr. Domingo Jorge Delgado and Jose Luis Alvarado, who have reportedly been jailed and tortured. Sanchez is now on a hunger strike and is suffering, as well, the effects of brutal interrogation. The Reuter correspondent and an *Agence France Presse* correspondent were expelled from Cuba as a result.

The president of the Human Rights Committee, Ricardo Bofill, recently took refuge in an embassy in Havana after these arrests and the death of a 17-year-old boy in police custody. The boy, Antonio Frias Sosa, had apparently taken photographs for the committee and had in his possession a copy of the international human rights declaration. Not long ago, too, the distinguished attorney Aramis Taboada died of unexplained circumstances in Cuban prison. He had defended a number of persons accused of such unacceptable practices as an attempt to form a free trade union in a country which already has the only trade union Fidel Castro says it needs.

These names are not mythical. These persons are flesh and blood. We are in personal contact with their relatives or survivors of some of them. On September 25, Amnesty International stated its belief that the five men still living are prisoners of conscience arrested because of their activities in defense of human rights. It asked its correspondence list to appeal immediately to Fidel Castro and his ministries in Havana for their release.

Because of the power of the Cuban state and the crushing weight of its sanctions, active opponents are few in number and little known to the world, but they are representative because they have tried to resist the dictatorship on behalf of their frightened fellow citizens in a regime which decides who will have rights and who will enjoy no rights at all. Some come from the leftwing of the political spectrum in Cuba; many were associated with the so-called microfraction in the late 1960s that was accused of being pro-Soviet. What has united them is their recognition, even if in some cases belated, that justice is conspicuous by its absence in Cuba.

A Model for the Hemisphere

All of this would be cause for concern even if the island Cuba were off in the Java Sea. But it is 90 miles away from our shores. The despair and shame of Cuba do not prevent Fidel Castro from representing it as a model for others. In the Cuban Constitution he has inscribed the right and—more to the point—the "duty" of the Cuban people to support revolutionary internationalism and wars of national liberation. In practice this has meant a nearly unbroken series of interventions by Cuba from 1959 to the present, with increasing sophistication, employing modern weaponry and, since the late 1970s, enjoying full Soviet backing.

Thus this system not only prevails in Cuba; it is intended to be replicated in the hemisphere. In Latin America the long reach of Fidel Castro is feared by many and admired by a few. Why should they admire a man who has presided over so much grief at home and rules over a militarized society closely aligned with the Soviet Union? For one thing, he has demonstrated that he knows how to seize and hold power indefinitely. For a second, he has sworn eternal hostility to the United States and uses anti-Americanism as symbolic of all of Latin America's ills. For a third, he has stimulated Cuba's development of its pre-1959 strengths in health and education and has exaggerated the gains achieved. For a fourth, he pretends to an egalitarianism that gives psychic comfort to many who are bothered by the social injustice they may see in their own country. But, most of all, he appeals to those Latin American elite vanguardists who wish to impose their own notions of how society should be organized on their own countrymen without fear of challenge.

It has been said that those who refuse to learn from history must relive it. We have lived 28 years with a cruel system in Cuba that has tried irrepressibly to replicate itself and which is convinced that its time has now come. Not so long ago Soviet Marshal Ogarkov said that for many years there was only Cuba, but now there were Nicaragua and Grenada and a fight was going on in El Salvador. We cannot afford to turn a blind eye to that struggle to build a new Latin America on the model of Fidel Castro's Cuba. It is argued today by some that these revolutionaries really have democratic objectives despite overwhelming evidence to the contrary. What did their model say, in his day, when he was struggling to seize power and construct the new Cuba?

The False Prophet

On January 13, 1959, Fidel Castro told the Cuban press:

> I don't know why there are calumnies against our revolution about it being communist. I don't know how they can speak in this manner. Is there someone who could think we are hiding dark intentions? Is there perhaps someone who could affirm that we ever lied to the people? We would never prostitute our conscience with a lie or hypocrisy for any reason in the world.

On April 17, 1959, he told the National Press Club in Washington:

> I have declared clearly and definitely that we are not communists. What our revolution seeks is to form a democracy with civil and individual rights and political guarantees.

On May 5, 1959, in Montevideo, Fidel Castro said:

> I am among those who sincerely believe in liberty. I am among those who believe that each one has the right to his opinion. and if he does not think as I do, I will discuss his reasons, argue against his ideas, but I will not deprive him of the right to speak according to his conscience. The system will never deprive anyone of his rights, imprison the intellectual, gag the thought process for any reason in the world.

And, finally, on May 8, 1959, in Havana he told a large crowd of Cubans in the *Plaza de la Revolucion:*

> All Cubans, whatever their party, will always be respected. Freedom of thought, freedom of association, freedom of belief, are freedoms sacred to our revolution. Then we say that our revolution is not communist. If our ideas were communist, we would say so here.

And last May, when French television asked Castro if he had not falsely proclaimed himself a democrat in 1959, he responded:

> The United States wanted us to commit a strategic and tactical error and proclaim a doctrine as a communist movement. In reality I was a communist. It would have been premature to proclaim the Marxist-Leninist character of the Revolution. Nevertheless anyone who read attentively "History Will Absolve Me" and the Moncada program can appreciate that it was a socialist who guided it and wrote those lines.

Thus spoke the false democrat, the true autocrat, whom the Cuban intellectual and original friend of the Cuban revolution, Guillermo Cabrera Infante, has called the only free man in Cuba.

Of the Nicaraguan Sandinistas, Fidel Castro told the Spanish news agency EFE last year that their strategy is "perfect." They are true revolutionaries, he said, not mere reformists or moderates, but they will not introduce the "socialist" (communist) character of their revolution until conditions permit. And their strategy, he added, should be a model for other revolutionaries elsewhere in Latin America.

You must have heard on the streets of St. Louis what I heard on the streets of St. Paul: fool me once, shame on you; fool me twice, shame on me.

Let us put a mighty spotlight on Cuba, not only for the sake of humanity suffering there but as a service to those living in other countries whose fate is challenged by the Cuban model. May the illumination of Cuba enable the supporters of democracy and human rights in this hemisphere better to discern friend from foe and to avoid for themselves the tragedy of the Cuban revolution. ■

Current Actions

MULTILATERAL

Antarctica
Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Brussels Oct. 18, 1985.[1]
Notification of acceptance: South Africa, Oct. 8, 1986.

Arbitration
Inter-American convention on international commercial arbitration. Done at Panama City Jan. 30, 1976. Entered into force June 16, 1976.[2]
Senate advice and consent to ratification: Oct 9, 1986.[3]

Atomic Energy
Agreement concerning the transfer to Thailand of enriched uranium for a research reactor. With annexes and exchange of notes.

Done at Vienna Sept. 30, 1986. Entered into force Sept. 30, 1986.
Parties: International Atomic Energy Agency; Thailand; U.S.

Aviation, Civil
Convention for the suppression of unlawful seizure of aircraft. Done at The Hague Dec. 16, 1970. Entered into force Oct. 14, 1971. TIAS 7192.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal Sept. 23, 1971. Entered into force Jan. 26, 1973. TIAS 7570.
Accessions deposited: Yemen Arab Republic (Sanaa), Sept. 30, 1986.

Protocol on the authentic quadrilingual text of the convention on international civil aviation (Chicago, 1944 TIAS 1591), with annex. Done at Montreal Sept. 30, 1977.[1]
Acceptance deposited: Philippines, Oct. 20, 1986.

Conservation
Convention on international trade in endangered species of wild fauna and flora, with appendices. Done at Washington Mar. 3, 1973. Entered into force July 1, 1975. TIAS 8249.
Notification of succession deposited: Belize, Aug. 19, 1986; effective Sept. 21, 1981.

Amendment to the convention of Mar. 3, 1973, on international trade in endangered species of wild fauna and flora. Done at Bonn June 22, 1979.[1]
Acceptances deposited: Belize, Aug. 19, 1986; Cyprus, Aug. 20, 1986.

Convention on wetlands of international importance especially as waterfowl habitat, with protocol adopted at Paris Dec. 3, 1982. Done at Ramsar Feb. 2, 1971. Entered into force Dec. 21, 1975.[2]
Senate advice and consent to ratification: Oct. 9, 1986.

Consular Relations
Vienna convention on consular relations. Done at Vienna Apr. 24, 1963. Entered into force Mar. 19, 1967; for the U.S. Dec. 24, 1969. TIAS 6820.
Notification of succession deposited: Saint Lucia, Aug. 27, 1986.

Customs
Convention establishing a Customs Cooperation Council, with annex. Done at Brussels Dec. 15, 1950. Entered into force Nov. 4, 1952; for the U.S. Nov. 5, 1970. TIAS 7063.
Accession deposited: Central African Republic, July 28, 1986.

Diplomatic Relations
Vienna convention on diplomatic relations. Done at Vienna Apr. 18, 1961. Entered into force Apr. 24, 1964; for the U.S. Dec. 13, 1972. TIAS 7502.
Notification of succession deposited: Saint Lucia, Aug. 27, 1986.

Finance
Agreement concerning the international fund for Ireland, with annexes. Done at Washington Sept. 26, 1986. Entered into force Sept. 26, 1986.
Parties: Ireland, U.K., U.S.

Fisheries
Protocol to amend the international convention of May 14, 1966, for the conservation of Atlantic tunas (TIAS 6767). Done at Paris July 10, 1984.[1]
Instrument of ratification signed by President: Sept. 30, 1986.

Judicial Procedure
Convention on the taking of evidence abroad in civil or commercial matters. Done at The Hague Mar. 18, 1970. Entered into force Oct. 7, 1972. TIAS 7444.
Extended to: Anguilla by the U.K.; July 3, 1986.[4]

Inter-American convention on letters rogatory. Done at Panama City Jan. 30, 1976. Entered into force Jan. 16, 1976.[2]

Additional protocol to the Inter-American convention on letters rogatory, with annex. Done at Montevideo May 8, 1979. Entered into force June 14, 1980.[2]
Senate advice and consent to ratification: Oct. 9, 1986.[3]

Convention on the civil aspects of international child abduction. Done at The Hague Oct. 25, 1980. Entered into force Dec. 1, 1983.[2]
Senate advice and consent to ratification: Oct. 9, 1986.[3]

Marine Pollution
Protocol relating to intervention on the high seas in cases of pollution by substances other than oil. Done at London Nov. 2, 1973. Entered into force Mar. 30, 1983. TIAS 10561.
Accession deposited: Finland, Aug. 4, 1986.

Protocol of 1978 relating to the international convention for the prevention of pollution from ships, 1973. Done at London Feb. 17, 1978. Entered into force Oct. 2, 1983.
Accession deposited: India, Sept. 24, 1986.[5]

Maritime Matters
Convention on the International Maritime Organization, as amended. Signed at Geneva Mar. 6, 1984. Entered into force Mar. 17, 1958. TIAS 4044, 6285, 6490, 8606, 10374.
Acceptance deposited: Vanuatu, Oct. 21, 1986.

Protocol of 1978 relating to the international convention for the safety of life at sea, 1974 (TIAS 9700). Done at London Feb. 17, 1978. Entered into force May 1, 1981. TIAS 10009.
Accessions deposited: Egypt, Aug. 7, 1986; Malta, Aug. 8, 1986.

Amendments to the international convention on load lines, 1966 (TIAS 6331, 6629, 6720). Adopted at London Nov. 17, 1983.[1]
Acceptance deposited: China, Sept. 9, 1986.

Narcotic Drugs
Single convention on narcotic drugs, as amended. Done at New York, Mar. 30, 1961. Entered into force Dec. 13, 1964; for the U.S. June 24, 1967. TIAS 698, 8118.
Accession deposited: Qatar, Oct. 3, 1986.

Convention on psychotropic substances. Done at Vienna Feb. 21, 1971. Entered into force Aug. 16, 1976; for the U.S. July 15, 1980. TIAS 9725.
Accessions deposited: Malaysia, July 22, 1986; Somalia, Sept. 2, 1986.

Nuclear Accidents
Convention on early notification of a nuclear accident. Done at Vienna Sept. 26, 1986. Open for signature at Vienna and New York Sept. 26 and Oct. 6, 1986, respectively, through Sept. 25, 1987.
Entered into force: Oct. 27, 1986.[2]
Signatures: Afghanistan, Australia, Austria, Belgium, Brazil, Bulgaria, Belorussian S.S.R., Canada, Chile, China, Costa Rica, Cote d'Ivoire, Cuba, Czechoslovakia (definitive), Denmark (definitive), Egypt, Finland, France, German Democratic Republic, Federal Republic of Germany, Greece, Guatemala, Hungary, Iceland, Indonesia, Iran, Ireland, Israel, Italy, Lebanon, Liechtenstein, Mexico, Monaco, Morocco, Netherlands, Niger, Norway (definitive), Panama, Poland, Portugal, Spain, Sudan, Sweden, Switzerland, Turkey, Ukrainian S.S.R., U.S.S.R., U.K., U.S., Vatican City, Zimbabwe, Sept. 26, 1986.

Convention on assistance in the case of a nuclear accident or radiological emergency. Done at Vienna Sept. 26, 1986. Open for signature at Vienna and New York Sept. 26 and Oct. 6, 1986, respectively, until its entry into force or through Sept. 25, 1987. Enters into force 30 days after consent to be bound has been expressed by three states.
Signatures: Afghanistan, Australia, Austria, Belgium, Brazil, Bulgaria, Belorussian S.S.R., Canada, Chile, China, Costa Rica, Cote d'Ivoire, Cuba, Czechoslovakia, Denmark, Egypt, Finland, France, German Democratic Republic, Federal Republic of Germany, Greece, Guatemala, Hungary, Iceland, Indonesia, Iran, Ireland, Israel, Italy, Lebanon, Liechtenstein, Mexico, Monaco, Morocco, Netherlands, Niger, Norway (definitive), Panama, Poland, Portugal, Spain, Sudan, Sweden, Switzerland, Turkey, Ukrainian S.S.R., U.S.S.R., U.K., U.S., Vatican City, Zimbabwe, Sept. 27, 1986.

Nuclear Material—Physical Protection
Convention on the physical protection of nuclear material, with annexes.
Done at Vienna Oct. 26, 1979.[1]
Signatures: Argentina, Feb. 28, 1986; Ecuador, June 26, 1986; Indonesia, July 3, 1986; Spain, Apr. 7, 1986.
Ratifications deposited: Canada, Mar. 21, 1986; Mongolia, May 28, 1986; Yugoslavia, May 14, 1986.

Pollution
Convention for the protection of the ozone layer, with annexes. Done at Vienna Mar. 22, 1985.[1]

Ratifications deposited: Finland, Sept. 25, 1986; Norway, Sept. 23, 1986.
Protocol to the convention on long-range transboundary air pollution of Nov. 13, 1979 (TIAS 10541), concerning monitoring and evaluation of the long-range transmission of air pollutants in Europe (EMEP), with annex. Done at Geneva Sept. 28, 1984.[1]
Approval deposited: Bulgaria, Sept. 26, 1986.
Ratification deposited: Federal Republic of Germany, Oct. 7, 1986.

Prisoner Transfer
Convention on the transfer of sentenced persons. Done at Strasbourg Mar. 21, 1983. Entered into force July 1, 1985. TIAS 10824.
Signature: Ireland, Aug. 20, 1986.
Ratification deposited: Austria, Sept. 9, 1986.[4]

Property-Intellectual
Convention on establishing the World Intellectual Property Organization. Done at Stockholm July 14, 1967. Entered into force Apr. 26, 1970; for the U.S. Aug. 25, 1970. TIAS 6932.
Accession deposited: Lesotho, Aug. 18, 1986.

Satellite Communications Systems
Convention on the International Maritime Satellite Organization (INMARSAT), with annex. Done at London Sept. 3, 1976. Entered into force July 16, 1979. TIAS 9605.
Accession deposited: German Democratic Republic, Sept. 24, 1986.

Operating agreement on INMARSAT, with annex. Done at London Sept. 3, 1976. Entered into force July 16, 1979. TIAS 9605.
Signature: German Democratic Republic, Sept. 24, 1986.

Slavery
Protocol amending the slavery convention signed at Geneva on Sept. 25, 1926, and annex (TS 778). Done at New York Dec. 7, 1953. Entered into force Dec. 7, 1953, for the protocol; July 7, 1955, for annex to protocol: for the U.S. Mar. 7, 1956. TIAS 3532.

Supplementary convention on the abolition of slavery, the slave trade, and institutions and practices similar to slavery. Done at Geneva Sept. 7, 1956. Entered into force Apr. 30, 1957; for the U.S. Dec. 6, 1967. TIAS 6418.
Accessions deposited: Mauritania, June 6, 1986.

Telecommunications
International telecommunication convention, with annexes and protocols. Done at Nairobi Nov. 6, 1982. Entered into force Jan. 1, 1984; definitively for the U.S. Jan. 10, 1986.
Ratifications deposited: Benin, Zimbabwe, July 4, 1986; Cameroon, June 17, 1986; Equatorial Guinea, June 11, 1986; Iceland, July 3, 1986; Phillippines, July 23, 1986; Romania, July 1, 1986; Venezuela, June 23, 1986.

Trade
United Nations convention on contracts for the international sale of goods. Done at Vienna Apr. 11, 1980.[1]
Senate advice and consent to ratification: Oct. 9, 1986.[4]

Protocol for the accession of Mexico to the general agreement on tariffs and trade. Done at Geneva July 17, 1986. Entered into force Aug. 24, 1986.
Acceptances deposited: Australia, Brazil, Hong Kong, India, Jamaica, Japan, Republic of Korea, Mexico, Nicaragua, Peru, Sweden, Switzerland, U.S., Uruguay, Yugoslavia, July 25, 1986; Colombia, Aug. 25, 1986.

Treaties
Vienna convention of the law of treaties, with annex. Done at Vienna May 23, 1969. Entered into force Jan. 27, 1980.[2]
Accession deposited: German Democratic Republic, Oct. 20, 1986.

Wheat
Wheat trade convention, 1986. Done at London Mar. 14, 1986. Entered into force July 1, 1986.[6]
Accession deposited: India, Sept. 24, 1986.

Women
Convention on the political rights of women. Done at New York Mar. 31, 1953. Entered into force July 7, 1954; for the U.S. July 7, 1976. TIAS 8289.
Accession deposited: Angola, Sept. 17, 1986.

Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.[2]
Accession deposited: Angola, Sept. 17, 1986.
Ratification deposited: Zaire, Oct. 17, 1986.

BILATERIAL

Chile
International express mail agreement with detailed regulations. Signed at Montevideo Sept. 8, 1986. Entered into force Sept. 26, 1986.

China
Agreement for the avoidance of double taxation and the prevention of tax evasion with respect to taxes on income, with protocol and exchange of notes. Signed at Beijing Apr. 30, 1984.

Protocol concerning the interpretation of paragraph 7 of the protocol to the agreement for the avoidance of double taxation and the prevention of tax evasion with respect to taxes on income of Apr. 30, 1984. Signed at Beijing May 10, 1986.
Senate advice and consent to ratification: July 24, 1986.
Instrument of ratification signed by President: Sept. 7, 1986.

Colombia
Agreement amending agreement of July 1 and Aug. 11, 1982 (TIAS 10543), as amended, relating to trade in cotton, wool, and man-made fiber textiles and textile products. Effected by exchange of letters at Washington Aug. 25 and 29, 1986. Entered into force Aug. 29, 1986; effective July 1, 1986.

Ecuador
Air transport agreement, with annexes. Signed at Washington Sept. 26, 1986. Enters into force on a date to be determined in exchange of notes that all necessary internal procedures have been completed by both parties.

France
Agreement extending the agreement of Jan. 18, 1977, as extended (TIAS 8839), in the field of liquid metal-cooled fast breeder reactors. Effected by exchange of letters at Paris and Washington July 16 and Aug. 25, 1986. Entered into force Aug. 25, 1986; effective June 8, 1986.

Federal Republic of Germany
Supplementary treaty to the treaty concerning extradition of June 20, 1978 (TIAS 9785). Signed at Washington Oct. 21, 1986. Enters into force upon the exchange of instruments of ratification.

Supplementary agreement amending the agreement on social security of Jan. 7, 1976, with supplementary administrative agreement amending the administrative agreement of June 21, 1978 (TIAS 9542). Signed at Washington Oct. 2, 1986. Enters into force on the first day of the month following the month in which both governments have informed each other that steps necessary under their national statutes have been taken.

Agreement extending the agreement of June 8, 1976 (TIAS 8657), in the field of liquid metal-cooled fast breeder reactors. Effected by exchange of letters at Bonn and Washington Aug. 26 and Oct. 7, 1986. Entered into force Oct. 7, 1986.

Guinea
Agreement for agricultural commodities under food for progress, with attachments. Signed at Conakry Sept. 15, 1986. Entered into force Sept. 15, 1986.

Honduras
Agreement amending the agreement of June 11, 1982, for the sale of agricultural commodities. Signed at Tegucigalpa June 21, 1985. Entered into force June 21, 1985.

Agreement amending the agreement of Mar. 11, 1985, for the sale of agricultural commodities. Signed at Tegucigalpa June 21, 1985. Entered into force June 21, 1985.

Iceland
Treaty to facilitate defense relationship, with related memorandum of understandings. Signed at New York Sept. 24, 1986. Enters into force upon the exchange of instruments of ratification of Reykjavik.
Senate advice and consent to ratification: Oct. 8, 1986.
Instrument of ratification signed by President: Oct. 20, 1986.

Indonesia
Agreement amending the agreement of June 2, 1986, for the sale of agricultural commodities. Effected by exchange of notes at Jakarta Sept. 18 and 22, 1986. Entered into force Sept. 22, 1986.

Israel
Grant agreement to support the economic and political stability of Israel. Signed at Washington May 15, 1986. Entered into force May 15, 1986.

Madagascar
Agreement for agricultural commodities under food for progress, with attachments. Signed at Antananarivo Aug. 13, 1986. Entered into force Aug. 13, 1986.

Mauritius
Agreement amending agreement of June 3 and 4, 1985, concerning trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Port Louis Sept. 29 and Oct. 7, 1986. Entered into force Oct. 7, 1986; effective Apr. 1, 1986.

Mexico
Minute 270 of International Boundary and Water Commission: Recommendations for first stage treatment and disposal facilities for the solution of the border sanitation problem at San Diego, California-Tijuana, Baja California. Signed at Ciudad Juarez Apr. 30, 1985. Entered into force July 16, 1985.

Agreement amending the agreement of Mar. 29, 1983 (TIAS 10675), relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Aug. 25 and Sept. 29, 1986. Entered into force Sept. 29, 1986.

Mozambique
Agreement amending the agreement of Apr. 11, 1986, for the sale of agricultural commodities. Effected by exchange of letters at Maputo Aug. 22, 1986. Entered into force Aug. 22, 1986.

Oman
Memorandum of understanding on the operation of storage facilities at SOAF bases, with annexes. Signed at Shaw Air Force Base and Seeb Sept. 18, 1986. Entered into force Sept. 18, 1986.
Supersedes agreement of July 31 and Sept. 18, 1985.

Panama
Agreement concerning the taxation of income of U.S. contractors and subcontractors of the Panama Canal Commission or U.S. Forces, with attachments and related note. Effected by exchange of notes at Panama Sept. 11, 1986. Entered into force Sept. 11, 1986.

Sao Tome and Principe
Investment incentive agreement. Effected by exchange of notes at Washington Sept. 24, 1986. Entered into force Sept. 24, 1986.

South Africa
Agreement relating to air services, with annex and exchange of notes, as amended. Signed at Cape Town May 23, 1947. Entered into force May 23, 1947. TIAS 1639, 2870, 6512.
Notice of termination given by U.S.: Oct. 8, 1986; effective Oct. 10, 1987.

Convention for the avoidance of double taxation and for establishing rules of reciprocal administrative assistance with respect to taxes on income. Signed at Pretoria Dec. 13, 1946. Entered into force July 15, 1952. TIAS 2510.

Protocol supplementing convention of Dec. 13, 1946. Signed at Pretoria July 14, 1952. Entered into force July 15, 1952. TIAS 2510.
Notification of termination given by U.S.: Oct 15, 1986; effective July 1, 1987.

Spain
Agreement on social security, with administrative arrangement. Signed at Madrid Sept. 30, 1986. Enters into force on the first day of the second month following exchange of notifications that each contracting state has fulfilled its statutory or constitutional requirements.

Thailand
Agreement amending agreement of July 27 and Aug. 8, 1983 (TIAS 10760), as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Bangkok Sept. 3 and Oct. 9, 1986. Entered into force Oct. 9, 1986.

Tunisia
Agreement amending the agreement of June 11, 1986, for the sale of agricultural commodities. Signed at Tunis Sept. 4, 1986. Entered into force Sept. 4, 1986.

United Kingdom
Agreement concerning the Turks and Caicos Islands and narcotics activities, with annex and forms. Effected by exchange of letters at Washington Sept. 18, 1986.
Entered into force: Oct. 21, 1986.

[1]Not in force.
[2]Not in force for the U.S.
[3]With reservation(s).
[4]With declaration(s)
[5]Not bound by Optional Annexes III, IV, and V.
[6]In force provisionally for the U.S. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*192	10/1	Whitehead: interview on ABC- TV's "Nightline," Sept. 30.
193	10/1	Shultz: interview on NBC-TV's "Today Show."
*194	10/1	Whitehead: interview on CBS- TV's "The CBS Morning News."
195	10/2	*American Foreign Policy: Current Documents, 1984* released.
*196	10/2	Shultz: remarks before Jewish Community Relations Council, New York City, Sept. 30.
*197	10/6	Regional Foreign Policy Conference, Salt Lake City, Oct. 18.
*198	10/3	Shultz: luncheon remarks in honor of the Latin American and Caribbean countries, Metropolitan Museum of Art, New York City, Sept. 29.
*199	10/3	Shultz: luncheon remarks in honor of the Gulf Cooperation Council, New York City, Oct. 1
200	10/3	Shultz: news briefing, UN Plaza Hotel, New York City, Oct. 2.
*201	10/6	Advisory Committee on Historical Diplomatic Documentation to meet Nov. 6-7.
202	10/6	Shultz: interview on ABC-TV's "This Week With David Brinkley," Oct. 5.
*203	10/7	Brunson McKinley sworn in as U.S. Ambassador to Haiti, Sept. 19, (biographic data).
204	10/7	Shultz: news conference at White House.
*205	10/8	Shultz: interview on ABC-TV's "Good Morning America."
*206	10/9	Shultz: address before members of the National Conference on Soviet Jewry, Oct. 8.
*207	10/10	Shultz: interview on NBC-TV's "Today Show."
*208	10/14	Shultz: interview on CBS-TV's "The CBS Morning News."
*209	10/8	Shultz: interview on USIA's "Worldnet," Oct. 7.
*210	10/15	Shultz: interview on CNN's "Crossfire," Oct. 14.
*211	10/15	Shultz: interview on ABC-TV's "Nightline," Oct. 14.
*212	10/15	Shultz: news conference on Reykjavik meeting, Oct. 14.
*213	10/15	Shultz: interview on USIA's "Worldnet."
214	10/16	Shultz: news conference, Loftleidir Hotel, Reykjavik, Oct. 12.
*215	10/16	Shultz: news briefing with network anchors and columnists, Oct. 14.
216	10/16	*Foreign Relations of the United States, 1955-1957, Volume III, China* released.

No.	Date	Subject
*217	10/16	Appointment of U.S. delegation chairman to the 1987 World Administrative Radio Conference for Mobil Services.
*218	10/16	Armacost: address and question-and-answer session before leaders of nongovernmental organizations, Oct. 15.
*219	10/17	Program for the official visit to the U.S. of Chancellor Helmut Kohl of the Federal Republic of Germany, Oct. 20–23.
*220	10/17	Shultz, Duarte: news briefing, San Salvador, Oct. 16.
*221	10/20	Shultz: interview on "MacNeil-Lehrer Newshour," Oct. 17.
222	10/20	Shultz: interview on NBC-TV's "Meet the Press," Oct. 19.
223	10/16	Shultz: news conference, NATO headquarters, Brussels, Oct. 13.
*224	10/22	Shultz: arrival statement, San Salvador, Oct. 17.
*225	10/22	David Korn sworn in as U.S. Ambassador to Togo (biographic data).
*226	10/23	Shultz: remarks at U.S.-F.R.G. treaty signing ceremony, Oct. 21.
*227	10/23	Alexander F. Watson sworn in as U.S. Ambassador to Peru (biographic data).
*228	10/23	Charles J. Pilliod, Jr. sworn in as U.S. Ambassador to Mexico, Oct. 21 (biographic data).
*229	10/23	Theodore E. Gildred sworn in as U.S. Ambassador to Argentina, Oct. 22 (biographic data).
*230	10/23	Everett Ellis Briggs sworn in as U.S. Ambassador to Honduras (biographic data).
*231	10/27	Donald K. Petterson sworn in as U.S. Ambassador to Tanzania (biographic data).
232	10/29	*Principal Officers of the Department of State and United States Chiefs of Missions, 1778–1986* released.
*233	10/29	Ronald D. Palmer sworn in as U.S. Ambassador to Mauritius, Oct. 28 (biographic data).
*234	10/29	David C. Fields sworn in as U.S. Ambassador to the Central African Republic (biographic data).
235	10/30	*Foreign Relations of the United States, 1952–1954, Volume VII, Germany and Austria* released.

*Not printed in the BULLETIN. ■

USUN

Press releases may be obtained from the Public Affairs Office, U.S. Mission to the United Nations, 799 United Nations Plaza, New York, N.Y. 10017.

No.	Date	Subject
*1	1/13	Okun: Lebanon, Security Council.
*2	1/17	Byrne: Lebanon, Security Council.
*3	1/22	Reed: statements, Host Country Committee.
*4	1/23	Ellis: world economy, Special Session of UN Commission on Transnational Corporations, Jan. 21.
*5	1/23	Reed: economic situation in Africa, Special UN General Assembly Session.
*6	1/30	Byrne: Israel, Security Council.
*7	2/4	U.S. and UN thank New York City Police Department for outstanding services during UN 40th anniversary.
*8	2/4	Byrne: Palau, Trusteeship Council.
*9	2/6	Walters: Israeli intercept of Libyan aircraft, Security Council.
*10	212	Morrison: Challenger condolence, Committee on Peaceful Uses of Outer Space, Feb. 11.
*11	2/13	Koun: southern Africa, Security Council.
*12/ Rev.1	2/13	Morrison: space applications and UNISPACE–82, Committee on Peaceful Uses of Outer Space.
*13	2/14	Hodgkins: remote sensing, Committee on Peaceful Uses of Outer Space.
*14	2/20	Nicogossian: space biomedical research, Committee on Peaceful Uses of Outer Space.
*15	2/20	USUN hosts film in celebration of Black History Month, Feb. 24.
*16	2/20	Morrison: space transportation systems, Committee on Peaceful Uses of Outer Space, Feb. 19.
*17	2/24	Reed: economic situation in Africa, Committee II preparatory meeting.
*18	2/24	Okun: Iran-Iraq situation, Security Council.
*19	3/6	Byrne: meeting donors' on humanitarian assistance to the Kampuchean people.
*20	3/12	Walters: contributions, House Foreign Affairs Committee.
*21	3/13	Okun: host-country responsibilities, Host Country Committee.
*22	3/13	Okun: host-country responsibilities, Host Country Committee.
*23	3/18	Okun: host-country responsibilities, Host Country Committee.
*24	3/21	Reed: host-country responsibilities, Host Country Committee.
25	3/26	Walters: Libya, Security Council.
*26	3/27	Walters: Libya, Security Council.
*27	3/31	Walters: Libya, Security Council.
28	4/14	Okun: Libya, Security Council.
29/ Rev.1	4/15	Walters: self-defense, Security Council.
*30	4/15	DiMartino: children, UNICEF.
*31	4/18	Children at War: The Case of Afghanistan.
*32	4/18	Okun: Libya, Security Council.
*33/ Rev.1	4/21	Walters: UNIFIL renewal, Security Council, Apr. 18.
34/ Rev.1	4/21	Walters: Libya, Security Council.
*35	4/23	Reed: economic situation in Africa, Committee IV preparatory meeting for Special Session of UN General Assembly.
36	4/24	Walters: Cuba, Security Council.
37	4/30	Walters: UN financial crisis, UN General Assembly in plenary.
*38	4/30	Walters: accident at Chernobyl atomic energy station, UN General Assembly.

*Not printed in the BULLETIN. ■

Department of State

Free **single** copies of the following Department of State publications are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan
Report on Reykjavik, TV address to the nation, Oct. 13, 1986 (Current Policy #875).
The Significance of Reykjavik, officials of the State Dept. and ACDA, Oct. 14, 1986 (Current Policy #880).

Africa
U.S. Response to Africa's Food Needs (GIST, Oct. 1986).

Arms Control
Verifying Nuclear Testing Limitations: Possible U.S.-Soviet Cooperation, Aug. 1986 (Special Report #152).
Vienna CSCE Followup Meeting (GIST, Oct. 1986)

Department & Foreign Service
Toward a More Representative Foreign Service, Under Secretary Spiers, Congressional Black Caucus Foreign Affairs Braintrust Workshop, Oct. 3, 1986 (Current Policy #873).
The Fiscal Threat to U.S. Foreign Policy, Under Secretary Spiers, National Council on World Affairs Organizations, Oct. 15, 1986 (Curent Policy #877).

East Asia
The Philippines and the United States, Under Secretary Armacost, Fletcher School of Law and Diplomacy, Oct. 6, 1986 (Current Policy #876).

Europe
U.S.-Soviet Relations: Background and Prospects, Special Assistant to the President Ambassador Matlock, Chautauqua Conference on U.S.-Soviet Relations, Jurmala, Latvia, Sept. 15, 1986 (Current Policy #870).
U.S.-Soviet Relations: Coping With Conflicts in the Third World, Under Secretary Armacost, Institute for International Studies, Brown University, Providence, Sept. 26, 1986 (Current Policy #879).

Human Rights
The Systematic Repression of Soviet Jews, Office Director Roger Pilon, Metrowest Conference on Soviet Jewry, East Orange, New Jersey, Sept. 28, 1986 (Current Policy #878).

Middle East
Supporting U.S. Interests in the Middle East, Assistant Secretary Murphy, Subcommittee on Europe and the Middle East, House Foreign Affairs Committee, Oct. 8, 1986 (Current Policy #874).

Pacific
The Strategic Importance of the Emerging Pacific, Assistant Secretary Sigur, conference cosponsored by Georgetown University Center for Strategic and International Studies and the Pacific Islands Asso., Sept. 29, 1986 (Current Policy #871).

Refugees
U.S. Refugee Policy and Programs for FY 1987, Refugee Coordinator Moore, Subcommittee on Immigration and Refugee Policy, Senate Judiciary Committee (Sept. 16, 1986) and Acting Refugee Director Funseth, House Judiciary Committee (Sept. 26, 1986) (Current Policy #872).

Western Hemisphere
A Spotlight on Cuba, Office Director Kenneth N. Skoug, Jr., World Affairs Council, St. Louis, Oct. 22, 1986 (Current Policy #881).
U.S.-Mexican Relations (GIST, Oct. 1986). ■

Foreign Relations Volumes Released

WESTERN EUROPEAN SECURITY AND INTEGRATION, SEPT. 12, 1986[1]

The Department of State on September 12, 1986, released *Foreign Relations of the United States*, 1955–1957, Volume IV, Western European Security and Integration. This volume contains compilations on U.S. participation in NATO [North Atlantic Treaty Organization], on European integration (the origins of the Common Market), and on meetings of the European chiefs of mission.

The most important documentation in the volume concerns the changes that occurred in the U.S. role in NATO. The shift in Soviet policy beginning early in 1955 from confrontation with the West to more dialogue occasioned fundamental changes in the members' conception of the alliance, and the allies placed a wholly new emphasis on Article 2 of the North Atlantic Treaty, calling for nonmilitary cooperation among themselves. This led to the "Three Wise Men's Report" of late 1956. Subsequent Soviet diplomatic moves brought the beginnings of a change in Western strategic doctrine from massive retaliation toward a more flexible response. Finally, the launching of Sputnik in October 1957 and the failure of disarmament negotiations at about the same time precipitated an extraordinary NATO heads of government meeting in December 1957, to invigorate the alliance and open some new pathways to genuine arms control.

The United States also had an important role during this period in encouraging the economic integration of Europe culminating with the establishment of the European Economic Community in March 1957.

The volume presents over 640 pages of previously classified documents on U.S. policy toward Europe. This authoritative official record is based upon the files of the Department of State, the White House, other government agencies, and selected interviews with participants. This volume is the second in the *Foreign Relations* series to be published for the period 1955–1957.

Foreign Relations, 1955–1957, Volume IV, was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. Copies of Volume IV (Department of State Publication No. 9453, GPO Stock No. 044-000-02119-6) may be purchased for $30.00 (domestic postpaid) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Checks or money orders should be made payable to the Superintendent of Documents.

CHINA, OCT. 16, 1986[2]

The Department of State on October 16, 1986, released *Foreign Relations of the United States*, 1955–1957, Volume III, China. This volume contains documents on U.S. policy toward China from August 1955 through December 1957, the period of the first ambassadorial talks between the United States and the People's Republic of China (P.R.C.).

The talks, held in Geneva, reestablished the diplomatic contact broken in 1949 and opened a crack in the frozen hostility which separated the two countries. Secretary of State John Foster Dulles approached the talks as an aspect of his efforts to contain what he saw as the menace of mainland China. His immediate objective was to obtain the release of Americans imprisoned in China, and his larger intent was to defuse the threat to Taiwan and the offshore islands. The American negotiator, Ambassador U. Alexis Johnson, took his lead from Dulles and insisted throughout the talks that Chinese compliance with these basic U.S. objectives was an essential prerequisite to any consideration of

further normalizing relations between the two countries. The focal point of the talks, from the American perspective, was the discussion of a proposed agreement on a mutual renunciation of force. The Chinese viewed the talks as an opportunity to win *de facto* recognition from the United States, and they pushed steadily for agreements on such issues as the relaxation of trade restrictions and the exchange of journalists which would imply closer relations. In the end, the Geneva talks produced no agreement beyond an initial understanding on the exchange of prisoners. A gap of perception and intent, as well as hostility, separated Washington and Beijing; it would not be overcome for another 15 years.

The volume also deals with U.S. relations with the Chinese Nationalists on Taiwan. The Nationalists were greatly disturbed by the ambassadorial talks, in spite of Washington's efforts to reassure them. Relations suffered a rude shock in May 1957 when rioters in Taipei attacked the U.S. Embassy after a U.S. Army court martial acquitted a sergeant who had killed a Chinese national. Nevertheless, the relationship remained close. Such U.S. leaders as Secretary Dulles and Vice President Nixon visited Taiwan, and U.S. military and economic aid continued at a high level.

Foreign Relations, 1955–1957, Volume III, comprising 673 pages of previously classified foreign affairs records, was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. This authoritative official record is based upon the files of the White House, the Department of State, and other government agencies. Volume II, which documents U.S. policy in the Taiwan Strait crisis from January through July 1955, was released recently.

Copies of Volume III (Department of State Publication No. 9451, GPO Stock No. 044–000–02137–4) may be purchased for $21.00 (domestic postpaid) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. Checks or money orders should be made payable to the Superintendent of Documents.

GERMANY AND AUSTRIA, OCT. 30, 1986[3]

The Department of State on October 30, 1986, released *Foreign Relations of the United States* 1952–1954, Volume VII, Germany and Austria. This volume documents the efforts of the United States to achieve the elements of a peace settlement in central Europe in the face of continuing Soviet policy to perpetuate the division of Europe between East and West.

The most important element in this diplomatic effort was the establishment of a viable, democratic West Germany that would take its place with the other nations of Western Europe. American, British, and French officials began negotiations with West German leaders in 1951 in order to work out a "contractual agreement" to define relations with the new Federal Republic of Germany in the absence of a peace treaty. Disagreements between France and other three countries over the measures to guarantee against a resurgence of German militarism were at the foundation of troubled negotiations in early 1952. All of these problems were eventually resolved at a meeting of the Western foreign ministers at Bonn in May 1952, and the "contractual agreements" were signed on May 26. Although overshadowed by the subsequent vote of the French Parliament against the planned European Defense Community (EDC), designed as a framework for a West German defense contribution, the proposed treaty arrangements with the Federal Republic were a major step toward a strong, independent West Germany and its entry into the NATO partnership.

The Soviet Union did not agree with the Western allies on any measures for the reunification of Germany or on a state treaty confirming the independence of Austria. Representatives of the former wartime allies met in Berlin in January and February 1954. The immediate stumbling block on the reunification of Germany was the effort by the Soviet Union to distort the concept of all-German elections in an effort to protect its client state in East Germany. Negotiations for a peace treaty with Austria failed because the Soviet Union continued to demand indefinite occupation of the country. The only achievement of the conference related to Asia, not Europe, when agreement was reached to convene a conference at Geneva in April 1954 aimed at resolving the Korean and Indochinese conflicts.

Foreign Relations, 1952–1954, Volume VII, which comprises 1,997 pages of previously classified foreign affairs records, was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. This authoritative official record is based upon the files of the White House, the Department of State, and other government agencies.

Copies of Volume VII (Department of State Publication Nos. 9469 and 9470, GPO Stock No. 044–000–02142–1) may be purchased for $38.00 (domestic paid) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. Checks or money orders should be made payable to the Superintendent of Documents.

---

[1]Press release 174.
[2]Press release 216.
[3]Press release 235. ■

Background Notes

This series provides brief, factual summaries of the people, history, government, economy, and foreign relations of about 170 countries (excluding the United States) and of selected international organizations. Recent revisions are:

Australia (Aug. 1986)
Bulgaria (Oct. 1986)
Equatorial Guinea (Aug. 1986)
France (July 1986)
The Gambia (Oct. 1986)
Iceland (Aug. 1986)
Ireland (June 1986)
Philippines (Aug. 1986)
Index (Sept. 1986)

A free copy of the **index only** may be obtained from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

For about 60 *Background Notes* a year, a subscription is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for $32.00 (domestic) and $40.00 (foreign). Check or money order, made payable to the Superintendent of Documents, must accompany order. ■

INDEX

December 1986
Volume 86, No. 2117

Arms Control
Nuclear and Space Arms Talks Open Round Six (Reagan) 39
President Reagan and General Secretary Gorbachev Meet in Reykjavik (Reagan, Shultz) 1
Review Conference Held on Biological and Toxin Weapons Convention (Lowitz, final declaration, U.S. documents) 40
Reykjavik: A Watershed in U.S.-Soviet Relations (Shultz) 22
Secretary's Interview on "Meet the Press" 29
Secretary's Interview on "This Week With David Brinkley" 32
U.S.-Soviet Relations: Background and Prospects (Matlock) 61
West Urges Acceptance of Verification at MBFR Talks (U.S. statement) 37
Congress
Economic Sanctions Against South Africa (Reagan, message to the Congress, message to the House of Representatives, letter to the Congress) 35
Supporting U.S. Interests in the Middle East (Murphy) 70
U.S. Refugee Policy and Programs for FY 1987 (Funseth, Moore) 78
Cuba. A Spotlight on Cuba (Skoug) 81
Department & Foreign Service
The Fiscal Threat to U.S. Foreign Policy (Spiers) 47
Toward a More Representative Foreign Service (Spiers) 50
Developing Countries. U.S.-Soviet Relations: Coping With Conflicts in the Third World (Armacost) 57
Economics
Economic Sanctions Against South Africa (Reagan, message to the Congress, message to the House of Representatives, letter to the Congress) 35
A Spotlight on Cuba (Skoug) 81
The Strategic Importance of the Emerging Pacific (Sigur) 75
Supporting U.S. Interests in the Middle East (Murphy) 70
U.S.-Soviet Relations: Coping With Conflicts in the Third World (Armacost) 57
Egypt. Supporting U.S. Interests in the Middle East (Murphy) 70
Europe
Departure of Soviet Espionage Agents (Department statement) 60
U.S.-Soviet Relations: Background and Prospects (Matlock) 61
Food. World Food Day, 1986 (proclamation) 66
Human Rights
Economic Sanctions Against South Africa (Reagan, message to the Congress, message to the House of Representatives, letter to the Congress) 35
Human Rights and Soviet-American Relations (Shultz) 26
President Reagan and General Secretary Gorbachev Meet in Reykjavik (Reagan, Shultz) 1
Reykjavik: A Watershed in U.S.-Soviet Relations (Shultz) 22
Secretary's Interview on "Meet the Press" 29
Secretary's Interview on "This Week With David Brinkley" 32
A Spotlight on Cuba (Skoug) 81
The Systematic Repression of Soviet Jews (Pilon) 67
U.S.-Soviet Relations: Coping With Conflicts in the Third World (Armacost) 57
Iceland
President Reagan and General Secretary Gorbachev Meet in Reykjavik (Reagan, Shultz) 1
Secretary's Interview on "This Week With David Brinkley" 32
Israel
Supporting U.S. Interests in the Middle East (Murphy) 70
Visit of Israeli Prime Minister Peres (Peres, Reagan) 73
Libya. Secretary's Interview on "This Week With David Brinkley" 32
Marshall Islands. Compact of Free Association With Pacific Islands (Executive order) 74
Micronesia
Compact of Free Association With Pacific Islands (Executive order) 74
The Strategic Importance of the Emerging Pacific (Sigur) 75
Middle East
Secretary's Interview on "Meet the Press" 29
Supporting U.S. Interests in the Middle East (Murphy) 70
Nicaragua. Secretary's Interview on "Meet the Press" 29
North Atlantic Treaty Organization
NATO Nuclear Planning Group Meets in the U.K. (communique) 65
President Reagan and General Secretary Gorbachev Meet in Reykjavik (Reagan, Shultz) 1
West Urges Acceptance of Verification at MBFR Talks (U.S. statement) 37
Pacific. The Strategic Importance of the Emerging Pacific (Sigur) 75
Palau. Compact of Free Association With Pacific Islands (Executive order) 74
Philippines
The Philippines and the United States (Armacost) 52
Visit of Philippines' President Aquino (Aquino, Reagan) 55
Presidential Documents
Economic Sanctions Against South Africa (message to the Congress, message to the House of Representatives, letter to the Congress) 35
Nuclear and Space Arms Talks Open Round Six 39
President Reagan and General Secretary Gorbachev Meet in Reykjavik (Reagan, Shultz) 1
Visit of Israeli Prime Minister Peres (Peres, Reagan) 73
Visit of Philippines' President Aquino (Aquino, Reagan) 55
World Food Day, 1986 (proclamation) 66
Publications
Background Notes 90
Department of State 89
Foreign Relations Volumes Released 89
Refugees. U.S. Refugee Policy and Programs for FY 1987 (Funseth, Moore) 78
Science & Technology. Review Conference Held on Biological and Toxin Weapons Convention (Lowitz, final declaration, U.S. documents) 40
South Africa
Economic Sanctions Against South Africa (Reagan, message to the Congress, message to the House of Representatives, letter to the Congress) 35
Trade
The Strategic Importance of the Emerging Pacific (Sigur) 75
U.S.-Soviet Relations: Coping With Conflicts in the Third World (Armacost) 57
Treaties. Current Actions 84
U.S.S.R.
Departure of Soviet Espionage Agents (Department statement) 60
Human Rights and Soviet-American Relations (Shultz) 26
Nuclear and Space Arms Talks Open Round Six (Reagan) 39
President Reagan and General Secretary Gorbachev Meet in Reykjavik (Reagan, Shultz) 1
Reykjavik: A Watershed in U.S.-Soviet Relations (Shultz) 22
Secretary's Interview on "Meet the Press" 29
Secretary's Interview on "This Week With David Brinkley" 32
A Spotlight on Cuba (Skoug) 81
The Strategic Importance of the Emerging Pacific (Sigur) 75
The Systematic Repression of Soviet Jews (Pilon) 67
U.S.-Soviet Relations: Background and Prospects (Matlock) 61
U.S.-Soviet Relations: Coping With Conflicts in the Third World (Armacost) 57
West Urges Acceptance of Verification at MBFR Talks (U.S. statement) 37
Western Hemisphere. A Spotlight on Cuba (Skoug) 81

Name Index

Aquino, Corazon C 55
Armacost, Michael H 52, 57
Funseth, Robert L 78
Lowitz, Donald S 40
Matlock, Jack F 61
Moore, Jonathan 78
Murphy, Richard W 70
Peres, Shimon 73
Pilon, Roger 67
Reagan, President 1, 35, 39, 55, 66, 73
Shultz, Secretary 1, 22, 26, 29, 32
Sigur, Gaston J., Jr 75
Skoug, Kenneth N., Jr 81
Spiers, Ronald I 47, 50

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

Second Class Mail
Postage and Fees Paid
U.S. Government Printing Office
ISSN 0041-7610

OFFICIAL BUSINESS
Penalty for Private Use $300

Subscription Renewals: To insure uninterrupted service, please renew your subscription promptly when you receive the expiration notice from the Superintendent of Documents. Due to the time required to process renewals, notices are sent 3 months in advance of the expiration date. Any questions involving your subscription should be addressed to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402